



2020/2021

ANNUAL REPORT

THE AMERICAN CLUB SINGAPORE

OUR MISSION

We are in the happiness business, striving to enrich the lives of our Members, staff, guests and partners through fun, food, fitness and family, delivered with passion and pride.

OUR CORE VALUES

Safety . Respect . Integrity

OUR VISION

To create a vibrant community with a distinct American culture; a place that families can proudly call their home away from home.



CONTENTS

04	MESSAGE FROM THE PRESIDENT
06	MESSAGE FROM THE TREASURER
08	GENERAL COMMITTEE
09	THE SENIOR MANAGERS
11	YEAR IN REVIEW
23	MANAGEMENT DISCUSSION AND ANALYSIS
30	FINANCIAL REPORT



MESSAGE FROM THE PRESIDENT

A stylized, handwritten signature in white ink on a dark blue background.

Nasir Kausar

President of The American Club Singapore

The Financial Year 2020/2021 was a year like none before. Starting with the unfolding of events in January 2020, the pandemic has kept a firm grip on the world and our Club. An unforeseen crisis of this magnitude does not come with a “leadership manual” and is a test of character for any organization.

I am tremendously proud of how our General Committee (GC), Management team and staff rose to the occasion and am particularly pleased that we stayed true to our roots and remained committed to serve you. We, the GC, continue to work collaboratively with Management to ensure a Members First culture combined with transparency, financial sustainability and good governance.

Always paramount is the health and safety of Members and staff. We had many colleagues working tirelessly to turn operations into “COVID-safe” operations in a matter of days. Equally important was our commitment to serve Members during the many restrictions by the government. Despite all the challenges, The Club innovated and pivoted to continue to serve its Members. Case in point, F&B introduced bundled meals (TAC2Go!); the launch of the UNCORKED Wine Club; the introduction of the new JOGA booking

app for Tennis, Gym, and Aquatics; and the introduction of off-site Partner Camps by the Youth and Family group.

The pandemic could have easily had devastating impacts on us from a financial perspective. Instead, what could have been a setback for us turned into a great year. The Club recorded a Year-to-date Gross Operating Profit (GOP) of \$340K (before bonus) against a Budgeted Loss of \$2.880 million (last year was a loss of \$3.375 million). This is The Club’s first positive GOP (before bonus) since 2015. Without a doubt, the early and decisive actions taken on the go-to-market and cost sides made all the difference. Many of these decisions were difficult yet necessary and impactful. We also made tremendous strides in maintaining our cash reserves, which stand at \$28.42 million compared to last year’s \$22.75 million.

Despite these trying times, we welcomed 455 new Members, an increase of 2.5% compared to the end of last fiscal year. While this success was achieved with membership sales promotions, our Members’ willingness to recommend their friends and family to join The Club should be noted and applauded. The Member Referral Program has proven to be



*Always paramount is the health
and safety of Members and staff.*

very successful once again where we saw 76% of referred non-members who joined The Club at their Member friend's recommendation.

Also, importantly, a note of thanks from the GC to all the volunteers of The Club. Over 160 Members devoted their time and energy across 29 Committees and working groups in FY21. This spirit of volunteerism and participation is an essential part of The Club's DNA and ensures that we are guiding and contributing to the direction of The Club through constant improvements. And a big thank you to the Management team and staff who relentlessly provided endless support, amazing service and a can-do approach throughout the year.

Outlook 2021/2022

It is increasingly clear that the pandemic won't be over anytime soon and that we might have to cope with the related challenges for some time to come. Having said that, we are very encouraged by the strong momentum that we have been building in The Club - thanks to you and our incredible staff. We are equally confident in providing the best services for our Members. After all, The American Club Singapore is our *home away from home*.

Thank you for your continued support, and we are looking forward to a successful FY 2021/2022.



MESSAGE FROM THE TREASURER

Wayne Farmer

Wayne Farmer

Treasurer of The American Club Singapore

On behalf of the Executive and General Committees, I am pleased to present the Club's Annual Report for the financial year that ended on June 30, 2021 (FY21).

Firstly, I hope that all Club Members, extended families, friends and staff remain healthy – both in body and mind – throughout the challenges the COVID-19 pandemic has created.

If there is a silver lining, the past 18 months have hopefully made us all stop, think and reflect on our personal priorities and work-life balance. The disappearance of a hectic monthly travel schedule has permitted me significantly more time with my family, which is truly a blessing in disguise.

Speaking of challenges in FY21, coming off the end of the redevelopment process, yet again was one of the most challenging years in the history of our Club. The pandemic has impacted the Club in a myriad of ways - on everything from reduced Club capacity, to outright closures, staff shortages and family separation, increasing supply chain costs for goods and goods shortages, to the unavailability of manpower and services.

Despite going through this profound upheaval, the Club's fundamental purpose never wavered – to deliver our members a North American home away from home experience. Total Income (Operating Fund) of \$32.04 million

(\$28.97 million the prior year) saw the Club recorded its first gross operating profit (before bonus) of \$340K in six years compared to a loss of \$3.375 million in the previous year. The Club Reserves grew by approximately \$6 million to \$28.42 million, up from \$22.75 million in the previous year.

Therefore, it is appropriate that the theme for this year's Annual Report is **“Adapting and Evolving”**. The Club responded to the economic impact, management restructuring and operational setbacks from COVID-19 with strong governance and oversight; the Executive and General Committees approved difficult but necessary financial decisions to maintain operating cash flow, preserve jobs, providing safe and improved services for Members and a safe work environment for our staff.

Seizing Opportunities

Where the opportunities came, the Club saw and took them.

In the first quarter of FY21, F&B launched an online wine shop Bottles2Go!, introduced UNCORKED (an exclusive wine club) and transformed the wine program, resulting in a 82% increase in wine sales compared to the previous year.

The General Committee approved the Membership Committee's recommendation to launch the *Transfer of Membership to Family Members and Family Transfer Scheme* with the key objective of rebuilding capital reserves

as well as promoting membership legacy by encouraging members to 'Keep it in The Family'. The Associate (non-transferable) members were invited to upgrade their membership to a transferable status and transfer the membership to an immediate family member. A limited number of spots were made available and all 25 spots were taken up within a week from launch, a tremendous success.

In total, the Club delivered impressive FY21 results despite the ongoing challenges of the pandemic. The Club reported a net loss of approximately \$0.5 million, an improvement of approximately 91% compared to FY20. Gross operating profit before bonus improvement of 110% was largely due in part to our ongoing food cost control, active payroll and headcount management as well as various cost initiatives on operating expenses. This strong result allowed us to maintain our investments in upgrading Club facilities, enhancing our digital experience and upgrading our staff via various training programmes.

Challenges Remain

The COVID-19 pandemic remains: although vaccination rates remain high and the Government of Singapore is progressively managing a track back to normality, the Club may be operating with reduced capacity and business interruption for some time yet. Cost control with labor cost pressures and supply chain interruptions also remains an ongoing issue to manage; labor supply shortages and productivity are also current challenges. To partly address this, a major IT systems upgrade is underway on critical operating systems, which in some cases are more than 11 to 14 years old (and an issue not addressed during the redevelopment). The IT systems upgrade will have both back-of-house productivity and front-of-house service delivery improvements. This project will take some time to fully implement, test, modify and rollout but it will bring us benefits for the next decade or more to come.

We continue to deal with the redevelopment close out that has yet unresolved liabilities that are under negotiation - a special thanks to General Committee Member and Finance Committee Chair, Alex Elkie for leading this project. This may yet impact the final cost of the

redevelopment and we hope to resolve this soon for the Club to focus firmly on the future ahead.

The Best Is Yet To Come

While FY21 wasn't the year any of us had planned, I am grateful for the results our team and Members achieved on all fronts. Our staff took actions above and beyond duties to help Members feel comfortable and safe, while achieving impressive results. I am privileged to be part of this wonderful Club and I look forward to maintaining our focus on service delivery for our Members.

The Club's governance, management and operations are very much a team effort. I compliment my General Committee colleagues and all the other committee volunteers who contribute an incredible amount of time and energy to the Club.

Thank you to General Manager Rick Coate, the Finance Department team under the purview of Senior Director Angie Ng and the entire team of Management and Staff for their dedication, efforts and results during this period.

I would be remiss without acknowledging the Government of Singapore, our host nation, on their impressive management of the COVID-19 crisis on behalf of us all and their support to the Club with their Jobs Support Scheme, property tax rebate, rent relief and their ability to adapt to ever-changing circumstances. It hasn't been easy for any national government - I commend the action, stability and care we have seen here in our adopted home of Singapore.

Finally, a major thank you to you, the Club Members, for your patience, understanding and continued activity, participation and usage of the Club - apparent in our metrics and FY21 results.

I applaud your fantastic support of the Club and as always, myself, your fellow General Committee members and management are all here and available for your valued feedback, thoughts and ideas.

Together, we will advance the future of The American Club, our *home away from home*. Thank you for your continued trust and partnership.

GENERAL COMMITTEE



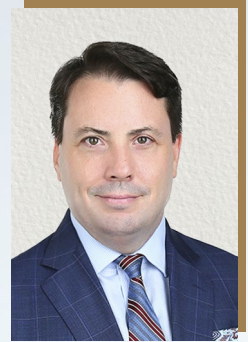
Nasir Kausar
President



Landy Eng
Vice President



Marcella Sullivan
Secretary



Wayne Farmer
Treasurer



Alex Elkies
Member at Large



Alex Zecha
Member at Large



Jill Morgenroth
Member at Large



Neetu Mirchandani
Member at Large



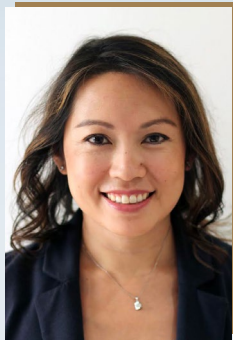
Ngiam Siew Wei
Member at Large



Peter Proft
Member at Large



Rahul Arora
Member at Large



Linda Schindler
American Women's
Association



Lt Col Douglas Krugman
US Embassy
Representative

THE SENIOR MANAGERS



Rick Coate
General Manager



ANGIE NG
Senior Director of Finance



DAN DURKIN
Director of Food & Beverage



Jon Lim
Director of People Development



Eleen Yap
Assistant Director of Club Services



Nerang Mohamad
Assistant Director of Facilities



Mark James
Assistant Director of
Fitness & Leisure



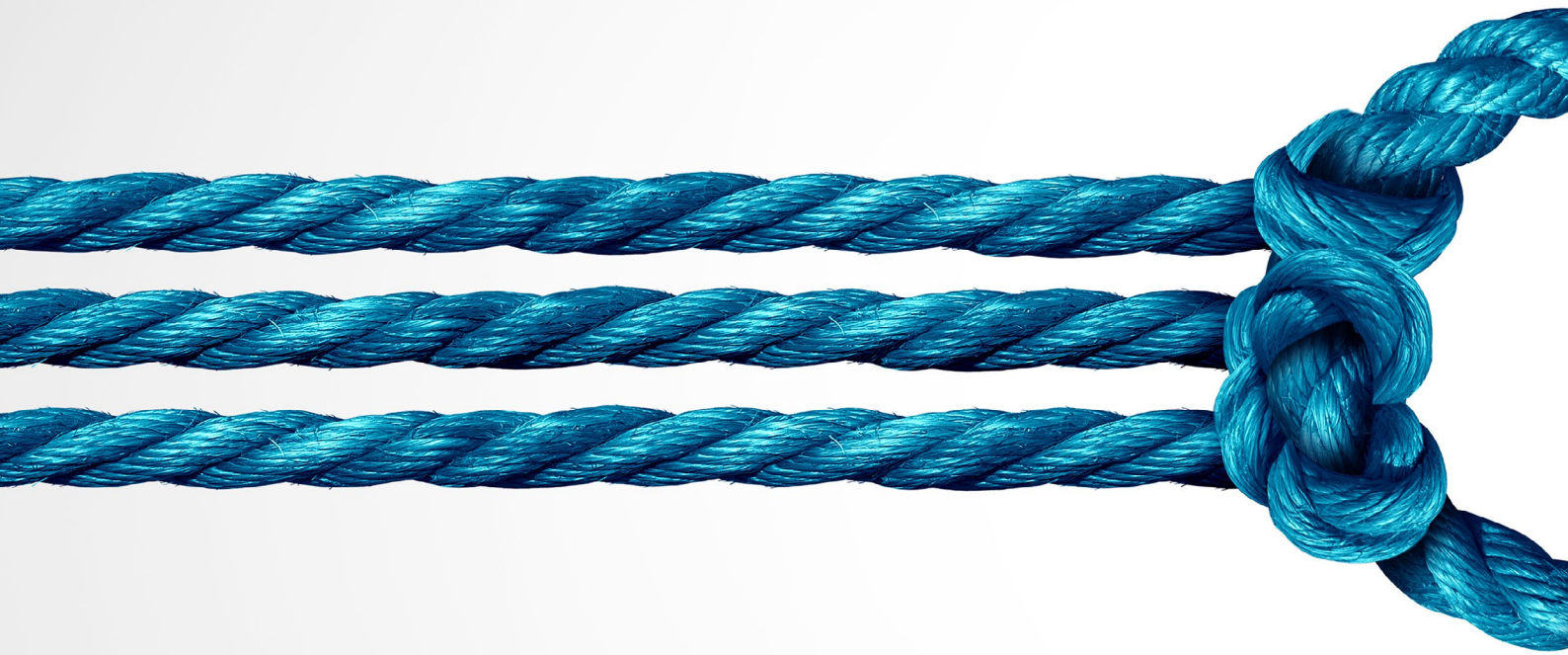
Elle Ng
Assistant Director of
Membership

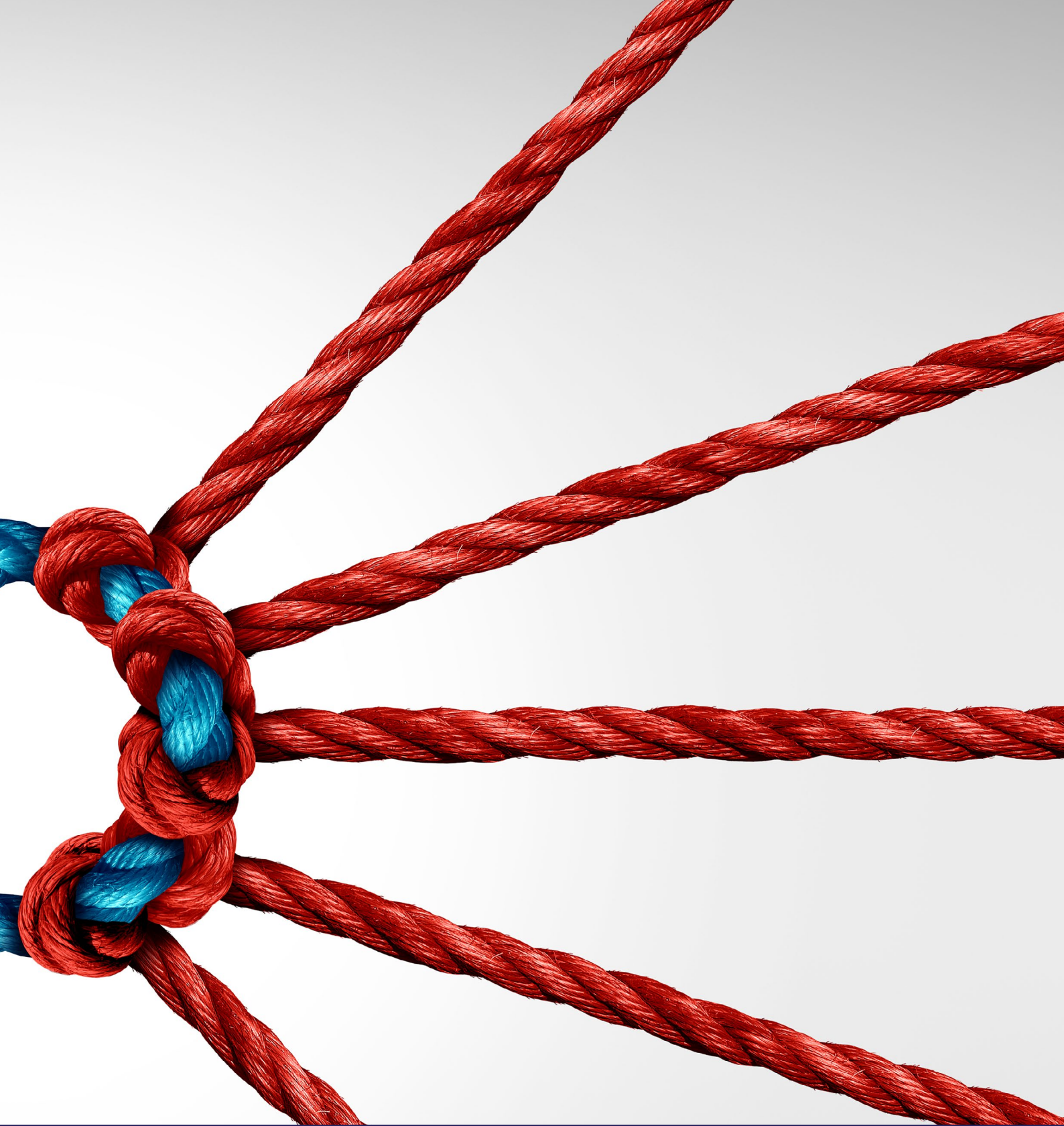


Julie Zul
Assistant Director of
Member Services



Rachel Ang
Assistant Director of
Marketing & Communications





YEAR IN REVIEW

Enhancing our service and offerings at The Club has been a key focus for us this year: we fine-tuned our services to grow Member satisfaction, upgraded our facilities to optimize our outlets, and provided our staff with more training opportunities to improve their skills. As we look back over the last 12 months, these are some of the notable milestones that we take great pride in.

MEMBERSHIP

When The Club reopened after the Circuit Breaker in June 2020, the Membership Office started to receive increased number of enquiries from potential members looking to join our Community. We alluded this to our reputation as one of Singapore’s safest social clubs with our stringent entry checks, while delivering a great member experience with safe management measures in place. This has led to an increased confidence in our membership, and our community.

STRONG MARKET INTEREST CONTINUED

In FY2021, there were a total of 585 enquiries received, 48% higher than previous year. The membership team conducted a record of 469 club tours for potential members, also 48% more than the previous year. It is noteworthy that there were only 9 months of club tours activity permissible in FY2020 (July 2019 to March 2020) as club tours were suspended in the last quarter of FY2020 due to the onset of COVID-19 safe management measures.

The net new Member intake was 387 and comprised of 153 Ordinary Members as the largest cohort. 387 is +93% to the Budget target for the year. While this success was achieved without any membership sales promotions, the members’ eagerness and willingness to recommend their friends and family to join The Club is notable. The Member Referral Program has proven to a success where we saw 76% of referred non-members joined The Club at their member friend’s recommendation.

The net membership resignation for the full year was 317, -15% to Budget resulting in a much higher than anticipated membership level for FY21 where we closed at 3,398, +82 accounts or +2.5% from 3,316 at the end of last fiscal year.



MEMBER REFERRAL PROGRAM

REFER A FRIEND

Refer A Friend & Get Rewarded

Introduce a friend to join The Club and get rewarded* with up to \$500 F&B dining vouchers.

Ordinary Membership	Service Membership	Term Membership	Ordinary Membership (Annual Payment Plan)	Service Membership (Annual Payment Plan)
\$500 <small>F&B Dining Vouchers each</small>	\$250 <small>F&B Dining Vouchers each</small>	\$250 <small>F&B Dining Vouchers each</small>	\$250 <small>F&B Dining Vouchers each</small>	\$100 <small>F&B Dining Vouchers each</small>

Call the Membership Office at 6737-3411 or email membership@amclub.org.sg for more information.

*Each Membership account will receive their respective reward.

THE AMERICAN CLUB SINGAPORE

INCREASED DEMAND FOR TERM MEMBERSHIP AND TRANSFERABLE ASSOCIATE MEMBERSHIP

We welcomed a record of 112 new Term Members, +129% to Budget and prior year new Term Members intake was 79. There were 37 Transferable Associate memberships, +236% to prior year transacted on the open market this year. The average open market value was \$128,000 and closed on a high at \$138,500 as of June 2021.

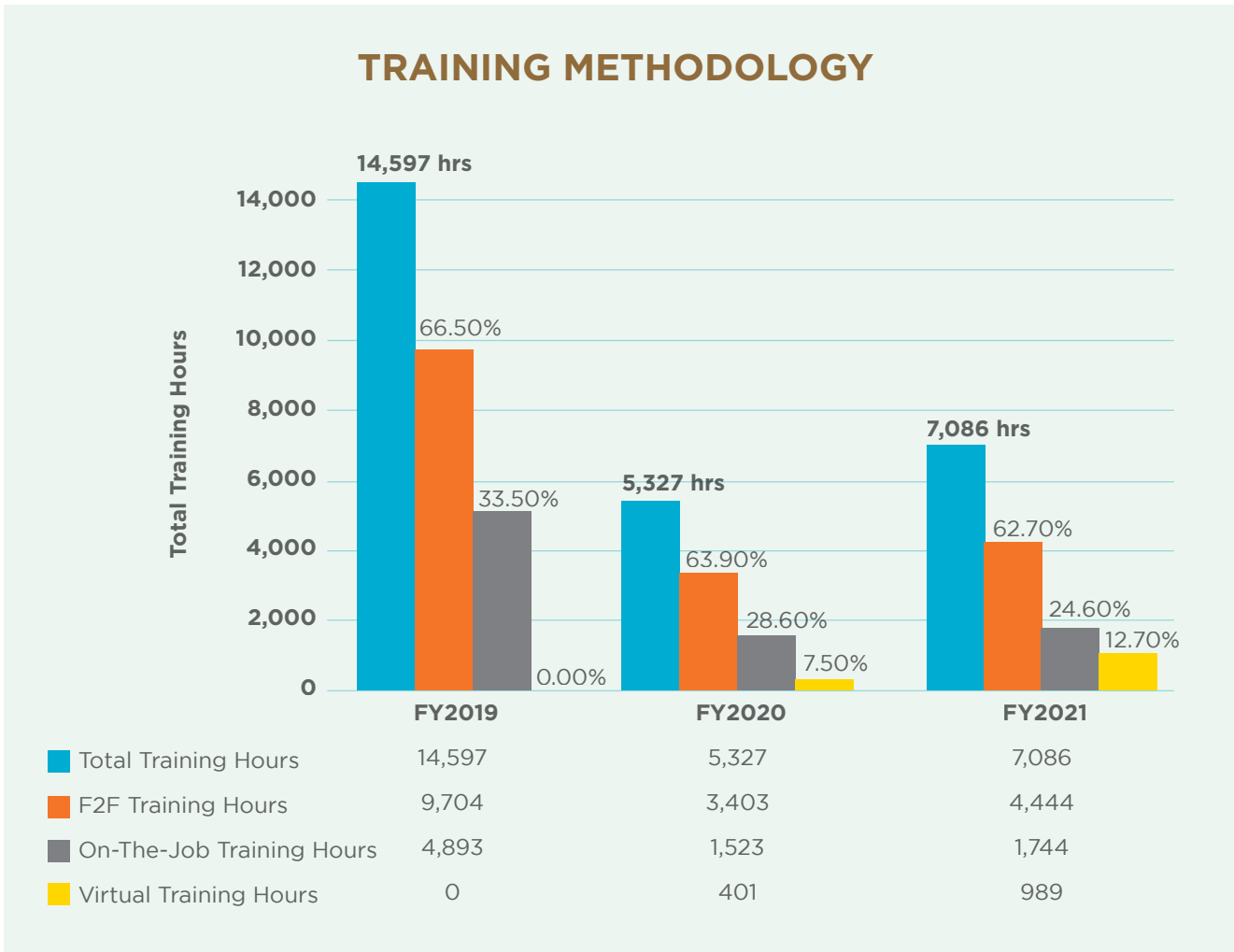
TRANSFER OF MEMBERSHIP TO FAMILY MEMBERS AND FAMILY TRANSFER SCHEME

The General Committee approved the Membership Committee's recommendation to launch the Transfer of Membership to Family Members and Family Transfer Scheme with the key objective of rebuilding capital reserves as well as promoting membership legacy by encouraging members to 'Keep it in The Family'. The Associate (non-transferable) members were invited to upgrade their membership to a Transferable status and transfer the membership to an immediate family member, subject to conditions. A limited number of slots were made available and all 25 were taken up within a week from launch.



BUILDING A STRONGER TEAM

The current labor market continues to be one of our biggest challenges Club-wide and is an area where we focus our People Development (PD) efforts. During the Circuit Breaker in April 2020, most of the staff training grinded to a halt resulting in substantial loss in training hours for FY2019/2020. But despite all these the PD team saw an opportunity to move offsite training to virtual training which resulted in an increased (almost doubled) of virtual training hours for FY2020/2021.



One other notable initiative that we pursued was a Personal Data Protection Act (PDPA) training that benefitted all of our Management team leaders. Through this program our team completed a two-day intensive course to better protect and understand the importance of personal data.

During the pandemic, The Club recognized the need to care for the staff's mental health.

We invited counsellors, yoga instructors, as well as speakers from Singapore Airlines Academy to glean advice on how to manage our thoughts and feelings during this difficult time.



MENTAL WELLNESS TALK
RUOK?
with Porsche Poh

Topics Covered
• What is stress/burnout? • Management tips • For employees • For employees
• Where to seek help • Q&A

Tuesday, June 8
3:00 p.m. – 4:00 p.m.
Virtual Session via Zoom
Complimentary for all team members
Join us and get double stamps on your fitness passport!

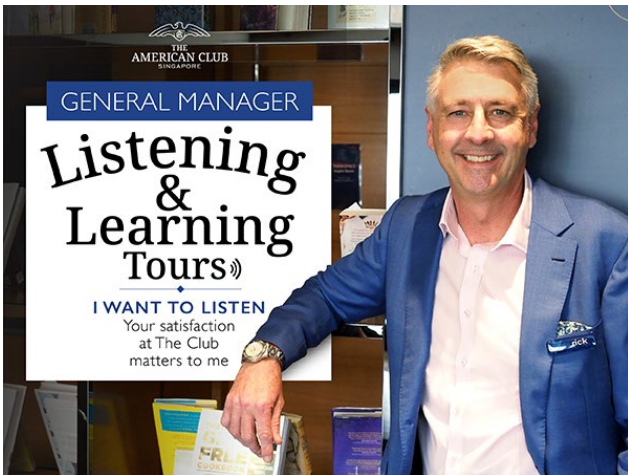
Speaker's Profile: Porsche Poh
Porsche Poh currently serves as the Executive Director of Silver Ribbon (Singapore). She also holds several other portfolios, namely, Social Service Fellow, Advisory Committee Member on Peer Representation in Singapore, Member of The Leadership Selection Panel, Associate Trainer with the Civil Service College and Mental Health First Aid Trainer certified by Mental Health First Aid Australia and Mental Health First Aid Singapore.
To promote mental health literacy she has authored four publications including Mental Health Revolution – Making Things Happen (2011), Mental Health Matters Handbook for Grassroots Leaders (2015), Mind Your Business (2015) and Get Started Investing in Mental Health @ Workplace (2017).

Please RSVP to Mack (mack@amclub.org.sg or ext: 302) by Friday, May 28, 2021.
A calendar invite will be sent to you after your registration is confirmed.



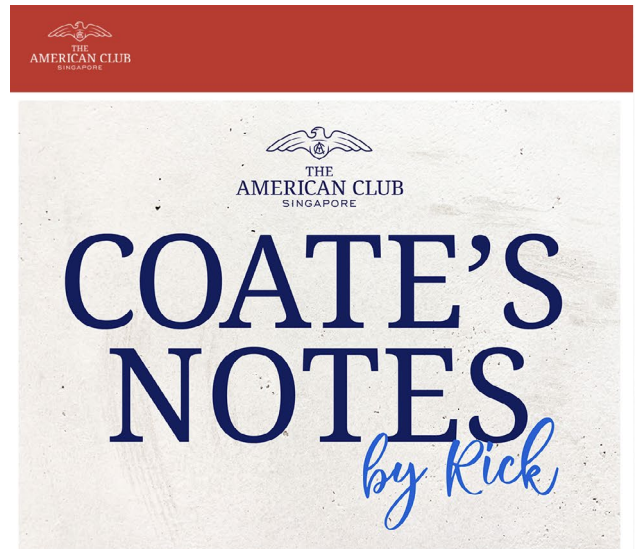
IMPROVED TRANSPARENCY IN COMMUNICATION

The Club recognizes the need to be more transparent and open. To address this, Coate's Notes came to life. It is a weekly email update that includes committee minutes, club sales summary and membership updates.



We have also initiated a General Manager Listening and Learning Tour, where Members are free to have a tete-a-tete with the General Manager, to share their comments and feedback. A total of 64 Members have signed up for the Listening and Learning Tour since November 2020.

Rant & Rave has improved its response rate from a week to 48 hours. We acknowledge the importance of a quick and reply.



Dear Members,

What a week it has been - dining in and working out are allowed but only for those who are fully vaccinated.

Click [here](#) for the full list of measures. Please understand that these regulations set (such as unvaccinated Members are not allowed to dine in, and overseas vaccination certificates are not accepted) are based on the Government's multi-ministry task force's advisory. We will get through this together.

Meanwhile, if you have any questions, please check out our [FAQ](#).

1. Committee Reports

Have a cuppa and catch up on the latest committee happenings.

For General Committee Meeting on August 2, click [here](#) (please sign in to view the minutes).

For Sports & Recreation Committee Meeting on July 29, click [here](#) (please sign in to view the minutes).

2. What's Happening.

Our Annual General Meeting is back - keep your calendar free on November 10, 2021! Click [here](#) for the Preliminary Notice.

Virtual Programs for everyone - take your pick from Floral Arrangement to a whiskey tasting and masterclass.

The feasting never stops with tantalizing offerings from [TAC2Go!](#)

3. Club Sales!

We are hanging on! Click [here](#) for the Club Sales Summary report.

Once again, thank you for supporting The Club and our Staff.

4. Did You Know?

Today is World Elephant Day. It was launched in 2012 to bring attention to the plight of Asian and African elephants.

As always, please contact me directly to get the facts and a dad joke at: generalmanager@amclub.org.sg.

Stay safe and well. See you soon!

Rick Coate
General Manager



EAT, DRINK AND BE MERRY

Our Food and Beverage (F&B) operations continue to adapt and evolve with the latest safe management measures. We introduced bundled meals through TAC2Go!, which were very well received, especially from Thanksgiving to Christmas which resulted in a total revenue of \$540,000. We also expanded TAC2Go! to include Bottles2Go! and Essentials2Go!, both of which came in handy when Members prefer to stay home.

FESTIVE FEASTS

THANKFUL FESTIVE BUNDLE
Serves 10 - 14

- Fire Roasted Turkey with Gravy & Cranberry Sauce
- Cheese Board
- Whipped Potatoes with Gravy
- Orange Glazed Carrots
- Green Bean Casserole
- Roasted Garlic & Rosemary Bread Stuffing
- Festive Pumpkin Pie (8-inch)
- Freshly Baked Dinner Rolls

[CLICK HERE TO ORDER](#)

25
THE AMERICAN CLUB SINGAPORE | FESTIVE GUIDE 2020

Images are for illustrative purposes only

TAC2Go!
Festive Feasts
NEW! Feast your way through the merriest season of the year with curated bundles via TAC2Go! Available until December 31.



The UNCORKED Wine Club was launched to respond to the Member’s growing interest in gourmet dining at home. The program gives its Members first dibs into monthly promotions, dinners, Uncork Your Weekend brunches, and boozy events.

UNCORKED

BY THE AMERICAN CLUB



Co-founded by Dan and Margaret Duckhorn in 1976, Duckhorn Vineyards has spent 40 years establishing itself as one of North America’s premier producers of Napa Valley wines. From its modest inaugural vintage of 800 cases of Cabernet Sauvignon and 800 cases of Merlot in 1978, to its addition of Sauvignon Blanc in 1982, Duckhorn Vineyards has crafted a tradition of quality and excellence that continues today.

Friday, September 24
The 2nd Floor
12:00 p.m. – 2:30 p.m.
Member: \$88.00

Guest: \$108.00 (Members may register their guests, however, seats for guests will only be confirmed by September 22, 3.00 p.m. as priority goes to Members.)



Make your reservation here:



Terms & Conditions

- Reservations are on first come, first served basis • No substitution of menu items • Maximum 40 seats • Maximum 5 seats per reservation
- Guests are allowed but will only confirmed maximum 72 hours before the dinner takes place • Due to Safe management Measures, there is a maximum capacity of 5 diners from the same party for each table. • Current COVID-19 rules for fully vaccinated diners apply • The 2nd Floor dress code and 48 hours Cancellation Policy applies

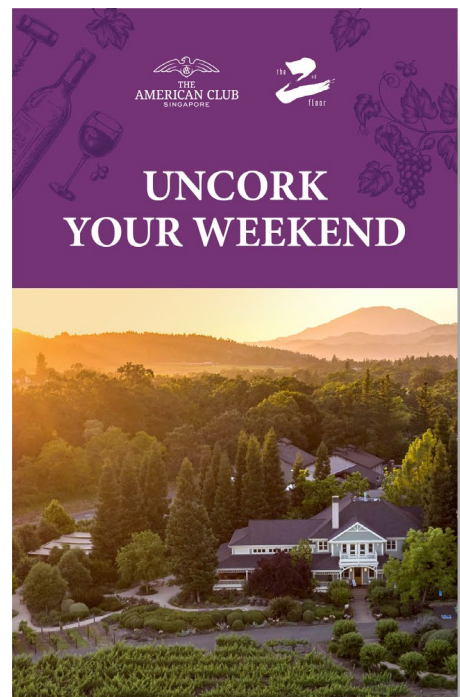
Menu

Jumbo Lump Crab Meat Stuffed Chicken Wing
 Onion, tobiko, frisée salad & lemon aioli
Duckhorn Sauvignon Blanc Napa Valley 2019

Grilled Maine Lobster
 Bacon, parsley, onion, macaroni & cheese served with lobster emulsion
Duckhorn Chardonnay Napa Valley 2018

Pan-Roasted Wagyu Hanger Steak
 Smashed red skin potatoes, baby root vegetables & merlot reduction
Duckhorn Merlot Napa Valley 2017

Boston Cream Pie



Menu

Jumbo Lump Crab Meat Stuffed Chicken Wing
 Onion, tobiko, frisée salad & lemon aioli
Duckhorn Sauvignon Blanc Napa Valley 2019

Grilled Maine Lobster
 Bacon, parsley, onion, macaroni & cheese served with lobster emulsion
Duckhorn Chardonnay Napa Valley 2018

Pan-Roasted Wagyu Hanger Steak
 Smashed red skin potatoes, baby root vegetables & merlot reduction
Duckhorn Merlot Napa Valley 2017

Boston Cream Pie

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FY 2020/2021 is a year of seizing opportunities. The F&B team launched Flying Team, as an efficient way to deploy our team across the Clubhouse. In turn, The Club managed to retain all jobs, despite the pandemic. Also, when dine-in was not allowed, our F&B service team took part in training programs that focused on service excellence. Our service team refined their service verbiage, reviewed standard operating procedures, and practiced their up-selling techniques. They also took part in role-playing and new menu training to enhance their service standards.

Another new initiative is to refresh all F&B menus every six months. This is in response to Member's feedback about wanting fresh and exciting food options more regularly. We also reinstated the salad counter at Central due to popular demand.



UNDER ONE ROOF

The sên Spa has made small adjustments to its business that have had significant impact. The review of inventory management and point-of-sale were conducted in August 2020. These exercises helped increase labor efficiency with a reduction of time spent on variances each month. This result in saving three manhours per month, which equates to 36 hours per annum.

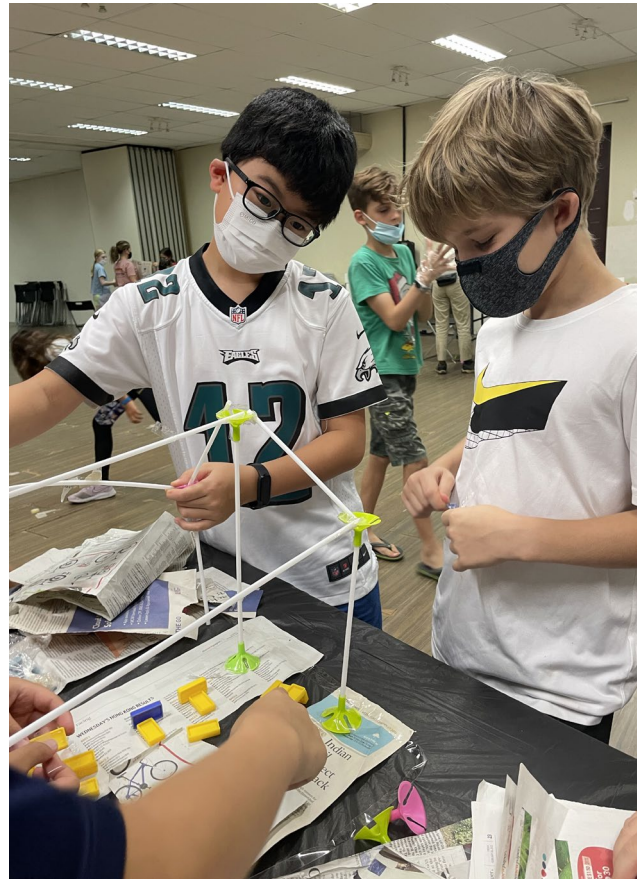


The spa also reviewed its offerings and services. The sên's Signature Jade Radiance Facial was introduced in December 2020. It was well received - it accounted for 8.8% of all facial services in FY21, and contributed to 15% of facial revenue in the five months since it launched.

In light of the ongoing pandemic, sên Spa purchased UV sterilizing storage to upgrade the hygiene standards and process for communal items, tools and equipment - which cannot be sterilized using a hot boiler.



Our Youth team began adding new ad-hoc workshops to their line-up which proved successful with Members. A total of 296 kids participated, which contributed to 3% of the Youth's total revenue. This year, Youth took a different direction and shifted their focus from listening to parents' comments to kid's suggestions. Through this we launched off-site partner camps, where we saw a total of 130 registrations, of which 19% are guests of Members, and this speaks for 40% of the total camp revenue. We also introduced three new on-site classes, Chess, Kids Gymnastics and Hip Hop, and an off-site Equilibrium MMA class.



MIND YOUR BODY

There are so many ways to keep Members healthy and fit at The Club, and our team takes great pride in the progress that they have made. Having the right staff with the right skills helps us provide the best service possible and that's why we are pleased to welcome new additions to our team – Shakin Nahar Chua joins as Gym and Leisure Admin Manager – which gives the department a fresh boost.



Technology plays a very important role in keeping our facilities going. This year, Gym, Tennis and Aquatics have engaged Joga to facilitate the bookings of courts, gym and swimming lanes. Joga also offers real time booking updates in Aquatics day-to-day program. We foresee added convenience and efficiency for our Members.

As we continue our efforts to reach out to those who are keeping safe in their homes, the Gym uploaded virtual gym videos on the Club's Facebook page, which received over 700 views. The recent renovation reconfigured the gym layout giving our trainers a more comfortable space to work with Members.





MANAGEMENT DISCUSSION AND ANALYSIS



FOR THE YEAR ENDED 30 JUNE 2021

The Club delivered a Gross Operating Profit before bonus for the 12 months' period in the fiscal year 2021 (FY2021) from July 2020 to June 2021 as compared to FY2020 with Gross Operating Loss before bonus, despite the continued impact of COVID-19 and safe management measures.

Management actively implemented the following initiatives to cushion the impact from the ongoing COVID-19 pandemic:

- 1) Offered TAC2Go! services when dine-in was not allowed;
- 2) Introduced bundled meals for takeaways;
- 3) Undertook a re-organization exercise for the Management team;
- 4) Implemented other headcount and payroll management measures;
- 5) Operating cost control via contract management review and negotiations.

These Management efforts helped to eliminate the Gross Operating Loss before bonus of \$3.37 million in FY2020 to show a small Gross Operating Profit of \$0.34 million for this financial year.

In April 2020, the Singapore government announced the Jobs Support Scheme, Foreign Worker Levy (FWL) waivers and rebates, property tax rebates and cash grant/rental waiver. The Club received total \$4.29 million of government subsidies over two financial years (FY2020 and FY2021), of which \$1.96 million was recognized in FY2021. In July 2021, the General Committee approved an aggregate bonus of \$1.5 million for FY2021, payable to all levels of staff, resulted in the GOP loss after bonus of \$1.16 million, compared to a loss in FY2020 of \$3.62 million (an improvement of \$2.46 million).

OPERATIONAL HIGHLIGHTS

The Club generated Total Income (Operating Fund) of

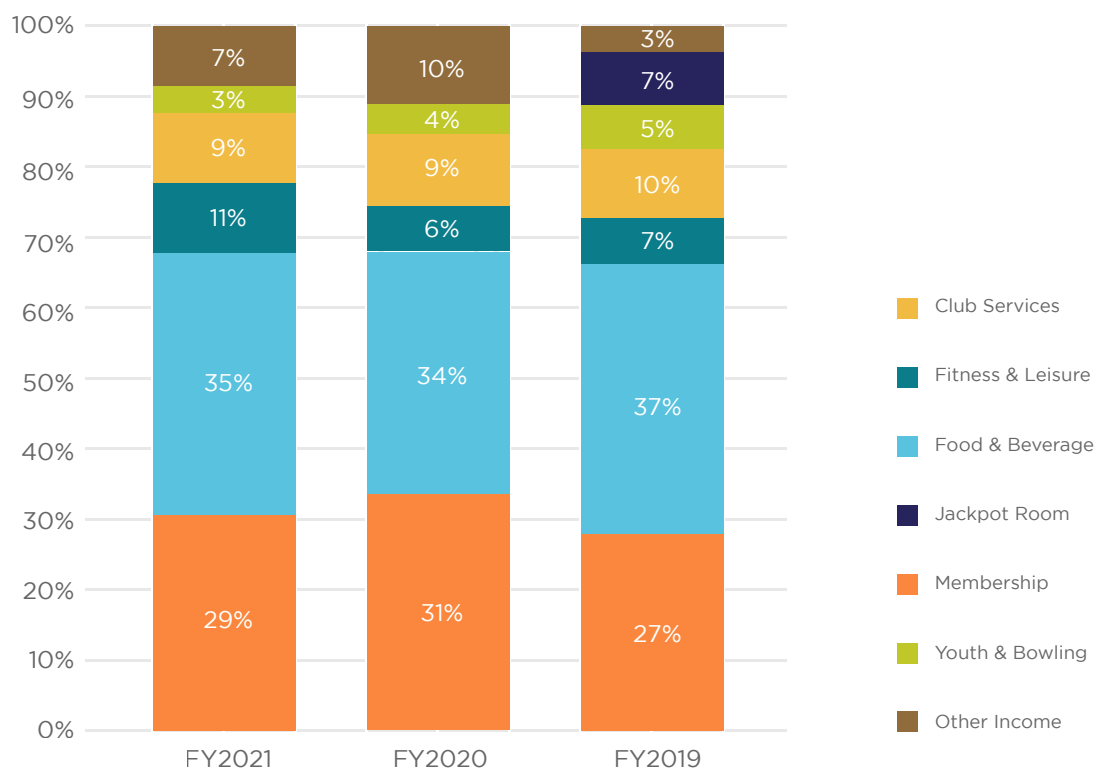
\$32.04 million in FY2021,

an increase of \$3.08 million over FY2020 of \$28.97 million.

Three main income contributors were:



TOTAL INCOME (OPERATING FUND)



Membership

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Number of new Membership	364	309	337	422	259	365	455
Entrance Fee (\$'000)	4,983	4,230	3,225	4,132	2,855	4,618	7,710
Redevelopment Payments (\$'000)	0	1,422	12,005	29,917	17,509	1,994	156

As at end	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Total Reserves (\$'000)	101,113	100,513	85,626	54,826	29,385	22,753	28,416
No. of Closing Memberships	3,569	3,440	3,314	3,325	3,276	3,316	3,398

Upon the completion of the redevelopment and the opening of full Club facilities, the Club received strong interest from the potential members, attracting a total of 455 new members in FY2021. This total is 90 more than the 365 new Members who joined in FY2020 and 91 more than those who joined in FY2015, pre-redevelopment. This significantly higher number of new Members helped to generate entrance fees of \$5.24 million in FY2021, an increase of 13% over FY2020 entrance fees of \$4.62 million. The Associate Family Transfer promotion launched in March 2021 successfully converted 38 Members with entrance fees of \$2.47 million, bringing total entrance fees of \$7.71 million in FY2021.

With the completion of the redevelopment project in February 2021, total progress payments made to the contractors and consultants were \$0.156 million in FY2021. Coupled with significantly higher entrance fee income, the Club maintained Total Reserves of \$28.42 million as at the end of FY2021. The final redevelopment payment will be paid in financial year 2022 and the Club is on target to fulfil the mandate to maintain reserves of not less than \$20 million through the final completion of the redevelopment.

Operational Review

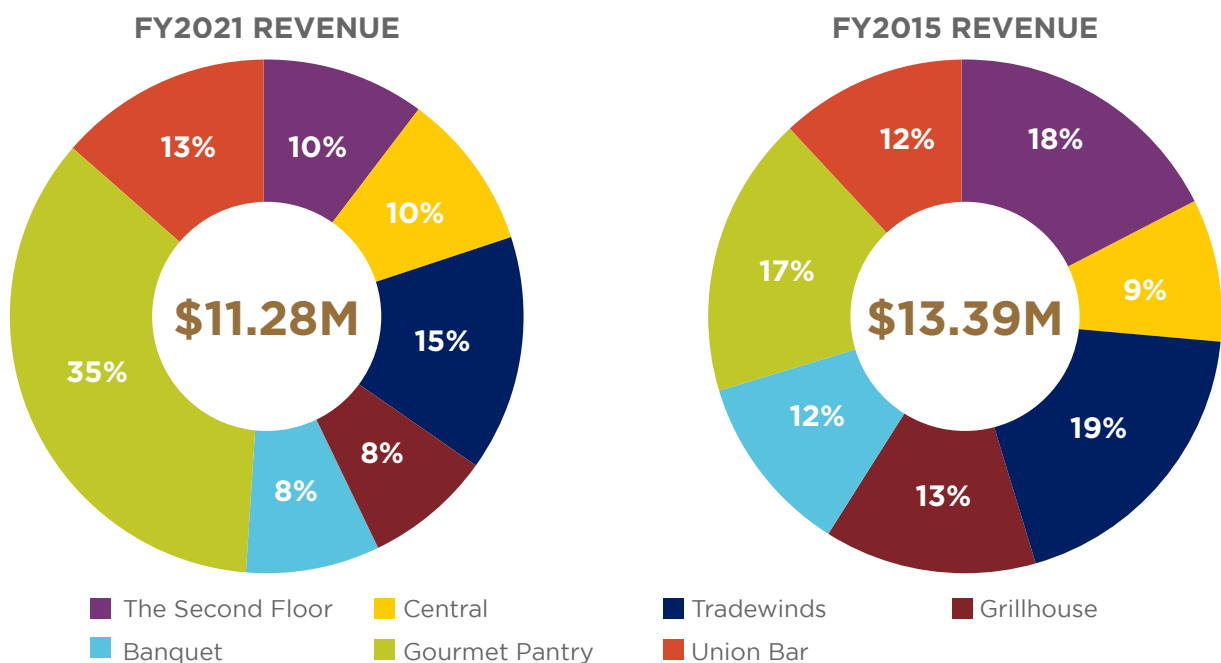
	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Usage %	82.0%	81.5%	79.8%	76.8%	74.8%	70.6%	74.6%
Club Foot Fall	271,376	257,084	193,134	171,322	271,110	254,813	329,780
Covers ('000)	682,282	630,295	504,093	454,275	482,572	488,605	545,531
Monthly Spend (\$)	602	584	507	483	512	549	628
Total Income (Operating Fund)(\$'000)	36,501	34,064	27,754	25,570	25,791	28,965	32,041

We saw recovery of usage trends in the first nine months of FY2021, impacted by Phase 2 (Heightened Alert) in Q4 with usage declined to 72% due to no dine-in. Covers and monthly spend also showed a significant improvement, resulting in 10.6% improvement in Total Income (Operating Fund) over FY2020.

Food & Beverage

Food & Beverage outlets including Gourmet Pantry generated total revenue of \$11.28 million as compared to \$13.39 million in FY2015, pre-redevelopment.

Revenue for The Second Floor, Tradewinds and Grillhouse declined by 35% to 50% due to the impact of COVID-19. Banquet business was severely affected as the Club was unable to offer corporate events and Sunday brunches. The revenue shortfall was helped by strong demand for wines at Gourmet Pantry, generated total revenue of \$3.97 million in FY2021, an increase of \$1.64 million or 70% over FY2015.



Fitness & Leisure

Despite Phase 2 (Heightened Alert), all activities within Fitness & Leisure departments enjoyed higher participation rates, resulted in strong performance of 39% above FY2015.

The new gym (with bigger space) helped to increase participation rate when Members' travelling were restricted, generated revenue at 67% higher than FY2015, pre-redevelopment.

GYM GENERATED
REVENUE AT
67% HIGHER
THAN FY2015,
PRE-REDEVELOPMENT

Club Services and Youth & Bowling

These services were significantly affected by safe distancing measures with smaller group size, resulted in 21% and 36% decline in revenue as compared to FY2015 under business as usual.

MANAGING COST & EXPENSES

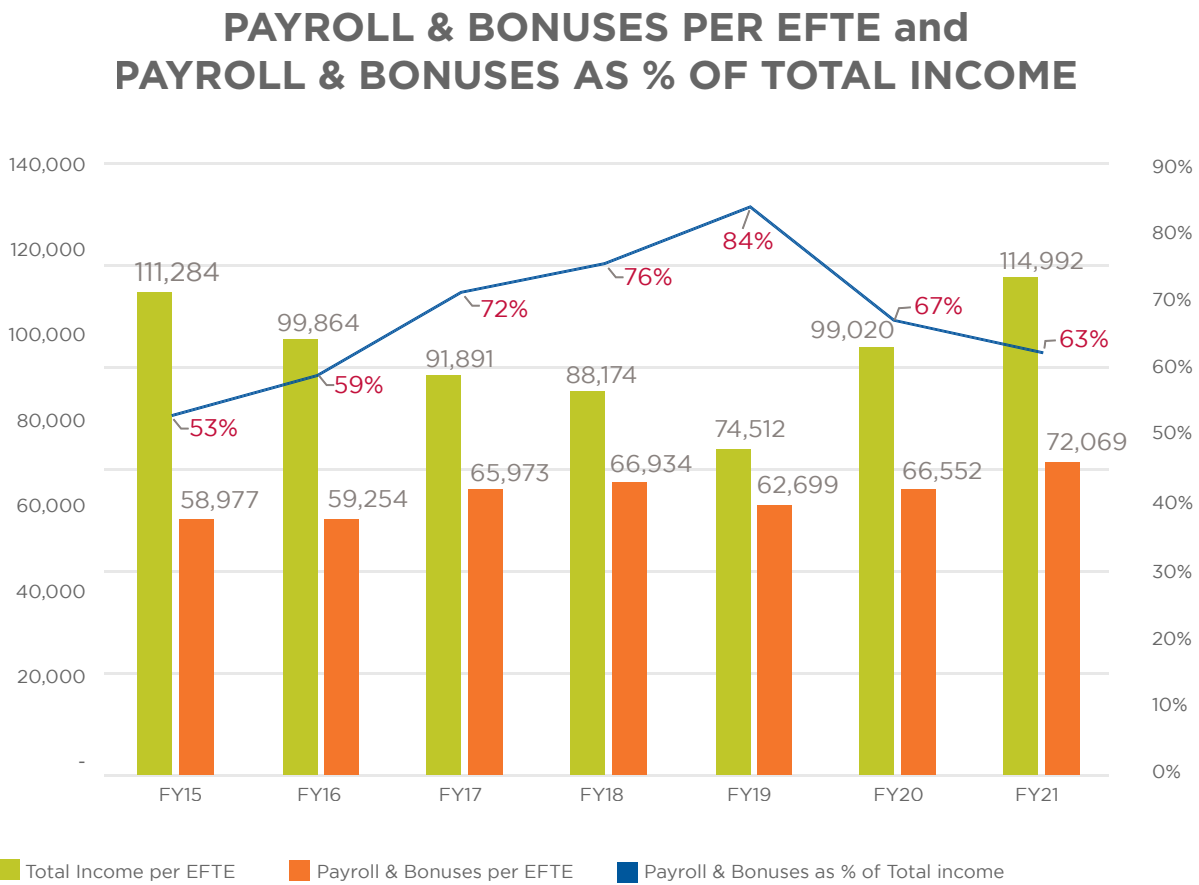
With an ongoing COVID-19 pandemic, Management continued to actively manage expenses:

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Total Income (Operating Fund) (\$'000)	36,501	34,064	27,754	25,570	25,791	28,965	32,041
Total Cost of Goods Sold (\$'000)	9,218	8,155	5,592	4,695	4,751	5,163	6,419
COGS as % of Total Income	25.3%	23.9%	20.1%	18.4%	18.4%	17.8%	20.0%
Number of Full Time Headcount	303	317	277	280	316	291	270
Total Payroll & Bonuses	19,344	20,211	19,926	19,411	21,702	19,468	20,081
Payroll Costs as % of Total Income	53.0%	59.3%	71.8%	75.9%	84.1%	67.2%	62.7%
Operating Expenses	8,084	8,109	7,285	6,953	7,617	7,953	6,701
Opex as % of Total Income	22.1%	23.8%	26.2%	27.2%	29.5%	27.5%	20.9%

Cost of Goods Sold

We saw some cost pressure due to supply chain disruption as a result of COVID-19. The increase in Cost of Goods Sold was also mainly due to higher wines sales with lower margins.

Total Payroll & Bonuses



Management has been actively managing the headcount and payroll costs during the financial year.

Management also undertook a re-organization exercise to improve operational efficiency, which resulted in seven team members from the Management team leaving the Club. The payroll savings from this re-organization will be realized in FY2022.

The General Committee approved an aggregate bonus of \$1.5 million payable to all levels of staff in September 2021. Total payroll and bonuses of 63% in FY2021 was lower than FY2020 of 67%.

Total Operating Expenses

Management reviewed all discretionary expenses before approvals were given. With the ongoing COVID-19 pandemic, the Club also enjoyed rebates with our vendors and managed to re-negotiate contracts at the same or better renewal terms.

The delay in the completion of the redevelopment project allowed the Club to enjoy maintenance savings as the defects liability period was extended from February/March to June 2021.



LOOKING AHEAD

We expect the COVID-19 pandemic to be ongoing with reduced business volume. Management has prepared a 5-year Business Plan. The Club is now planned to be cash positive, pre-redevelopment final payments throughout each financial year from 2022 to 2026. Operational break-even is projected to be achieved by FY2026. Club reserves are expected to show a significant improvement over the 5 year period. This business plan was approved by the General Committee on 3rd May 2021.

Management will continue to explore new initiatives and leverage on the new ERP Project to digitalize processes for increased productivity and efficiency.



FINANCIAL REPORT 2020/2021



CLUB INFORMATION

EXECUTIVE COMMITTEE

President, Nasir Kausar
(Appointed on 5 April 2021)

Vice President, Landy Eng
(Appointed on 5 April 2021)

Treasurer, Wayne Farmer
(Appointed on 5 April 2021)

Secretary, Marcella Sullivan
(Appointed on 5 April 2021)

GENERAL COMMITTEE

Alex Elkies

Alex Zecha

Jill Morgenroth

Neetu Mirchandani

Ngiam Siew Wei

Peter Proft

Rahul Arora

Linda Schindler

Lt Col Douglas Krugman

REGISTERED OFFICE

21 Scotts Road, Singapore 228219

AUDITORS

Deloitte & Touche LLP

BANKERS

United Overseas Bank Limited

Oversea-Chinese Banking Corporation Limited

Citibank Singapore Ltd

DBS Bank Ltd

Morgan Stanley Dean Witter Asia (Singapore) Pte Ltd

Bank of Singapore Limited

THE CLUB'S FISCAL POLICY

CAPITAL FUNDS

One of the fundamental premises on which your Club is operated, is that The Club, as it exists today, has been built and maintained by Members in the past, and current Members have an obligation to pass the facilities on into the future in the same or better condition. Fulfilling this obligation involves both ensuring that the facilities are adequately maintained each year, and providing for their periodic renewal, upgrade, and eventual replacement. Similarly, we must accumulate sufficient funds to pay for possible improvements and expansion in the future.

To achieve these goals, The Club's basic financial structure requires that Member Entrance Fees be set aside as part of Capital Funds, rather than being used for current operations. The total Capital Funds are subdivided into several individual funds, as follows:

- Annual Renewal and Replacement Fund: the investment earnings from this fund provide an average of \$2.5 million per year for renewal and replacement expenditures.
- Building Replacement Fund: the investment earnings from this fund are added to the principal each year and accumulated for the eventual replacement of Club buildings at the end of their useful lives.
- Security Fund: the investment earnings from this fund normally provide approximately \$250,000 per year that is directed towards security costs.
- Legacy Fund: The investment earnings from this fund normally provide approximately \$1.0 million per year for annual maintenance expenses. The principal amount of this fund is being accumulated for future improvement and expansion of facilities.

From financial year 2012/2013, the General Committee approved an increase in the annual allocation of investment returns from the Capital Fund to the Operating Fund, from \$1.25 million to \$1.6 million per year. The increase is to cover the inflationary impact of security, repair and maintenance expenses since financial year 2005/2006.

In 2006, The Club's Capital Funds were reorganized and centralized under one investment management company, and detailed guidelines covering the way the funds may be invested were enacted and approved as additions to The Club's Bylaws. The Investment Sub-committee, with oversight from the Finance Committee, monitors the performance of the portfolio in accordance with those guidelines.

Following Members' approval on 3 June 2015 for the Club to undertake the Redevelopment Project, the instructions for the fund redemption of the GAP portfolio were issued on 10 June 2015 and placed as short-term deposits to protect the Club from market risk and volatility but with significantly reduced investment earnings. The Club liquidated its investment portfolio in August 2015 and recognised a net realised gain in investment securities and financial derivatives of \$17.9 million in FY2016. From June 2021, the Club placed \$10.0 million as investment securities appropriately hedged with Bank of Singapore, with the remaining funds placed as short-term deposits and for working capital.

As a result of the redemption of majority of the investment portfolio in August 2015, the intention of the sub-funds is no longer aligned as there are insufficient investment returns from the remaining capital funds for the annual distribution to these sub-funds. The General Committee therefore has approved to present the sub-funds as a consolidated Capital Fund from FY2019.

OPERATIONS

Your Club is operated on a model that is fiscally conservative, sustainable, and equitable, in that Members collectively pay for the services and goods that they receive rather than using entrance fees from new Members to pay for discounted or free services and goods for existing Members. The cost of operations for each fiscal year must, except as provided above, be paid for from the routine, recurring revenue sources of The Club, including monthly membership dues. To ensure long-term viability, Management is required to operate The Club on a break-even basis each fiscal year, which is defined as a Gross Operating Profit of zero plus or minus \$500,000 (i.e. plus or minus approximately 2% of revenue).

Management has prepared a 5-year Business Plan with the objective of achieving a break-even position by FY2026 and re-building the Club reserves. The General Committee approved the 5-year Business Plan with the Finance Committee having oversight and making recommendations for review, where appropriate.

INDEX

34	INDEPENDENT AUDITOR'S REPORT
37	STATEMENT OF FINANCIAL POSITION
38	STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
40	STATEMENT OF CHANGES IN CLUB FUNDS
41	STATEMENT OF CASH FLOWS
42	NOTES TO FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AMERICAN CLUB

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The American Club (the "Club"), which comprise the statement of financial position of the Club as at 30 June 2021, and the statement of profit or loss and other comprehensive income, statement of changes in Club funds and statement of cash flows of the Club for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 37 to 70.

In our opinion, the accompanying financial statements of the Club are properly drawn up in accordance with the provisions of the Societies Act (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Club as at 30 June 2021 and the financial performance, movements 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Club's General Committee is responsible for the other information. The other information comprises the Club Information which we obtained prior to the date of the auditor's report and the Annual Report which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do 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 THE AMERICAN CLUB

Information Other than the Financial Statements and Auditor's Report Thereon (cont'd)

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report which is expected to be made available to us after the date of this auditor's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of the General Committee for the Financial Statements

The General Committee is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the General Committee 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 the General Committee either intends to liquidate the Club or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- a) 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.
- b) 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AMERICAN CLUB

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

- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Committee.
- d) Conclude on the appropriateness of the General Committee'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.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

2 September 2021

STATEMENT OF FINANCIAL POSITION

30 June 2021

	Note	2021	2020
		\$	\$
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	6	26,080,895	22,743,675
Due from members	7	1,792,514	1,266,262
Transferable club memberships		23,558	23,558
Prepayments		181,013	152,365
Other receivables	8	240,207	1,383,620
Consumable stocks		791,155	720,101
Total current assets		<u>29,109,342</u>	<u>26,289,581</u>
Non-current assets			
Property, plant and equipment	9	60,586,137	64,883,151
Investment in financial assets	10	2,345,537	9,211
Total non-current assets		<u>62,931,674</u>	<u>64,892,362</u>
Total assets		<u>92,041,016</u>	<u>91,181,943</u>
<u>LIABILITIES AND FUNDS</u>			
Current liabilities			
Trade payables and accruals	11	3,603,649	1,734,923
Other payables	12	3,103,336	3,197,030
Fees received in advance from potential members		790,226	310,060
Derivative financial liabilities	13	10,116	-
Members' deposits		412,305	430,240
Contract liabilities	14	655,129	1,514,439
Provision for taxation		15,300	15,300
Total current liabilities		<u>8,590,061</u>	<u>7,201,992</u>
Club Funds			
Operating Fund	15	3,200,005	3,200,005
Capital Fund	15	80,250,950	80,779,946
Total Club Funds		<u>83,450,955</u>	<u>83,979,951</u>
Total liabilities and Club Funds		<u>92,041,016</u>	<u>91,181,943</u>

Nasir Kausar
President

Wayne Farmer
Treasurer

See accompanying notes to financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 June 2021

	Note	2021			2020		
		Operating fund	Capital fund	Total	Operating fund	Capital fund	Total
		\$	\$	\$	\$	\$	\$
Income							
Food and beverage		7,304,258	-	7,304,258	7,750,068	-	7,750,068
Member activities		4,670,591	-	4,670,591	2,990,580	-	2,990,580
Club services		6,693,829	-	6,693,829	4,598,317	-	4,598,317
Membership dues	16	7,888,680	-	7,888,680	7,801,261	-	7,801,261
Entrance fees		-	7,709,780	7,709,780	-	4,618,031	4,618,031
Net investment gain	17	-	23,777	23,777	-	285,449	285,449
Allocation from Capital Fund		1,600,000	(1,600,000)	-	1,600,000	(1,600,000)	-
Other income	18	3,884,084	-	3,884,084	4,225,009	-	4,225,009
Total Income		32,041,442	6,133,557	38,174,999	28,965,235	3,303,480	32,268,715
Expenditure							
Food and beverage	19	10,343,909	1,443,663	11,787,572	11,415,447	1,382,514	12,797,961
Member activities		5,181,579	2,385,800	7,567,379	4,327,901	2,333,344	6,661,245
Club services		5,959,792	211,990	6,171,782	4,325,612	212,371	4,537,983
Facilities, front office and administration		10,725,090	1,452,079	12,177,169	11,370,652	1,422,601	12,793,253
Membership and marketing		990,971	11,387	1,002,358	1,144,452	11,265	1,155,717
Total expenditure		33,201,341	5,504,919	38,706,260	32,584,064	5,362,095	37,946,159
(Loss) Profit before tax		(1,159,899)	628,638	(531,261)	(3,618,829)	(2,058,615)	(5,677,444)
Income tax expense	20	-	-	-	-	-	-
(Loss) Profit net of tax		(1,159,899)	628,638	(531,261)	(3,618,829)	(2,058,615)	(5,677,444)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (cont'd)
Year ended 30 June 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
Loss net of tax	(531,261)	(5,677,444)
Other comprehensive income (loss):		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Net gain (loss) on financial assets at fair value through other comprehensive income (loss)	<u>2,265</u>	<u>(1,031)</u>
Other comprehensive income (loss) for the year, net of tax	<u>2,265</u>	<u>(1,031)</u>
Total comprehensive loss for the year	<u><u>(528,996)</u></u>	<u><u>(5,678,475)</u></u>

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN CLUB FUNDS

Year ended 30 June 2021

2021	Operating Fund	Capital Fund	Total Funds
	\$	\$	\$
	(Note 15)	(Note 15)	
Balance at 1 July 2020	3,200,005	80,779,946	83,979,951
Capital Fund drawn down for topping up of Operating Fund	1,159,899	(1,159,899)	-
(Loss) Profit net of tax, before net investment gain	(1,159,899)	604,861	(555,038)
Net investment gain	-	23,777	23,777
Other comprehensive income for the year	-	2,265	2,265
Total comprehensive loss for the year	-	(528,996)	(528,996)
Balance at 30 June 2021	<u>3,200,005</u>	<u>80,250,950</u>	<u>83,450,955</u>

2020	Operating Fund	Capital Fund	Total Funds
	\$	\$	\$
	(Note 15)	(Note 15)	
Balance at 1 July 2019	3,200,005	86,458,421	89,658,426
Capital Fund drawn down for topping up of Operating Fund	3,618,829	(3,618,829)	-
Loss net of tax, before net investment gain	(3,618,829)	(2,344,064)	(5,962,893)
Net investment gain	-	285,449	285,449
Other comprehensive loss for the year	-	(1,031)	(1,031)
Total comprehensive loss for the year	-	(5,678,475)	(5,678,475)
Balance at 30 June 2020	<u>3,200,005</u>	<u>80,779,946</u>	<u>83,979,951</u>

See accompanying notes to financial statements.

2020/2021

STATEMENT OF CASH FLOWS

Year ended 30 June 2021

	Note	2021 \$	2020 \$
Operating activities			
Loss before tax		(531,261)	(5,677,444)
Adjustments for:			
Depreciation of property, plant and equipment	9	5,463,942	5,350,499
Loss on disposal of property, plant and equipment	19	40,976	11,596
Write back of allowance for due from members	7	(14,655)	(18,633)
Loss allowance for due from members	7	46,475	46,989
Interest income	17	(26,338)	(285,449)
Realised gain on investment		(40)	-
Investment management fees		2,601	-
Operating cash flows before movements in working capital		<u>4,981,700</u>	<u>(572,442)</u>
Due from members		(558,072)	810,676
Other receivables and prepayments		1,114,765	(926,199)
Consumable stocks		(71,054)	(153,496)
Trade and other payables and accruals		1,681,251	(4,164,615)
Fees paid in advance from potential members		480,166	(182,222)
Members' deposits		(17,935)	(14,510)
Contract liabilities		(859,310)	1,080,066
Cash generated from (used in) operations		<u>6,751,511</u>	<u>(4,122,742)</u>
Income taxes paid		-	(103,591)
Interest received		26,338	285,449
Net cash generated from (used in) operating activities		<u>6,777,849</u>	<u>(3,940,884)</u>
Investing activities			
Purchase of property, plant and equipment		(1,125,480)	(2,704,330)
Proceeds from sale of property, plant and equipment		8,756	14,214
Proceeds from redemption of short term deposits		6,000,000	6,000,000
Purchase of investments		(10,000,000)	-
Net cash (used in) generated from investing activities		<u>(5,116,724)</u>	<u>3,309,884</u>
Net increase (decrease) in cash and cash equivalents		1,661,125	(631,000)
Cash and cash equivalents at beginning of financial year		<u>6,343,675</u>	<u>6,974,675</u>
Cash and cash equivalents at end of financial year	6	<u><u>8,004,800</u></u>	<u><u>6,343,675</u></u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

30 June 2021

1. GENERAL

The Club is registered under The Societies Act, Chapter 311 and is established in Singapore with its principal place of business and registered office at 21 Scotts Road, Singapore 228219. The financial statements are presented in Singapore dollars, which is the Club's functional currency.

The principal activities of the Club are the provision of social and recreational facilities for the comfort and convenience of its members and guests.

The financial statements of the Club for the financial year ended 30 June 2021 were authorised for issue by the General Committee on 2 September 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the Financial Reporting Standards in Singapore ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Club takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 116 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Adoption of New and Revised Standards - On 1 July 2020, the Club has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations.

The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Club's accounting policies and has no material effect on the amounts reported for the current or prior years.

NOTES TO FINANCIAL STATEMENTS

30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the Club were issued but not yet effective:

- Amendments to FRS 116: *Covid-19-Related Rent Concessions beyond 30 June 2021* ⁽¹⁾
- Amendments to FRS 16: *Property, plant and equipment - Proceeds before intended use* ⁽²⁾
- Amendments to FRS 37: *Onerous Contract - Cost of Fulfilling a contract* ⁽²⁾
- Annual improvements to FRSs 2018-2020 ⁽²⁾
- Amendments to FRS 1: *Classification of Liabilities as Current or Non-current* ⁽³⁾

⁽¹⁾ Applies to annual periods beginning on or after 1 April 2021.

⁽²⁾ Applies to annual periods beginning on or after 1 January 2022.

⁽³⁾ Applies to annual periods beginning on or after 1 January 2023.

Management anticipates that the adoption of the above FRSs and amendments to FRSs in future periods will not have a material impact on the financial statements in the period of their initial adoption.

Financial instruments – Financial assets and financial liabilities are recognised on the Club's statement of financial position when the Club becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

Classification of financial assets

Debt instruments mainly comprise cash and bank balances and trade and other receivables that meet the following conditions and are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO FINANCIAL STATEMENTS

30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Despite the foregoing, the Club may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Club may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Club may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Impairment of financial assets

The Club recognises a loss allowance for expected credit losses (“ECL”) on due from members and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Club always recognises lifetime ECL for due from members. The expected credit losses on the financial asset is estimated using a provision matrix based on the Club’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

NOTES TO FINANCIAL STATEMENTS

30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

For all other financial instruments, the Club recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Club measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Club compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Club considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The Club considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Club presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 60 days past due, unless the Club has reasonable and supportable information that demonstrates otherwise.

The Club assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Club regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Club considers that default has occurred when a financial asset is more than 180 days past due unless the Club has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

NOTES TO FINANCIAL STATEMENTS

30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Write-off policy

The Club writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Club's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Club in accordance with the contract and all the cash flows that the Club expects to receive, discounted at the original effective interest rate.

If the Club has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Club measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

The Club derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Club neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Club recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Club retains substantially all the risks and rewards of ownership of a transferred financial asset, the Club continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities**Other financial liabilities**

Amounts due to members and other payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest method with interest expense recognised on an effective yield basis, except for short-term payable when the recognition of interest would be immaterial.

Derecognition of financial liabilities

The Club derecognises financial liabilities when, and only when, the Club's obligations are discharged, cancelled or they expire.

Derivative financial instruments

The Club enters into derivative financial instruments to manage its exposure to foreign exchange rate risk, including foreign exchange forward contracts. Further details of derivative financial instruments are disclosed in Note 13 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Derivatives are initially recognised at fair value at the date of a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in other comprehensive income immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in other comprehensive income depends on the nature of the hedge relationship. Hedge accounting is not applied by the Club.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Consumable Stocks - Consumable stocks are stated at the lower of cost and net realisable value. Cost comprises cost of purchase and other costs incurred in bringing the consumable stocks to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution. Allowance is made for obsolete and slow-moving items.

Property, Plant and Equipment - Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Construction-in-progress consists of upgrading work on buildings. Construction-in-progress is not depreciated.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Depreciation is charged so as to write off the cost of assets except for construction-in-progress, over their estimated useful lives, using the straight-line method, on the following basis:

Buildings, improvements and additions	10 to 20 years
Plant, machinery and equipment	5 years
Furniture, fittings and fixtures	5 years
Outdoor furniture, fittings and fixtures	3 years
Motor vehicles	5 years
China, glass and silverware	3 years

Freehold land has an unlimited useful life and therefore is not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

Fully depreciated assets still in use are retained in the financial statements.

NOTES TO FINANCIAL STATEMENTS

30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment of Non-Financial Assets - At the end of each reporting period, the Club reviews the carrying amounts of its non-financial assets to determine whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Club estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss, in which case the reversal of the impairment loss is treated as a revaluation increase.

Provisions - Provisions are recognised when the Club has a present obligation (legal or constructive) as a result of a past event, it is probable that the Club will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Government grants - Government grants are not recognised until there is reasonable assurance that the Club will comply with the conditions attaching to them and the grants will be received. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. Government grants whose primary condition is that the Club should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss in the period in which they become receivable.

NOTES TO FINANCIAL STATEMENTS

30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue Recognition – The Club recognises revenue when control of a goods or service is transfer to a customer.

Revenue from food and beverage is recognised upon sale of the food and beverage items at the point in time.

Revenue from member activities are recognised when the services have been rendered over time.

Revenue from club services are recognised when the services have been rendered over time.

Revenue from membership dues is recognised on accrual basis over time.

Entrance fees are recognised when a member is elected into full membership at the point in time when funds received are retained in an account as fees received in advance from potential members.

Interest income is accrued on a time basis over time, by reference to the principal outstanding and at the effective interest rate applicable.

Retirement Benefit Costs – Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contributions plans where the Club's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Employee Leave Entitlement – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Income Tax – Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Club's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

NOTES TO FINANCIAL STATEMENTS

30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Club intends to settle its current tax assets and liabilities on a net basis.

Foreign Currency Transactions and Translation - The financial statements of the Club are measured and presented in the currency of the primary economic environment in which the Club operates (its functional currency). The financial statements are presented in Singapore dollars, which is the functional currency of the Club.

In preparing the financial statements of the Club, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case that tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

Cash and Cash Equivalents - Cash and cash equivalents in the statement of cash flows comprise cash on hand and demand deposits, and other short-term liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Club's accounting policies, which are described in Note 2, the General Committee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO FINANCIAL STATEMENTS

30 June 2021

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY (cont'd)**i) Critical judgements in applying the Club's accounting policies**

The General Committee is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Useful lives of property, plant and equipment

As described in Note 2, the Club reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

The Club depreciates its property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives reflect the General Committee's estimate of the periods that the Club expects to derive future economic benefits from the use of the property, plant and equipment. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charge could be revised.

The carrying amounts of the Club's property, plant and equipment at the end of the reporting period are disclosed in Note 9.

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	2021	2020
	\$	\$
Financial assets		
Amortised cost:		
Cash and bank balances	26,080,895	22,743,675
Due from members and other receivables	2,056,279	2,673,440
Fair value:		
Investment in financial assets	2,345,537	9,211
	<u>30,482,711</u>	<u>25,426,326</u>
Financial liabilities		
Amortised cost:		
Trade and other payables	6,488,128	4,961,702
Fair value:		
Derivative financial liabilities	10,116	-
	<u>6,498,244</u>	<u>4,961,702</u>

2020/2021

NOTES TO FINANCIAL STATEMENTS

30 June 2021

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives

The Club's principal financial instruments, other than derivative financial instruments and investment securities, comprise cash and short term deposits. The Club has various other financial assets and liabilities such as amounts due from members and trade payables, which arise directly from its operations.

Risk management is carried out by the Club's investment advisor under policies approved by the General Committee. Compliance with policies and exposure limits are reviewed by the Investment Sub-committee and reported to the General Committee on a regular basis.

The Club is exposed to financial risks arising from its operations and the use of financial instruments. The main risks arising from the Club's financial instruments are foreign currency risk, interest rate risk, credit risk, market price risk and liquidity risk. The General Committee reviews and agrees to policies for managing these risks as indicated below:

(i) Foreign exchange risk management*Foreign exchange risk sensitivity analysis*

The following table details the sensitivity to a 3% increase or decrease in the foreign currency against the functional currency of the Club. 3% is the sensitivity rate used when reporting foreign currency risks internally to key management personnel and represents managements' assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 3% change in foreign currency rates.

	<u>Liabilities</u>	<u>Assets</u>
	\$	\$
2021		
United states dollar	4,900,000	6,244,595
British pound	-	263,014
Hongkong dollar	-	232,776
Euro	-	213,107
Australian dollar	-	167,614
Swiss franc	-	76,865

If the relevant foreign currency strengthens by 3% against the functional currency of the Club, loss for the year will increase (decrease) by:

	<u>Profit and loss</u>	
	\$	\$
2021		
United states dollar	40,338	(40,338)
British pound	7,890	(7,890)
Hongkong dollar	6,983	(6,983)
Euro	6,393	(6,393)
Australian dollar	5,028	(5,028)
Swiss franc	2,306	(2,306)

NOTES TO FINANCIAL STATEMENTS

30 June 2021

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(ii) Interest rate risk

The main source of interest rate risk is the interest-bearing fixed deposit. The Club's policy is to obtain favourable interest rates that are available.

Interest rate from interest income for the financial year is between 0.05% to 0.41% (2020 : 0.05% to 1.90%) per annum.

No sensitivity analysis is prepared as the Club does not expect any material effect on the Club's profit and loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

(iii) Credit risk management

Credit risk refers to the risk that members will default on their contractual obligations resulting in financial loss to the Club. The Club has adopted procedures in monitoring collections from members and in monitoring default of payments from members.

The Club places its cash and investments with creditworthy financial institutions.

The Club develops and maintains its credit risk grading to categorise exposures according to their degree of risk of default. The Club uses its own trading records to rate its major customers and other receivables.

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 > 90 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 > 180 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 debtor is in severe financial difficulty and the Club has no realistic prospect of recovery.	Amount is written off

The Club determines the expected credit losses based on historical credit loss experience based on the past due status of the member, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

NOTES TO FINANCIAL STATEMENTS

30 June 2021

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

The Club mitigates its credit risks through its various credit evaluation processes, credit policies, credit control and collection procedures. There is no concentration of credit exposure to any one particular member.

All due from members that are neither past due nor impaired relate to members that the Club has assessed to be creditworthy, based on the credit evaluation process performed by management.

The maximum exposure to credit risk in the event that members fail to perform their obligations as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets stated in the statement of financial position.

Further details of credit risks on due from members and other receivables are disclosed in Notes 7 and 8 respectively.

(iv) Market price risk management

Market price risk refers to the risk that the fair value or future cash flows of the Club's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Club is not exposed to market price risk. Specific investment guidelines are used to monitor the risk in the Club's investments.

No sensitivity analysis is prepared as the Club does not expect any material effect on the Club's profit and loss arising from the effects of reasonably possible changes to market price on fair value of financial instruments at the end of the reporting period.

(v) Liquidity risk management

Liquidity risk arises from the possibility that the Club is unable to meet its obligations towards other counterparties.

The Club aims to maintain flexibility in funding by maintaining sufficient cash and bank balances, and internally generated cash flows to finance its activities.

All financial liabilities in 2021 and 2020 are repayable on demand or due within 1 year from the end of the reporting period. The effective interest rates, where applicable, are disclosed in the respective notes to the financial statements.

(vi) Fair value of financial assets and liabilities

The carrying amounts of cash and cash equivalents, due from/to members and other receivables and payables, provisions and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

All investment securities are classified as financial assets at fair value through other comprehensive income ("FVTOCI").

Except as detailed in the following table, the General Committee considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values:

NOTES TO FINANCIAL STATEMENTS

30 June 2021

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

Fair value of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Quoted Prices in active markets for identical instruments <u>(Level 1)</u>	Significant other observable inputs <u>(Level 2)</u>	Unobservable inputs <u>(Level 3)</u>	<u>Total</u>
	\$	\$	\$	\$
<u>2021</u>				
Financial assets				
Quoted mutual funds	2,223,543	-	-	2,223,543
Fixed income	116,406	-	-	116,406
Alternative investments	-	-	5,588	5,588
	<u>2,339,949</u>	<u>-</u>	<u>5,588</u>	<u>2,345,537</u>
Financial liabilities				
Derivative financial liabilities	-	(10,116)	-	(10,116)
<u>2020</u>				
Financial assets				
Alternative investments	-	-	9,211	9,211

NOTES TO FINANCIAL STATEMENTS

30 June 2021

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

Fair value hierarchy

The Club classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

During the current financial year, there were no transfers of financial instruments between the levels of the fair value hierarchy.

Determination of fair value

Alternative investments: These investments are valued using valuation models which use both observable and non-observable data. The non-observable inputs to the models include assumptions regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.

Movements in Level 3 financial instruments measured at fair value

The following table presents the reconciliation for all financial assets measured at fair value based on significant unobservable inputs (Level 3).

	<u>2021</u>	<u>2020</u>
	\$	\$
Opening balance	9,211	10,242
Total losses:		
- In other comprehensive income	(3,623)	(1,031)
Closing balance	<u>5,588</u>	<u>9,211</u>

NOTES TO FINANCIAL STATEMENTS

30 June 2021

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) Capital risk management policies and objectives

The Club strives to maintain positive accumulated funds to ensure that the Club will be able to continue as a going concern. Members of the Club have passed a resolution at the Extraordinary General Meeting on 3 June 2015 for the Club to maintain not less than \$20 million in reserves (cash and cash equivalents and financial assets at FVTOCI) throughout the final completion of the Club's redevelopment project. The Club's overall strategy remains unchanged from prior year. The Club is not subject to any externally imposed regulatory reserve requirement.

As at the end of the reporting period, the Club maintains a reserve of \$28,426,432 (2020: \$22,752,886). This reserve will be drawn down to pay for amounts committed but unpaid under contracts related to the redevelopment project.

5. RELATED PARTY TRANSACTIONS

Related parties consist of members of the General Committee and key management personnel. Parties are considered to be related if one party has the ability to control the Club or exercise significant influence over the Club in making financial and operating decision. These related party transactions occurred at market related prices and the General Committee and key management personnel declared their potential conflict of interest. The General Committee Members were not involved in the Club's assessment and decision making process for these contracts.

	2021	2020
	\$	\$
Food and beverages income:		
Related organisations:		
- American Association of Singapore	-	12,406
- American Women's Association of Singapore	-	160
	<u> </u>	<u> </u>

Compensation of key management personnel

Key management personnel of the Club are those persons having the authority and responsibility for planning, directing and controlling the activities of the Club. The General Committee members and senior managers of the Club are considered as key management personnel of the Club.

	2021	2020
	\$	\$
Short-term benefits	<u>2,871,908</u>	<u>2,011,836</u>

Short-term benefits comprise salaries, wages, bonuses, statutory contributions and other related expenses.

The total cost of \$2,871,908 includes seven personnel who left the Club during the year primarily as a result of a reorganisation exercise. The cost of these seven people, including severance costs, was \$1,399,103. The cost of \$1,472,805 was short-term benefits for key management personnel as disclosed in the Annual Report, including three who joined the Club during the year.

The General Committee members do not receive any remuneration for their services to the Club.

NOTES TO FINANCIAL STATEMENTS

30 June 2021

6. CASH AND CASH EQUIVALENTS

	<u>2021</u>	<u>2020</u>
	\$	\$
Cash on hand and in bank	8,004,800	6,343,675
Short term deposits	10,400,000	16,400,000
Investment portfolio cash and liquid investment held by investment advisor (Note A)	<u>7,676,095</u>	<u>-</u>
	<u>26,080,895</u>	<u>22,743,675</u>
	<u>2021</u>	<u>2020</u>
	\$	\$
Cash and bank balances (as above)	26,080,895	22,743,675
Less: Deposits in banks and held by investment advisor	(17,076,095)	(15,400,000)
Less: Pledged deposit (Note B)	<u>(1,000,000)</u>	<u>(1,000,000)</u>
	<u>8,004,800</u>	<u>6,343,675</u>

Note A:

Investment portfolio cash and liquid investment held by investment advisor as at end of the reporting period was held by the Club's investment manager, Bank of Singapore.

Note B:

A short term deposit amounting to \$1,000,000 (2020: \$1,000,000) is pledged to a bank for an overdraft facility and a performance guarantee facility. As at the end of the reporting period, the performance guarantees issued amounted to \$217,600 (2020: \$249,680). The bank overdraft facility remains unutilised.

Fixed deposits bear average effective interest rate of 0.16% (2020 : 1.49%) per annum and for a tenure of approximately 1 to 4 months (2020 : 1 to 4 months).

7. DUE FROM MEMBERS

	<u>2021</u>	<u>2020</u>
	\$	\$
Amounts receivable from members	1,842,227	1,304,419
Loss allowance	<u>(49,713)</u>	<u>(38,157)</u>
	<u>1,792,514</u>	<u>1,266,262</u>

The average credit period is 30 days. No interest is charged on the outstanding balance.

NOTES TO FINANCIAL STATEMENTS

30 June 2021

7. DUE FROM MEMBERS (cont'd)

Loss allowance for due from members has been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on due from members are estimated using a provision matrix by reference to past default experience of the member and an analysis of the member's current financial position, adjusted for factors that are specific to the members.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Amount due from members are written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The following table details the risk profile of amount due from members based on the Club's provision matrix. As the Club's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Club's different customer base.

	Due from members - past due date					Total
	Not past due	< 30 days	31 - 90 days	91 - 180 days	> 180 days	
	\$	\$	\$	\$	\$	\$
<u>2021</u>						
Expected credit loss rate	0%	2%	7%	58%	100%	
Estimated total gross carrying amount at default	1,573,320	156,387	66,930	12,912	32,678	1,842,227
Lifetime ECL	(2,169)	(2,391)	(4,878)	(7,597)	(32,678)	(49,713)
	<u>1,571,151</u>	<u>153,996</u>	<u>62,052</u>	<u>5,315</u>	<u>-</u>	<u>1,792,514</u>
<u>2020</u>						
Expected credit loss rate	0%	1%	5%	33%	100%	
Estimated total gross carrying amount at default	1,073,005	90,248	90,352	31,303	19,511	1,304,419
Lifetime ECL	(1,970)	(1,487)	(4,875)	(10,314)	(19,511)	(38,157)
	<u>1,071,035</u>	<u>88,761</u>	<u>85,477</u>	<u>20,989</u>	<u>-</u>	<u>1,266,262</u>

The movement in allowance for expected credit losses of amount due from members computed based on lifetime ECL are as follows:

	<u>2021</u>	<u>2020</u>
	\$	\$
At beginning of year	38,157	12,331
Movement recognised in profit or loss during the year on:		
- Assets originated and changes in credit risk	46,475	46,989
- Amounts recovered	(14,655)	(18,633)
Amounts written off	<u>(20,264)</u>	<u>(2,530)</u>
At end of year	<u>49,713</u>	<u>38,157</u>

2020/2021

NOTES TO FINANCIAL STATEMENTS

30 June 2021

8. OTHER RECEIVABLES

	<u>2021</u>	<u>2020</u>
	\$	\$
Deposits	16,904	22,369
Fortitude budget subsidy (Note A)	-	1,189,610
Miscellaneous debtors	<u>223,303</u>	<u>171,641</u>
	<u>240,207</u>	<u>1,383,620</u>
Note A: Fortitude budget subsidy:		
- Grant income for jobs support scheme	-	739,544
- Cash grant/ rental waiver	-	<u>450,066</u>
	-	<u>1,189,610</u>

As of end of reporting period, the Club considered that the expected credit losses (ECL) on other receivables are insignificant.

NOTES TO FINANCIAL STATEMENTS

30 June 2021

9. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings, improvements and additions*	Plant, machinery and equipment	Furniture, fittings and fixtures	Outdoor furniture, fittings and fixtures	Motor vehicles	China, glass and silver-ware	Construction-in-progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost									
At 1 July 2019	5,158,145	69,297,600	11,947,868	2,067,835	471,842	73,101	526,613	8,359,997	97,903,001
Additions	-	126,240	733,620	106,184	3,875	-	14,668	1,719,743	2,704,330
Disposals/Write-off	-	(687,882)	(1,502,425)	(375,645)	(13,840)	(73,101)	(202,341)	-	(2,855,234)
Transfers in (out)*	-	9,141,731	333,594	312,264	5,108	-	104,120	(9,896,817)	-
At 30 June 2020	5,158,145	77,877,689	11,512,657	2,110,638	466,985	-	443,060	182,923	97,752,097
Additions	-	81,675	385,641	44,492	4,630	-	-	700,222	1,216,660
Disposals/Write-off	-	(58,900)	(462,942)	(129,170)	(773)	-	(138,891)	(6,150)	(796,826)
Transfers in (out)*	-	149,210	217,950	4,850	-	-	-	(372,010)	-
At 30 June 2021	5,158,145	78,049,674	11,653,306	2,030,810	470,842	-	304,169	504,985	98,171,931
Accumulated depreciation									
At 1 July 2019	-	20,217,920	7,942,924	1,323,130	394,387	71,423	398,087	-	30,347,871
Depreciation (Note 19)	-	3,553,679	1,412,927	251,668	37,339	1,257	93,629	-	5,350,499
Disposals/Write-off	-	(687,865)	(1,483,121)	(369,729)	(13,838)	(72,680)	(202,191)	-	(2,829,424)
At 30 June 2020	-	23,083,734	7,872,730	1,205,069	417,888	-	289,525	-	32,868,946
Depreciation (Note 19)	-	3,729,661	1,348,700	262,726	33,246	-	89,609	-	5,463,942
Disposals/Write-off	-	(58,532)	(430,684)	(121,684)	(772)	-	(135,422)	-	(747,094)
At 30 June 2020	-	26,754,863	8,790,746	1,346,111	450,362	-	243,712	-	37,585,794
Carrying amount									
At 30 June 2021	5,158,145	51,294,811	2,862,560	684,699	20,480	-	60,457	504,985	60,586,137
At 30 June 2020	5,158,145	54,793,955	3,639,927	905,569	49,097	-	153,535	182,923	64,883,151

* Transfers from construction-in-progress to buildings, improvements and additions amounting to \$NIL (2020 : \$9,062,471) related to the redevelopment of the Club's premises and were recognised based on certificates of completion issued by the Club's appointed architect.

NOTES TO FINANCIAL STATEMENTS

30 June 2021

9. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Club appointed a professional independent appraiser to assess the current market value of the land and building at 10 Claymore Hill, Singapore 229573. The valuation was based on cost method, comprising 2 components; value of land and value of improvement erected thereon. Value of land is then assessed based on a combination of market comparison method and residual method. The report, dated 24 July 2015, reflects the following valuation:

Land value	:	\$89,000,000
Building value	:	\$32,000,000

The assets will remain stated at cost less accumulated depreciation and any accumulated impairment losses. Freehold land has an unlimited useful life and therefore is not depreciated.

10. INVESTMENT IN FINANCIAL ASSETS

	<u>2021</u>	<u>2020</u>
	\$	\$
Quoted mutual funds (i)	2,223,543	-
Fixed income (ii)	116,406	-
Alternative investments	5,588	9,211
	<u>2,345,537</u>	<u>9,211</u>

(i) The Club has invested in portfolio of listed shares exchange traded funds.

(ii) The investment in listed corporate bond issued by Emaar Sukuk Limited and MARB Bondco PLC are paying 3.7% and 3.95% of interest per annum respectively and the bonds will mature on 6 July 2031 and 29 January 2031 respectively. At maturity, the Club will receive total nominal amount of US\$88,000. The corporate bonds are held by the Club within a business model whose objective is both to collect their contractual cash flows which are solely payments of principal and interest on the principal amount outstanding and to sell these financial assets. Hence, the corporate bonds are classified as at FVTOCI. See below for impairment assessment.

The fair value of the financial assets at fair value through other comprehensive income is disclosed in Note 4(b)(vi).

Impairment of financial assets

For the purposes of impairment assessment, the corporate bonds are considered to have low credit risk as the counter parties to these investments have a minimum BB - credit rating. Accordingly, for the purpose of impairment assessment for these financial assets, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the expected credit losses for these assets, General Committee has taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers of the corporate bonds from economic expert reports, financial analyst reports and considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation technique or significant assumptions made during the current reporting period in assessing the loss allowance of these financial assets.

NOTES TO FINANCIAL STATEMENTS

30 June 2021

11. TRADE PAYABLES AND ACCRUALS

	<u>2021</u>	<u>2020</u>
	\$	\$
Trade payables	1,113,787	684,819
Variable bonus, annual wage supplement and CPF contributions accruals	1,943,034	892,672
GST payable	437,305	94,254
Other accruals	109,523	63,178
	<u>3,603,649</u>	<u>1,734,923</u>

The average credit period for purchase of goods is 30 to 60 days (2020: 30 to 60 days). No interest is charged on outstanding balances.

12. OTHER PAYABLES

	<u>2021</u>	<u>2020</u>
	\$	\$
CPF payable	256,075	274,214
Provision for unutilised leave	193,857	306,237
Deposits received	54,802	63,002
Other accrued operating expenses	2,598,602	2,553,577
	<u>3,103,336</u>	<u>3,197,030</u>

As at end of the reporting period, other accrued operating expenses include the accrued capital expenditure of \$482,363 (2020 : \$391,183).

NOTES TO FINANCIAL STATEMENTS

30 June 2021

13. DERIVATIVE FINANCIAL LIABILITIES

	<u>2021</u>	<u>2020</u>
	\$	\$
Forward foreign exchange contracts	10,116	-

The Club utilises currency derivatives to hedge significant future transactions and cash flows. The Club is a party to foreign exchange contracts in the management of its foreign exchange rates exposure. The instruments purchased are primarily denominated in the currencies of the Club's investment securities.

At the end of the reporting period, the total notional amount of outstanding forward foreign contracts to which the Club is committed is as follows:

	<u>2021</u>	<u>2020</u>
	\$	\$
Forward foreign exchange contracts	4,900,000	-

As at 30 June 2021, the total fair value liability of the forward foreign exchange contracts is estimated to be approximately \$10,116 (2020 : \$Nil). Changes in the fair value of the forward foreign exchange contracts are recorded in profit or loss.

The following table details the forward foreign currency contracts outstanding as at the end of the reporting period.

	<u>Foreign currency</u>		<u>Contract value</u>		<u>Fair value</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	US\$	US\$	\$	\$	\$	\$
Sell USD less than 6 months	3,650,006	-	4,900,000	-	(10,116)	-

14. CONTRACT LIABILITIES

This relates to consideration received to render services in future periods.

Prepayments are paid upfront as part of the initial sales transaction whereas revenue is recognised over time when services are provided to the customer. A contract liability is recognised for revenue relating to the Club at the time of the initial sales transaction and is released when services are rendered.

At the end of the reporting period, the Club has contract liabilities of \$655,129 (2020 : \$1,514,439).

	<u>2021</u>	<u>2020</u>
	\$	\$
Prepaid packages	610,578	474,011
Deferred income	44,551	17,070
Deferred grant income (jobs support scheme)	-	910,841
Deferred grant income (cash grant/rental waiver)	-	112,517
	<u>655,129</u>	<u>1,514,439</u>

NOTES TO FINANCIAL STATEMENTS

30 June 2021

15. CLUB FUNDS

Operating Fund

Operating Fund comprises other income and expenses.

Capital Fund

Following Members' approval on 3 June 2015 for the Club to undertake the Redevelopment Project, the instructions for the fund redemption of the GAP portfolio were issued on 10 June 2015 and placed as short-term deposits to protect the Club from market risk and volatility but with significantly reduced investment earnings. The Club liquidated its investment portfolio in August 2015 and recognised a net realised gain in investment securities and financial derivatives of \$17.9 million in 2016. From June 2021, the Club placed \$10.0 million as investment securities and financial derivatives with Bank of Singapore, with the remaining funds placed as short-term deposits and for working capital.

As a result of the redemption of majority of the investment portfolio in August 2015, the intention of the sub-funds is no longer aligned as there are insufficient investment returns from the remaining capital funds for the annual distribution to these sub-funds. The General Committee therefore has approved to present the sub-funds as a consolidated Capital Fund from 2019.

NOTES TO FINANCIAL STATEMENTS

30 June 2021

16. MEMBERSHIP DUES

	<u>2021</u>	<u>2020</u>
	<i>Total number of members</i>	
<u>Voting</u>		
Honorary	13	12
Ordinary	1,416	1,389
Service	84	83
Corporate	199	204
Vacant	72	84
	<u>1,784</u>	<u>1,772</u>
<u>Non-voting</u>		
Honorary	33	35
Associate	1,328	1,303
Term	253	206
Restricted	-	-
	<u>1,614</u>	<u>1,544</u>
Total	<u>3,398</u>	<u>3,316</u>

Membership dues

	\$	\$
Ordinary	3,477,944	3,464,406
Associate	2,980,827	2,965,991
Corporate	615,147	677,736
Term	556,978	465,037
Absent	78,312	84,844
Visitor	50,203	64,174
Junior Member Extension	129,269	79,073
	<u>7,888,680</u>	<u>7,801,261</u>

NOTES TO FINANCIAL STATEMENTS

30 June 2021

17. NET INVESTMENT GAIN		
	<u>2021</u>	<u>2020</u>
	\$	\$
Investment income - realised gain	40	-
Investment management fee charged by Bank of Singapore	(2,601)	-
Interest income	26,338	285,449
	<u>23,777</u>	<u>285,449</u>
18. OTHER INCOME		
	<u>2021</u>	<u>2020</u>
	\$	\$
New member operations surcharge	929,673	750,540
Premium fee - new member instalment payment plan	161,853	108,155
Parking fees	412,826	426,034
Advertising income	39,707	47,402
Sundry income	376,708	699,433
Fortitude budget subsidy (Note A)	1,963,317	2,193,445
	<u>3,884,084</u>	<u>4,225,009</u>
Note A: Fortitude budget subsidy		
- Grant income for jobs support scheme	1,489,010	1,232,867
- Foreign worker levy waiver and rebate	-	273,378
- Property tax rebate	348,850	365,650
- Cash grant/rental waiver	112,517	321,550
- LOA/SHN support programme, temporary housing, quarantine order allowance	10,500	-
- Cleaning assistance scheme	2,440	-
	<u>1,963,317</u>	<u>2,193,445</u>

NOTES TO FINANCIAL STATEMENTS

30 June 2021

19. EXPENDITURE

	Food and beverage	Member activities	Club services	Facilities, front office and administration	Membership and marketing	Total
	\$	\$	\$	\$	\$	\$
2021						
Cost of sales/services	2,818,615	11,715	3,588,357	-	-	6,418,687
Salaries, wages, bonuses and other related expenses	5,984,228	4,349,854	1,899,712	5,555,527	385,115	18,174,436
Central provident fund contributions	778,955	193,675	238,214	655,312	40,538	1,906,694
Audit and legal fees	-	-	-	106,355	-	106,355
Professional fees	-	-	-	120,717	-	120,717
Allowance for doubtful debts	-	-	-	31,820	-	31,820
Repair and maintenance	111,807	70,784	11,125	428,123	-	621,839
Utilities	-	-	-	1,068,560	-	1,068,560
Other operating expenses	650,303	555,553	222,385	2,585,929	565,317	4,579,487
Finance charges	-	-	-	172,747	-	172,747
Subtotal for Operating Fund	10,343,908	5,181,581	5,959,793	10,725,090	990,970	33,201,342
Depreciation (Note 9)	1,404,207	2,384,896	211,984	1,451,468	11,387	5,463,942
Loss on sale of property, plant and equipment	39,456	904	5	611	-	40,976
Subtotal for Capital Fund	1,443,663	2,385,800	211,989	1,452,079	11,387	5,504,918
Total	11,787,571	7,567,381	6,171,782	12,177,169	1,002,357	38,706,260

NOTES TO FINANCIAL STATEMENTS

30 June 2021

19. EXPENDITURE (cont'd)

	Food and beverage	Member activities	Club services	Facilities, front office and administration	Membership and marketing	Total
	\$	\$	\$	\$	\$	\$
2020						
Cost of sales/services	3,030,530	15,482	2,092,361	24,820	-	5,163,193
Salaries, wages, bonuses and other related expenses	6,580,233	3,428,365	1,798,124	5,226,264	350,063	17,383,049
Central provident fund contributions	879,096	236,681	234,950	698,937	34,943	2,084,607
Audit and legal fees	-	-	-	115,455	-	115,455
Professional fees	-	-	-	586,684	-	586,684
Allowance for doubtful debts	-	-	-	28,356	-	28,356
Repair and maintenance	96,305	60,246	10,463	429,603	-	596,617
Utilities	-	-	-	1,053,920	-	1,053,920
Other operating expenses	829,283	587,127	189,714	3,049,533	759,446	5,415,103
Finance charges	-	-	-	157,080	-	157,080
Subtotal for Operating Fund	11,415,447	4,327,901	4,325,612	11,370,652	1,144,452	32,584,064
Depreciation (Note 19)	1,375,052	2,335,381	207,582	1,421,332	11,152	5,350,499
Loss (Profit) on sale of property, plant and equipment	7,462	(2,037)	4,789	1,269	113	11,596
Subtotal for Capital Fund	1,382,514	2,333,344	212,371	1,422,601	11,265	5,362,095
Total	12,797,961	6,661,245	4,537,983	12,793,253	1,155,717	37,946,159

NOTES TO FINANCIAL STATEMENTS

30 June 2021

20. INCOME TAX EXPENSE

	<u>2021</u>	<u>2020</u>
	\$	\$
Tax expense comprises:		
Current tax expense	<u>-</u>	<u>-</u>

For the financial year ended 30 June 2021, less than 50% of the Club's gross takings are from its Voting Members. As such, the Club did not meet the 50% threshold requirements under Section 11(1) of the Singapore Income Tax Act ("SITA"). In this regard, the provisional income tax computation has been prepared on the basis that the Club is deemed to be carrying on a business and will be taxed on its operating surplus (total receipts of income less tax-deductible operating expenses), in addition to income from other sources derived from dealings with non-members, such as interest income.

The total charge for the year can be reconciled to the accounting loss as follows:

	<u>2021</u>	<u>2020</u>
	\$	\$
Loss before tax	<u>(531,261)</u>	<u>(5,677,444)</u>
Income tax credit at statutory rate (2020 : 17%)	(90,315)	(965,165)
Non-deductible items	934,843	914,530
Effect of revenue that is exempt from taxation	(272,259)	-
Utilisation of deferred tax assets not recognised	(572,269)	-
Effect of unused tax losses not recognised as deferred tax assets	<u>-</u>	<u>50,635</u>
	<u>-</u>	<u>-</u>

21. CAPITAL COMMITMENTS

	<u>2021</u>	<u>2020</u>
	\$	\$
Amounts approved and not contracted for	1,670,351	1,340,571
Amounts approved and contracted for	<u>84,677</u>	<u>273,350</u>

22. COVID-19 IMPACT

The outbreak of COVID-19 in early 2020 has caused disruptions to many industries globally. Despite the challenges, governments and international organisations have implemented a series of measures to contain the pandemic. The Club will closely monitor the development of the pandemic and assess its impact on its operations continuously. Notwithstanding this, management has assessed that the Club is still able to maintain sufficient liquidity, to enable the Club to continue as a going concern for at least the next 12 months from the date of these financial statements.



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