THE AMERICAN CLUB
Singapore

ANNUAL REPORT 2016/17

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 families can proudly call their home away from home.

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Message from The President & Treasurer

On behalf of the Executive and General Committees, it is our privilege to present you with The Club's Annual Report for the fiscal year ended June 30, 2017. This report highlights some of the achievements and progress we've made in key areas, as well as measures taken to address both challenges and opportunities that emerged over the past year.

Celebrating Change

The Club's redevelopment project commenced on site in the summer of 2016. Since then, we've seen a plethora of changes occur within the clubhouse, including the launch of our new Level 3 facility, a re-conceptualized and multi-faceted space housing the new Business Center and Libraries, followed by the demolition of our Scotts Road building, and now, its swiftly progressing reconstruction. The Scotts building demolition meant the closure of the Bowling Alley, Banquet facilities and swimming pools on site and temporary relocation of many outlets, including the significant move of our pool and Aquatics program offsite to Bukit Merah.

In spite of these disruptions, Club financial performance exceeded budget in FY2017, with gross operating loss of $5,211,991 after tax and total assets value at $114,584,003. Against a backdrop of a 4% decline in membership level to 3,314 and a 5% decline in dues income to $7,827,887 (both declines smaller than the previous financial model projections), this bottom line was achieved via the Management team's active expense management measures, diligent pursuit of government grants, concerted effort at Member engagement and enhancing Member experience and satisfaction, and an openness from our staff to be redeployed to other duties and outlets.

The General Committee approved a recommendation from the Membership Committee to introduce a restricted annual membership category for North Americans, which boosted new Member intake and entrance fee income. We welcomed 44 new Pathway Members during the year. Total entrance fee income for the year was $3,225,487. Member usage remained high at an average of 80%, while Member satisfaction, as measured via The Club's various feedback channels, present a clear picture that Members are happy with their overall Club experience, with 77% positive comments. The Level 3 space has also been well-received by Members, garnering lots of positive feedback and enjoying steady usage growth – showcasing well, the quality and finish that Members can expect for the upcoming phases of redevelopment.

We are also pleased to share below, several key indicators that are faring better than the financial model projection that was presented to Members at the time the redevelopment resolution was passed.

	Actual			Financial Model	Cumulative Variance (Actual vs Model)	
	FY2016	FY2017	Cumulative	Cumulative		
Entrance Fees (S$ '000)	4,230	3,225	7,455	0	7,455	-
Redevelopment Progress Payments (S$'000)	1,422	12,005	13,427	15,034	-1,607	-11%

As at	Actual end-FY2017	Financial Model end-FY2017	Variance (Actual vs Model)	
Total Reserves (S$ '000)	85,626	75,123	10,503	14%
No. of Closing Memberships	3,314	2,829	485	17%

Technological Innovations

In the past year, we made investments in our technology infrastructure that enhanced operational efficiencies, advanced the delivery of Member services and positions The Club well for the future. One such example was the implementation of the library self-checkout kiosk, which has automated the borrowing of books and allowed staff to be deployed to other Member service functions. We also launched more useful features on the Membership information kiosks located at Level 3 and the Front Desk. Back-of-house, the IT team enhanced The Club's Business Intelligence system, enabling easier access to data for analysis and decision making. A continuing focus on upgrading technology will ensure that our Club is prepared to meet Members' needs, now and in the future. New technologies that will be rolled out in the new year include a burger patty-forming machine, a people counting analytical system and a self-contained food waste management system.

Our People

We are only as strong as our people, and The Club continued to emphasize the development of its human capital. Progressive employment practices, ongoing efforts to improve productivity across all age groups via innovation and job redesign, and the cultivation of a conducive work environment for our team members have resulted in improvements to our overall employee engagement and attrition rate; the latter continues to remain low relative to the industry, at only 1.58% per month (versus the Singapore industry average for the accommodation and food services sector of 3.6%). The Club was proud to attain the 'Human Capital Partnership' recognition as well as the 'Plaque of Commendation' at the Labor Movement's 2017 May Day Awards, testimony to our deep commitment to our people and ongoing strong partnership with the Union. Looking ahead, staff training and career development continue to be our key focuses as we equip our team with the skills needed to operate our new clubhouse.

Keeping Member Experience Positive

Despite the physical disruptions posed by redevelopment, providing exceptional Member experience remains at the heart of what we do. Ongoing facility upkeep and improvement works were undertaken for the Gym and common Member spaces like the car park and stairwells. New events like The Entrepreneur Series, Author Book Launches and the Book Club were launched to drive Member engagement. The Overdrive system featuring a collection of titles was also launched at the Libraries during the year, answering the call for more e-book options. Convenient online laundry pick up and drop off was also introduced to Members.

Looking ahead

It was an eventful year at The Club, and we are proud of the progress made on the redevelopment front. The end of the fiscal year is also an opportunity for us to reflect on our past and consider how we can continue to uphold our mission and values, while we transform The Club to meet the rapidly changing needs of our membership.

As we look forward to a brand new year, we would like to thank our Members, Committee volunteers, Management and staff teams, partners and stakeholders who have supported us throughout our journey. Your ongoing commitment and dedication have made The Club the successful, thriving community that it is today.

Kristen Graff
President

Rahul Arora
Treasurer

General Committee

Kristen Graff
President

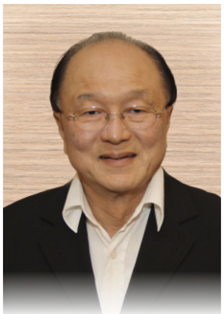
Kenneth Fagan
Vice President

Diane Knox
Secretary

Rahul Arora
Treasurer

Aaron Kim
Member at Large

Ashok K. Lalwani
Member at Large



Beng Bak Low
Co-opted Member

Bill Bowman
Member at Large

Dana Hvide
Member at Large

Ngiam Siew Wei
Member at Large

Peter Proft
Member at Large

Phua Swee Leng
Co-opted Member

Richard Hartung
Member at Large

Scott Morris
Member at Large

Stephanie Nash
American Association

Cyndy O'Connor
American Women's Association

Sandra Johnson
Canadian Association

Lt Col Howard Eyth
American Embassy

SENIOR MANAGERS

MARTIN RUDDEN
General Manager

PATRICIA AU
Assistant General Manager

VIJAYAKUMAR RAJ
Assistant General Manager

TAN LEE LEE
Senior Director of
People Development

TANG TECK WAH
Senior Director of
Facilities & Security

SU-ANN KHOR
Senior Director of
Club Services

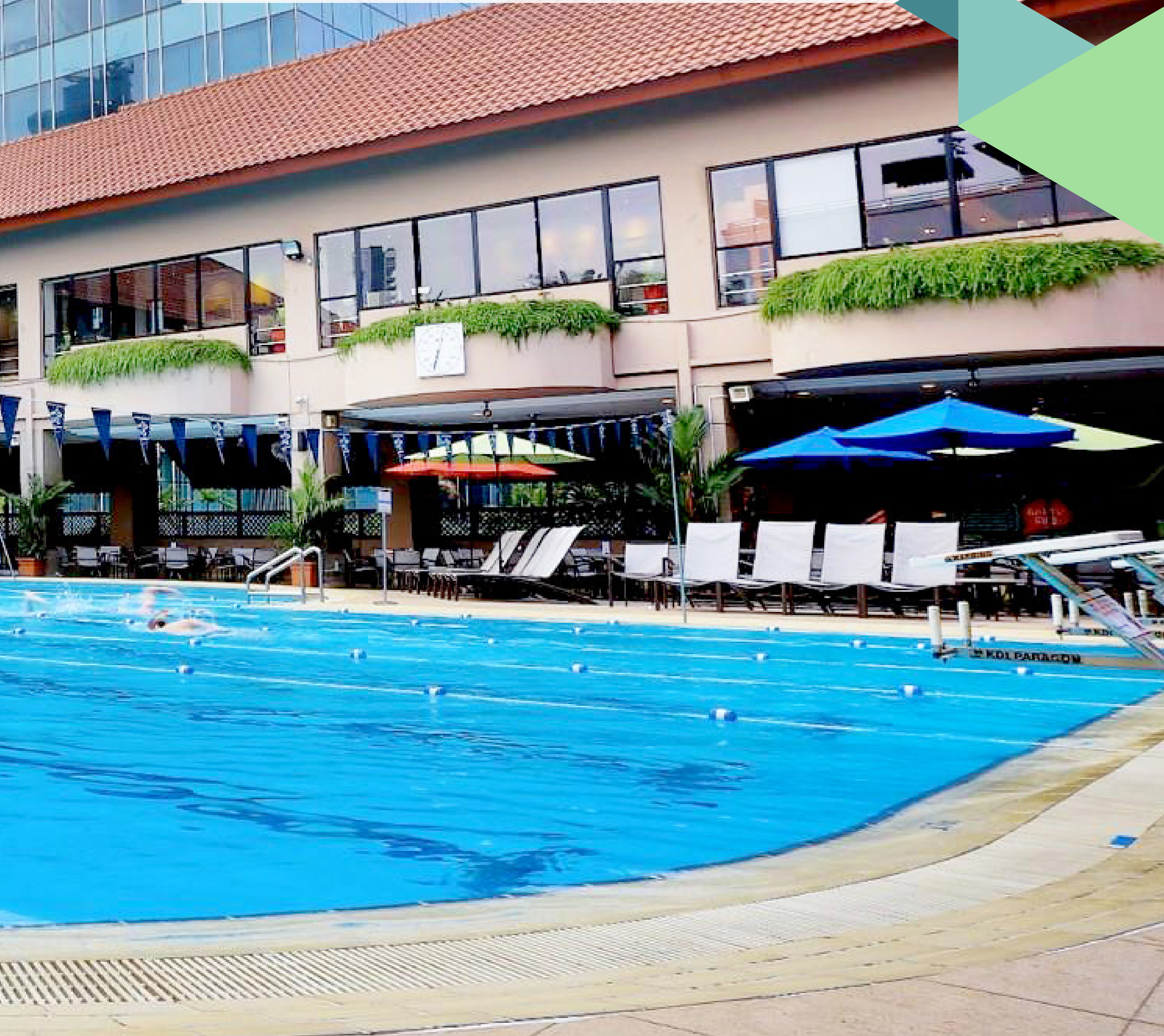
ANGIE NG
Director of
Finance

MALIK RILEY
Director of
Food & Beverage

RANDY SIMON
Director of
Fitness & Leisure

A Bird's Eye View

The redevelopment project was the overwhelming focus for The Club this year as demolition began and construction ramped up. The impact of losing the Scotts Road building was felt throughout The Club, but the team worked hard to innovate, finding new solutions and ways to enhance services to close some of the gaps created by the project. Member satisfaction and engagement remained key priorities for our team. These are some of the achievements The Club is most proud of this fiscal year.



THE A TEAM

One of The Club's most defining characteristics is its strong service culture, displayed by exemplary staff. Our recruitment efforts focus on selecting team members who embody a proactive service attitude and personal warmth and care, and who will continue to proudly uphold The Club's service philosophy to all Members and guests.

The start of the redevelopment brought about operational changes. The Management team committed to upholding the General Committee's wish to ensure that all staff remain employed. The People Development team facilitated many of our team members to temporarily switch roles at The Club or undergo cross-training to learn new skills while their outlets were closed for redevelopment.

This commitment to the staff team was a contributing factor that led to The Club being recognized as a partner in the Human Capital Partnership (HCP) program. The program is an initiative that recognizes exceptional employers in Singapore who are committed to developing their human capital and adopting progressive employment practices. In February 2017, The Club received its HCP Certificate from Mr. Lim Swee Say, Minister of Manpower.

Another example of our progressive practices was the commitment to re-employ workers up to the age of 67, even before legislation was passed. Our ongoing efforts to improve workers' productivity through innovation and job redesign was also recognized when The Club received a Plaque of Commendation at the Labor Movement's 2017 May Day Awards.

Our initiatives further garnered the attention of the Ministry of Manpower. In June, The Club hosted a learning journey for Minister of State, Mr. Sam Tan, officers from the Ministry of Manpower, Workforce Singapore, and 25 other industry partners to share with them our job redesign projects, progressive HR practices, and how we are adapting our workplace for older workers.

One Stop Shop

We continued our efforts to position The Club as a convenient one stop shop for all our Members' needs.

Our new Level 3 facilities were launched in September 2016. With an increased number of meeting rooms, a spacious Commons area, an expanded Library with comfortable seating, and a larger Boardroom, the new space was well-received by Members and we have seen usage grow by 63% versus the old spaces. The Business Center added the Canon Uni-Flow system, allowing Members to remotely access the printer, and the Library introduced Overdrive (an online digital content service), a book club, storytelling for kids, and author events to their calendar to expand their offerings. Level 3 was designed as a multifaceted, flexible use space. Since its launch, we have hosted private events, carpet auctions, and a brand new, regular Entrepreneur Series.

This year, Essentials was downsized to make room for HOME's temporary relocation as part of the redevelopment. Despite this, the outlet launched a new Infrasys POS and barcode scanning system, which allowed our team to work more efficiently and manage their stocks better. By restocking daily, the team was able to exceed their revenue target by 2% and GOP by over 13%. For added Member convenience, Essentials launched its new Mobile Laundry service in November 2016 and this is gradually building a loyal following.

Our youngest Members and their parents can now stay updated on The Club's kids' events and classes via the new Youth monthly calendar and dedicated e-blast. Although the Youth Zone was temporarily relocated to the basement, the Youth team continued to keep its offerings fresh and engaging. Funtastic Fridays and Sunday Fundays were launched to keep kids entertained while parents enjoy some well-deserved me time. Several new classes were also added including Muay Thai, Mandarin, and Toddler Stay and Play, though Tai Kwan Do and Music continue to be the pillars of our kids' recreation program. Together, classes exceeded budget by nearly 28.5%.

Our popular sên Spa won Aveda's Best Education Award this year, beating every other Aveda hair salon in Singapore by achieving 100% training completion for the entire team. A new dedicated monthly e-newsletter was launched, and was very well-received by regular spa users. To date, there are over 1,100 subscribers.

Keeping Fit and Staying Active

Maintaining a healthy lifestyle is a priority for many of our Members. This year, our Fitness and Lesiure (F&L) team ensured there were enough challenges, tournaments, classes, and equipment to keep Members engaged and motivated to reach their fitness goals.

One of the biggest transitions within our F&L team was the temporary move of our Aquatics program to Bukit Merah Swimming Complex in August 2016 as part of our redevelopment. The Club hosted a giant launch party, which coincided with the End of Camp party, and welcomed more than 300 Members to the new pool. All our lifeguards and teaching staff became SwimAmerica trained, qualified, and certified in September, and by November, the program was launched. Our swim team and Masters swimmers took part in several swim meets this year and our Babies and Toddlers program evolved from a learn-to-swim program to a drowning prevention class. The launch of the new Aquatics newsletter in January helped to keep everyone informed on all the latest happenings.

In the Gym, the focus was on maintaining Member dedication to their fitness routines while at The Club or away. The Gym team launched new Traveler Workout handouts, which proved very popular with our jet-setting Members. These complimentary workout sheets are ideal to use in hotel rooms or airplanes, so squeezing in a workout is easier no matter where our Members are. The team also organized numerous fitness challenges to keep engagement high and the delivery of new bikes, ellipticals, and treadmills ensured Members enjoyed the latest equipment to work out on. Add to that the excellent range of Group Fitness classes offered, as well as special events such as Zumba classes with ZES Mike Thomas, May Madness Indoor Cycling, and our 500km Spinning Challenge, and it's easy to see why The Club is a destination of choice for the fitness-minded.

Out on the greens, our golfers enjoyed three headline events: a friendly game with the British Club, the Ambassador's Cup Tournament, and the Colonial Cup. The Club's 12 golfers emerged victorious at the Colonial Cup, winning by a score of 9-6.

On the courts, our Squash players garnered 4th place in the COSMO Inter-Club Squash League and won the trophy for best participation with an astounding 96% participation rate. As part of the SSRA's National Squash League, they won their first nine matches and finished the season in 5th place. The Team Tournament, Handicap Tournament, and Open Tournament rounded out their schedule for the year, with a special trip to Hong Kong for a match with the Hong Kong Football Club. Our team won the latter in April, and when our Club hosted HKFC for the second leg of the tournament in early June, HKFC won.

Our Tennis program was equally busy. In November, Tomas Biernacki, previously the Danish National Coach who headed up the Davis Cup, Fed Cup, and national Danish squads, joined The Club as Tennis Director. Tomas oversaw a calendar with a 20% increase in tennis events versus last year, including 11 tournaments – a highlight being The Club's Men's A Team finishing 2nd in the STA Singles League. Our youth program moved from strength to strength, and The Club now offers more classes during the week.

Sparkle and Shine

In the lead up to the demolition of the Scotts Road building, supporting the redevelopment plans was a core focus for the Facilities department.

The Engineering team took the lead by shifting the laundry room from its old location to its temporary one at the poolside. The team also converted one of our Banquet storerooms into a new, temporary documentation room. This space houses more than 200 boxes of sensitive documents and equipment for our Membership, Finance, People Development, and IT teams. This was followed by the migration of our back-of-house and administration teams to the Claymore building.

Engineering helped to improve Member experience by adding new safety rails on The 2nd Floor to make the space safer for all users, installing new carbon filters near the Gym and Studio to eliminate the smoke smell that sometimes wafted into the spaces, and adjusting the AV system in Studio 1 so that the music would not impact Gym users.

Our Housekeeping team tapped on technology to save time, water, and manpower. The team also undertook a tender for chemicals and changed to new cleaning chemicals, in the process saving nearly 15% in cleaning expenses.

The smiles of our Concierge team continue to be a bright spot for many of our Members. The Call Center was launched to address feedback from Members about poor call experience, and the team has handled more than 27,000 calls and nearly 3,000 spa bookings since then. Our Concierge team also supported the upgrading of our phone system so that Members who call outlets directly are greeted with auto answering when they're busy. This user-friendly system helps our staff manage operationally busy times more effectively and ensures Members receive prompt service.

The team also secured more newspaper subscriptions for The Club, and Members have been pleased with the addition of digital newspapers, including the New York Times, Financial Times, and Wall Street Journal for their reading pleasure. The Duty Managers spearheaded our staff empowerment program and we saw more than 800 instances of service recovery and exceptional service. Now that puts a smile on everyone's face!

THE COLOR OF MONEY

The redevelopment provided our Finance, Purchasing and IT departments with opportunities to reassess processes and systems.

The Finance team conducted a comprehensive review of fixed assets as The Club embarked on the redevelopment works – all new fixed assets were tagged and construction work-in-progress were capitalized upon the issuance of Certificates of Completion, while assets that were disposed of during the redevelopment were written off. In anticipation of the shift to a smaller temporary wine storage during the redevelopment, our Cost Control team worked with F&B to reduce the inventory of wines by a further 32% to $378,000 or 15.8% of annual wine sales. The Club's wine turnover ratio improved to 3.35. Our Purchasing team also enhanced efficiency by reviewing contracts, conducting tender exercises and reducing The Club's number of active vendors. This exercise allowed us to enjoy better price negotiating power and a cost savings of approximately 3.5% to 5.0%.

Our IT team was kept busy with the migration of our server to the Claymore building when the Scotts Road building was demolished in September 2016. They seamlessly moved all servers and equipment and got the POS, inventory and booking systems up and running ahead of schedule. That same month, they installed 18 faster-performing computers at the new Business Center at Level 3.

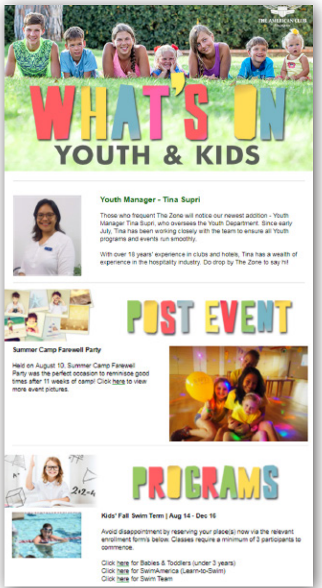
Always looking for ways to innovate and create efficiencies, the IT team also spearheaded several new initiatives across The Club including implementing a new barcode system for merchandise at sên and Essentials, enabling faster checkout for Members; creating an online library portal and installing UHF RFID technology to enable our Library team to perform book stock-take more efficiently; introducing a library self-check in and out kiosk to allow Members to self-transact book borrowing and returns, saving the Library 333 man-hours per month; and palletizing our purchase order workflow process to consolidate similar product purchases from various outlets into a single purchase order, reducing overall purchase requisitions and purchase orders by 25% and 45% respectively.

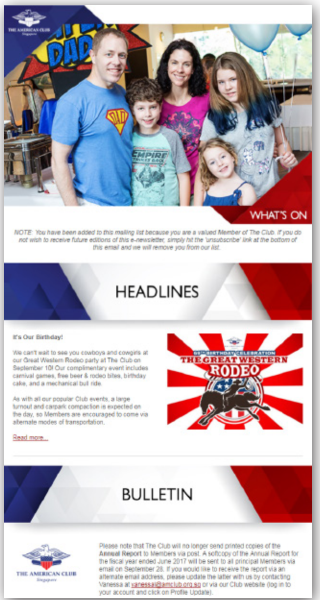
Spreading the Word

Increasing Member engagement was the underlying tenet for all the initiatives our Marketing & Communications department undertook this year. The team did this by focusing on Member-centric content and expanding the type of material created for Members, potential Members, and the general public.

Shifting the content on its communications channels allowed The Club to showcase its unique personality and stories, generate conversations and achieve a healthy fan growth and increased engagement on The Club's Facebook page. Our team also added new sections to the bi-monthly magazine based on Member feedback, including a staff feature and a regular Rant and Rave section.

Members benefitted from new special-interest newsletters that were tailored to their specific segments. Dedicated e-newsletters were created for our wine enthusiasts, aquatics users, spa lovers, and kids. These newsletters enjoy high open and click rates, allowing The Club to more effectively target messaging to Members. Our general What's On e-newsletter also got a facelift in a bid to increase readership. The new format uses more graphics and images, includes a new section that features our staff, and contains more Member contests and giveaways from our external partners including Delta Airlines, Banyan Tree, Shaw Organization, Singapore Repertory Theatre, and more. These changes increased our click rate from an average of 2.4% to 7.7%.





The Club appointed a Brand Consultant, tasked with rebranding The Club and its new outlets. This work aims to preserve and enhance The Club's image, attract new Members, and further strengthen The Club's corporate identity. The work with the brand consultant will continue into the new fiscal year.

Tied to the redevelopment, the team has also been busy creating a compilation of The Club's history to capture key milestones from its inception in 1948, up till post redevelopment. This material will be used to produce a publication at the end of the redevelopment that provides a historical reference of The Club and showcases each aspect of the new clubhouse.

Eat, Drink, and Be Merry!

The redevelopment significantly impacted our food and beverage operations, but we focused on making the changes positive. With the closure of the Colonial Room and Poolside, the Eagle's Nest took on the task of hosting the Thanksgiving Day Dinner Buffet and Christmas Eve and Day Buffets. Both holiday celebrations were successful, with Thanksgiving seeing an additional 178 covers versus the prior year, and Christmas Eve and Day enjoying a respective 37% and 61% revenue increase compared to the last year.

Eagle's Nest also launched its takeaway service, which continued to grow throughout the year. The dedicated hotline and counter were launched to provide expedited service for Members displaced by the closure of the Poolside restaurant.

Despite the increased workload, the Eagle's Nest team was dedicated to finding time to maintain its extensive training program to continue to improve and refine service standards. Ten of our Eagle's Nest team members passed a demanding Wine Education Training & WSET (Wine & Spirit Education Trust) program. The WSET-Level 1 program is an 80-hour UK certification program recognized in most parts of the world. After completing the 12-week course, all team members were required to pass a written exam. Eagle's Nest also engaged Innovator SG to undertake a review of service processes and recommend changes to improve Member experiences and service standards at the outlet. This initiative helped the outlet to develop low-cost, measurable improvements, resulting in higher staff engagement and Member satisfaction.

Innovation helped Thyme Café serve Members better with the addition of a flash bake oven. This heating unit keeps things crispy, while reducing cooking times by up to 90%. This has garnered positive response from Members and created greater staff efficiency.

The 2nd Floor introduced its successful Distinguished Chef series, which sold out for all three installments in FY2017. The Union Bar also did extensive Member surveying and decided to bring in bigger bands, resulting in revenue improvement. And by using more targeted marketing and personalized service for their wine orders, HOME was able to generate $193K in revenue, an increase of 12.7% in total beverage revenue. That, coupled with a 50% reduction in our wine inventory through sales and a depletion of slow moving stock, helped HOME exceed its overall merchandise sales revenue by 170+%.

Redevelopment

An Overview

The redevelopment began onsite in the summer of June 2016. As part of the project, the Scotts Road building was demolished, the sports building will be reconfigured, portions of the Claymore building will be redeveloped, and many spaces will be rebuilt to better integrate the buildings. This will allow for more efficient usage of space within The Club, which should lead to increased staff efficiencies and ultimately, greater Member satisfaction. The redevelopment is scheduled to be completed in early 2019.

Sharing the Plan

In the summer of 2016, the 100% master plan concept was shared with Members. This plan showed the new layout of outlets, which improves circulation between the Claymore and Scotts Road buildings - one of the key drivers for undertaking the redevelopment.

Construction Begins

Construction on the new Level 3 facilities, which include the new Library, Children's Library, and Business Center, began in June 2016 and continued throughout the summer. At the end of July, the pool and Poolside restaurant were closed to Members and the pool was decommissioned. By the time late summer rolled around, the Scotts Road building was being systematically closed, with HOME, the Libraries, our Youth facilities, the Business Center, and the administration office shutting their doors. It was a major undertaking to move all of these facilities to their new locations in the Claymore building, but the migration was successfully handled with minimal disruption to Members.

Soon after, the demolition of the Scotts Road building and poolside began. The entire site was reduced to rubble and was cleared out and prepared for piling. In mid-September, while this work was happening, The Club's new Level 3 facilities were opened. The fluid design of the space was a new concept for Members, but as the months passed, usage increased, as did Member satisfaction with the space.

Developing the Plans

While the construction team was busy with demolition and building the new spaces, behind the scenes the Design Review Committee, made up of Member volunteers, management, and consultants, was busy working on the scheme design of the space. This phase of the project determines what interior spaces will look like in terms of door, wall, and window placement, square footage allocated, and limited design aspects. Iterations of the scheme design were shared with membership at Town Hall meetings to garner feedback on the direction of the plans. Many Member comments were incorporated into the scheme design to enhance the usability of the space.

Once the General Committee had approved the plans, further detailed design work could be carried out. Working with the Project Stakeholder Group, made up of Member committee members, management, and consultants, the interior design team worked to create a clubhouse that will be warm, inviting, and comfortable, while meeting our unique needs due to the exceptionally high volume of usage. After many months of meetings, the final detailed design was completed and submitted to the General Committee for approval.

Financial Report 2016/17

EXECUTIVE COMMITTEE

President	Kristen Graff	(Appointed on 3 April 2017)
Vice President	Kenneth Fagan	(Appointed on 3 April 2017)
Treasurer	Rahul Arora	(Appointed on 6 March 2017)
Secretary	Diane Knox	(Appointed on 3 April 2017)

GENERAL COMMITTEE

Aaron Kim
Ashok K. Lalwani
Beng Bak Low
Bill Bowman
Dana Hvide
Ngiam Siew Wei
Peter Proft
Phua Swee Leng
Richard Hartung
Scott Morris
Sandra Johnson
Stephanie Nash
Cyndy O'Connor
Lt Col Howard Eyth

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
JPMorgan Chase Bank, N.A. and J.P. Morgan International Bank 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.

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).

From fiscal year 2015/2016, the General Committee approved a deviation from the aforementioned break-even basis, for the redevelopment period.

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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 2017, 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 27 to 61.

In our opinion, the 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 2017 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' 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

THE AMERICAN CLUB

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

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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

THE AMERICAN CLUB

Report on Other Legal and Regulatory Requirements

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

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

Date: 11 September 2017

THE AMERICAN CLUB

STATEMENT OF FINANCIAL POSITION
30 June 2017

	Note	2017	2016
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	6	85,612,504	97,887,510
Due from members	7	2,055,879	2,439,142
Transferable club memberships		23,558	23,558
Prepayments		210,067	216,633
Other receivables	8	671,353	277,517
Consumable stocks		749,901	973,884
Total current assets		89,323,262	101,818,244
Non-current assets			
Property, plant and equipment	9	25,247,107	15,861,870
Investment securities	10	13,634	2,625,079
Total non-current assets		25,260,741	18,486,949
Total assets		114,584,003	120,305,193
LIABILITIES AND FUNDS			
Current liabilities			
Trade payables and accruals		3,767,146	4,129,838
Other payables	11	2,401,127	1,433,595
Fees received in advance from potential members		462,524	745,591
Members' deposits		785,302	791,802
Provision for taxation		178,067	174,342
Total current liabilities		7,594,166	7,275,168
Club Funds			
Operating Fund	12	3,200,005	3,223,084
Capital Fund			
Net investment in property, plant and equipment	12	25,247,107	15,861,870
Renewal and Replacement Funds	12	64,097,668	71,023,011
Security Fund	12	3,600,000	3,600,000
Legacy Fund	13	10,845,057	19,322,060
Total Club Funds		106,989,837	113,030,025
Total liabilities and Club Funds		114,584,003	120,305,193

Kristen Graff
President

Rahul Arora
Treasurer

See accompanying notes to financial statements.

THE AMERICAN CLUB

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 30 June 2017

		2017			2016		
	Note	Operating fund	Capital fund	Total	Operating fund	Capital fund	Total
		$	$	$	$	$	$
Income							
Food and beverage		8,217,329	-	8,217,329	10,334,456	-	10,334,456
Jackpot room*		258,189	-	258,189	1,796,453	-	1,796,453
Member activities		3,175,807	-	3,175,807	4,039,897	-	4,039,897
Club services		4,703,427	-	4,703,427	5,552,163	-	5,552,163
Membership dues	14	7,827,887	-	7,827,887	8,222,160	-	8,222,160
Entrance fees		-	3,225,487	3,225,487	-	4,230,002	4,230,002
Net investment gain	15	-	4,327,746	4,327,746	-	18,773,306	18,773,306
Allocation from capital fund		1,600,000	(1,600,000)	-	1,600,000	(1,600,000)	-
Other income	16	1,971,823	-	1,971,823	2,518,393	-	2,518,393
Total income		**27,754,462**	**5,953,233**	**33,707,695**	**34,063,522**	**21,403,308**	**55,466,830**
Expenditure	17						
Food and beverage		11,792,690	869,925	12,662,615	12,924,259	650,400	13,574,659
Jackpot room		253,650	69,731	323,381	1,795,984	34,753	1,830,737
Member activities		4,848,649	1,241,610	6,090,259	4,623,052	1,050,210	5,673,262
Club services		4,374,440	126,667	4,501,107	5,099,658	115,568	5,215,226
Facilities, front office and administration		10,527,097	1,160,432	11,687,529	11,020,717	869,354	11,890,071
Membership and marketing		1,006,997	24,974	1,031,971	1,012,090	53,759	1,065,849
Total expenditure		**32,803,523**	**3,493,339**	**36,296,862**	**36,475,760**	**2,774,044**	**39,249,804**
(Loss) Profit before tax		**(5,049,061)**	**2,459,894**	**(2,589,167)**	**(2,412,238)**	**18,629,264**	**16,217,026**
Income tax expense	18	(162,930)	-	(162,930)	(159,042)	-	(159,042)
(Loss) Profit net of tax		**(5,211,991)**	**2,459,894**	**(2,752,097)**	**(2,571,280)**	**18,629,264**	**16,057,984**

**The Jackpot Room's last day of operation was on 31 August 2016.*

See accompanying notes to financial statements.

THE AMERICAN CLUB

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (cont'd)
Year ended 30 June 2017

	Note	2017 $	2016 $
(Loss) Profit net of tax		(2,752,097)	16,057,984
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss			
Net loss on available-for-sale financial assets	13	(3,288,091)	(18,050,567)
Other comprehensive loss for the year, net of tax		(3,288,091)	(18,050,567)
Total comprehensive loss for the year		(6,040,188)	(1,992,583)

See accompanying notes to financial statements.

THE AMERICAN CLUB

STATEMENT OF CHANGES IN CLUB FUNDS
Year ended 30 June 2017

	Operating Fund	Capital Fund					Total Funds
		Net investment in property, plant and equipment	Renewal and replacement fund	Security fund	Legacy fund	Total capital fund	
2017	$	$	$	$	$ (Note 13)	$	$
Balance at 1 July 2016	3,223,084	15,861,870	71,023,011	3,600,000	19,322,060	109,806,941	113,030,025
Legacy Fund drawn down for topping up of Operating Fund for prior years	49,667	-	-	-	(49,667)	(49,667)	-
Legacy Fund drawn down for current year income tax expense	162,930	-	-	-	(162,930)	(162,930)	-
Legacy Fund drawn down for topping up of Operating Fund	5,049,061	-	-	-	(5,049,061)	(5,049,061)	-
GC-approved operating expense	(72,746)	-	-	-	72,746	72,746	-
(Loss) Income net of tax, before net investment gain	(5,211,991)	(3,548,463)	1,680,611	-	-	(1,867,852)	(7,079,843)
Net investment gain	-	-	4,327,746	-	-	4,327,746	4,327,746
Other comprehensive loss for the year	-	-	-	-	(3,288,091)	(3,288,091)	(3,288,091)
Total comprehensive (loss) income for the year	(23,079)	(3,548,463)	6,008,357	-	(8,477,003)	(6,017,109)	(6,040,188)
Amount transferred for capital expenditure	-	12,933,700	(12,933,700)	-	-	-	-
Balance at 30 June 2017	3,200,005	25,247,107	64,097,668	3,600,000	10,845,057	103,789,832	106,989,837

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN CLUB FUNDS (cont'd)
Year ended 30 June 2017

	Operating Fund	Capital Fund					Total Funds
		Net investment in property, plant and equipment	Renewal and replacement fund	Security fund	Legacy fund	Total capital fund	
2016	$	$	$	$	$ (Note 13)	$	$
Balance at 1 July 2015	3,223,084	16,401,466	51,854,151	3,600,000	39,943,907	111,799,524	115,022,608
Legacy Fund drawn down for current year income tax expense	159,042	-	-	-	(159,042)	(159,042)	-
Legacy Fund drawn down for topping up of Operating Fund	2,412,238	-	-	-	(2,412,238)	(2,412,238)	-
(Loss) Income net of tax, before net investment gain	(2,571,280)	(2,826,490)	2,682,448	-	-	(144,042)	(2,715,322)
Net investment gain	-	-	18,773,306	-	-	18,773,306	18,773,306
Other comprehensive loss for the year	-	-	-	-	(18,050,567)	(18,050,567)	(18,050,567)
Total comprehensive (loss) income for the year	-	(2,826,490)	21,455,754	-	(20,621,847)	(1,992,583)	(1,992,583)
Amount transferred for capital expenditure	-	2,286,894	(2,286,894)	-	-	-	-
Balance at 30 June 2016	3,223,084	15,861,870	71,023,011	3,600,000	19,322,060	109,806,941	113,030,025

See accompanying notes to financial statements.

THE AMERICAN CLUB

STATEMENT OF CASH FLOWS
Year ended 30 June 2017

	2017	2016
	$	$
Operating activities		
(Loss) Profit before tax	(2,589,167)	16,217,026
Adjustments for:		
Depreciation of property, plant and equipment	2,491,117	2,759,828
Loss on sale of property, plant and equipment	1,002,222	14,216
Write back of allowance for doubtful debt	(35,642)	(48,021)
Allowance for doubtful debt	91,871	81,761
Interest income	(927,328)	(921,947)
Coupon income	(12,462)	(12,692)
Realised loss on financial derivatives	-	1,026,175
Realised gain on investment securities	(3,394,010)	(18,938,365)
Unrealised gain on financial derivatives	(547)	(20)
Investment management fees	6,601	73,543
Operating cash flows before movements in working capital	(3,367,345)	251,504
Due from members	327,034	378,559
Other receivables	(387,270)	(80,478)
Consumable stocks	223,983	284,148
Trade and other payables and accruals	604,840	223,141
Fees paid in advance from potential members	(283,067)	14,473
Members' deposits	(6,500)	29,812
Cash (used in) generated from operations	(2,888,325)	1,101,159
Income taxes paid	(159,205)	(17,126)
Interest received	927,328	921,947
Net cash (used in) from operating activities	(2,120,202)	2,005,980
Investing activities		
Purchase of property, plant and equipment	(12,933,700)	(2,286,894)
Proceeds from sale of property, plant and equipment	55,124	52,446
Proceeds from redemption of investments	2,711,310	90,973,869
Proceeds from redemption of deposit	14,893,982	-
Deposit placement	-	(92,303,007)
Purchase of investments, including financial derivatives	-	(2,265,009)
Coupon income received	12,462	12,692
Net cash from (used in) investing activities	4,739,178	(5,815,903)
Net increase (decrease) in cash and cash equivalents	2,618,976	(3,809,923)
Cash and cash equivalents at the beginning of the year	4,584,503	8,394,426
Cash and cash equivalents at the beginning of the year	7,203,479	4,584,503

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
30 June 2017

1. GENERAL

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

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 2017 were authorised for issue by the General Committee on 11 September 2017.

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 Payments, leasing transactions that are within the scope of FRS 17 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.

NOTES TO FINANCIAL STATEMENTS
30 June 2017

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

Adoption of New and Revised Standards - On 1 July 2016, the Club adopted all the new and revised FRSs and Interpretations of FRS ("INT FRSs") that are effective from that date and 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.

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 effective:

- FRS 109 Financial Instruments[1]
- FRS 115 Revenue from Contracts with Customers[1]
- FRS 116 Leases[2]

[1] Applies to annual periods beginning on or after 1 January 2018, with early application permitted.
[2] Applies to annual periods beginning on or after 1 January 2019, with earlier application permitted if FRS 115 is adopted.

The General Committee anticipates that the adoption of these FRSs and amendments to FRS that were issued but effective only in future periods will not have a material impact on the financial statements of the Club 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.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

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

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs except for those financial assets classified at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following specified categories: "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in "investment income" line in the statement of comprehensive income. Fair value is determined in the manner described in Note 4.

Loans and receivables

Due from members and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Due from members and other receivables are measured at amortised cost using the effective interest method less impairment losses. Interest is recognised by applying the effective interest method, except for short-term balances when the effect of discounting is immaterial.

Available-for-sale financial assets

Investment securities held by the Club are classified as being available for sale and are stated at fair value. Fair value is determined in the manner described in Note 4. Gains and losses arising from changes in fair value are recognised in other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in revaluation reserve is reclassified to profit or loss. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at end of the reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the available-for-sale monetary asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

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

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Club's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of amounts due from members where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserves. In respect of available-for sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

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

Amount 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.

Derecognition of financial liabilities

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

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.

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

Leases - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Club as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

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.

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

Impairment of Non-Financial Assets - At the end of each reporting period, the Club assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Club makes an estimate of the asset's recoverable amount. 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 an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. 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.

Impairment losses are recognised in the statement of profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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.

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.

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

Revenue Recognition - Revenue is measured at the fair value of the consideration received or receivable.

Revenue from food and beverage is recognised upon sale of the food and beverage items.

Revenue from member activities and club services are recognised when the services have been rendered.

Revenue from membership dues is recognised on accrual basis.

Revenue from jackpot machines is recognised on a receipt basis.

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

Rental income is accounted for on a straight-line basis over the lease terms on ongoing leases. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

Interest income is recognised as interest accrues (using the effective interest method).

Retirement Benefit Obligations - 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.

Foreign Currency Transactions - 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, 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.

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

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.

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 revenue, expenditure 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 diffference 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.

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.

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, management 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.

i) Critical judgements in applying the Club's accounting policies

Management 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 management'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:

	2017 $	2016 $
Financial assets		
Cash and bank balances	85,612,504	97,887,510
Due from members and other receivables	2,707,890	2,713,779
Investment securities	13,634	2,625,079
	88,334,028	103,226,368
Financial liabilities		
Trade and other payables, at amortised cost	5,689,854	5,136,405

(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 credit risk, liquidity risk, foreign currency risk and market price risk. The General Committee reviews and agrees to policies for managing these risks as indicated below:

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

(i) **Foreign exchange risk management**

The Club is exposed to the effects of foreign currency exchange rate fluctuations primarily because of its foreign currency denominated investments in the Global Access Balanced Plus Asia Portfolio ("GAP"). The currency giving rise to this risk is primarily United States dollars.

The Club uses derivative financial instruments to hedge exposure to foreign currency risk. A currency hedge maintains the GAP's exposure to no more than 30% in non-Singapore dollars.

As at the end of the reporting period, the carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the Club's functional currencies are as follows:

	2017		2016	
	Assets	Liabilities	Assets	Liabilities
	$	$	$	$
United States dollars	-	-	2,625,246	-

Foreign currency sensitivity

The following table details the sensitivity to a 3% increase and decrease in the foreign currency against the functional currency of the Club. 3% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's 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.

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

	2017	2016
	$	$
United States dollars	-	78,757

If the relevant foreign currency weakens by 3% against the functional currency of the Club, the effect will be vice versa.

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 0.65% to 1.38% (2016 : 0.63% to 1.41%) 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 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.

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

(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 exposed to market price risk arising mainly from its investment in unquoted mutual funds. The net asset value ("NAV") per share is published by the administrator - International Fund Services (N.A.) L.L.C., and are classified as available-for-sale financial assets. Specific investment guidelines are used to monitor the risk in the Club's investments.

Market price risk sensitivity

If the GAP returns had been NIL% (2016 : 6%) higher or lower with all other variables held constant, The Club's other reserve in equity would have been increased or decreased by $NIL (2016 : $156,702) respectively, as a result of an increase or decrease in the fair value of financial instruments classified as available-for-sale.

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

(v) <u>Liquidity risk management</u>

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 2017 and 2016 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) <u>Fair value of financial assets and liabilities</u>

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.

The Club has carried all investment securities that are classified as available-for-sale financial assets at their fair value, obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

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:

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 (Level 1)	Significant other observable inputs (Level 2)	Unobservable inputs (Level 3)	Total
	$	$	$	$
2017				
Financial assets:				
Alternative investments				
At 30 June 2017	-	-	13,634	13,634
2016				
Financial assets:				
Unquoted mutual funds	-	-	2,611,694	2,611,694
Alternative investments	-	-	13,385	13,385
At 30 June 2016	-	-	2,625,079	2,625,079

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

Unquoted mutual funds: Fair value is determined directly by reference to the valuation report by the investment advisors of the investment funds. The GAP uses the Net Asset Value ("NAV") to determine the fair value of all the underlying investments which (a) do not have a readily determinable fair value and (b) either have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company.

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.

NOTES TO FINANCIAL STATEMENTS
30 June 2017

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

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).

	2017 $	2016 $
Opening balance	2,625,079	88,025,365
Redemptions during the year	(2,265,009)	(88,215,809)
Purchase of Hold-Back Fund	-	2,265,009
Total gains (losses)		
- in other comprehensive income	(3,288,091)	(17,925,336)
- in profit or loss	2,941,655	18,475,850
Closing balance	13,634	2,625,079

(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. The Club's overall strategy remains unchanged from prior year. The Club is not subject to any externally imposed regulatory reserve requirement.

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 assessments and decision making process for these contracts.

	2017 $	2016 $
Rental of premises to General Committee member		
- related organisations	140,487	207,419
Food and beverages income		
- related organisations	37,089	71,677

5. RELATED PARTY TRANSACTIONS (cont'd)

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.

	2017	2016
	$	$
Short-term benefits	2,493,980	2,152,427

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

6. CASH AND CASH EQUIVALENTS

	2017	2016
	$	$
Cash on hand and in banks	7,203,479	4,578,342
Short term deposits	78,409,025	73,234,477
Investment portfolio cash and liquid investments held by investment advisor	-	20,074,691
	85,612,504	97,887,510

Cash and cash equivalents in the statement of cash flows comprise:

	2017	2016
	$	$
Cash and bank balances (as above)	85,612,504	97,887,510
Less: Deposits in banks and held by investment advisor	(77,409,025)	(92,303,007)
Less: Pledged deposits (Note A)	(1,000,000)	(1,000,000)
	7,203,479	4,584,503

6. CASH AND CASH EQUIVALENTS (cont'd)

Note A:

A short term deposit amounting to $1,000,000 (2016 : $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 $312,600 (2016 : $357,600). The bank overdraft facility remains unutilised.

Fixed deposits bear average effective interest rate of 1.20% (2016 : 0.92%) per annum and for a tenure of approximately 1 to 12 months (2016 : 3 months). The fixed deposits are readily convertible to cash at minimal costs.

7. DUE FROM MEMBERS

	2017	2016
	$	$
Amounts receivable from members	2,121,552	2,502,529
Allowance for doubtful debts	(65,673)	(63,387)
	2,055,879	2,439,142

The average credit period is 30 days (2016 : 30 days).

The concentration of credit risk is limited due to the member base being large and unrelated. Accordingly, the management believes that there is no further credit allowance required in excess of the allowance for doubtful debts.

The table below is an analysis of balances due from members as at 30 June:

	2017	2016
	$	$
Not past due and not impaired	1,747,056	2,081,721
Past due but not impaired (i)	308,823	357,421
	2,055,879	2,439,142
Impaired members' balances (ii)	65,673	63,387
Less: Allowance for impairment	(65,673)	(63,387)
	-	-
Total members' balances, net	2,055,879	2,439,142

7. DUE FROM MEMBERS (cont'd)

(i) Aging of members' balances that are past due but not impaired:

	2017 $	2016 $
< 30 days	234,970	255,259
30 to 60 days	56,630	61,909
More than 60 days	17,223	40,253
	308,823	357,421

Before accepting any new member, the Club will assess the potential member's credit quality and define credit limits for each of the member. Limits attributed to members are reviewed periodically.

Included in the Club's members balances are receivables with a carrying amount of $308,823 (2016 : $357,421) which are past due at the end of the reporting date for which the Club has not made any allowance for doubtful debts as there has not been a significant change in credit quality and the amounts are still considered recoverable. These receivables are mainly arising from members that have good records with the Club and have placed minimum required deposits.

(ii) These amounts are stated before any deductions for impairment losses.

Movement in the allowance for doubtful debts:

	2017 $	2016 $
Balance at beginning of year	63,387	103,553
Increase in allowance recognised in profit or loss	91,871	81,761
Write-back for the year	(35,642)	(48,021)
Write-off for the year	(53,943)	(73,906)
Balance at end of year	65,673	63,387

8. OTHER RECEIVABLES

	2017 $	2016 $
Deposits	60,494	44,068
Miscellaneous debtors	610,859	233,449
	671,353	277,517

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 2015	5,158,145	30,234,232	15,505,195	4,764,255	1,242,825	139,521	1,168,357	882,465	59,094,995
Additions	-	261,353	383,679	47,794	-	-	30,097	1,563,971	2,286,894
Disposals	-	-	(483,167)	(147,668)	(11,407)	-	(97,083)	(49,866)	(789,191)
Transfers in (out)	-	6,424	9,925	-	-	-	-	(16,349)	-
At 30 June 2016	5,158,145	30,502,009	15,415,632	4,664,381	1,231,418	139,521	1,101,371	2,380,221	60,592,698
Additions	-	15,180	862,954	48,314	5,064	-	761	12,001,427	12,933,700
Disposals/Write-off	-	(5,544,149)	(3,549,133)	(1,759,484)	(298,467)	-	(540,353)	-	(11,691,586)
Transfers in (out)	-	4,337,144	549,754	-	-	-	-	(4,886,898)	-
At 30 June 2017	5,158,145	29,310,184	13,279,207	2,953,211	938,015	139,521	561,779	9,494,750	61,834,812

	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
	$	$	$	$	$	$	$	$	$
Accumulated depreciation									
At 1 July 2015	-	24,071,985	12,262,023	4,091,646	1,133,946	117,737	1,016,192	-	42,693,529
Depreciation	-	1,052,008	1,255,834	280,042	83,921	5,026	82,997	-	2,759,828
Disposals	-	-	(473,038)	(141,092)	(11,403)	-	(96,996)	-	(722,529)
At 30 June 2016	-	25,123,993	13,044,819	4,230,596	1,206,464	122,763	1,002,193	-	44,730,828
Depreciation	-	1,194,529	1,039,734	165,440	23,393	5,027	62,994	-	2,491,117
Disposals/Write-off	-	(4,683,102)	(3,390,387)	(1,723,000)	(297,642)	-	(540,109)	-	(10,634,240)
At 30 June 2017	-	21,635,420	10,694,166	2,673,036	932,215	127,790	525,078	-	36,587,705
Carrying amount									
At 30 June 2017	5,158,145	7,674,764	2,585,041	280,175	5,800	11,731	36,701	9,494,750	25,247,107
At 30 June 2016	5,158,145	5,378,016	2,370,813	433,785	24,954	16,758	99,178	2,380,221	15,861,870

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 SECURITIES

The Club appointed investment advisors to manage the investment portfolio. Under the direction of the General Committee, the Finance Committee and Investment Sub-Committee, the investment advisors invested the majority of the Club's cash holdings into various mutual funds.

	2017 $	2016 $
Unquoted mutual funds	-	2,611,694
Alternative investments	13,634	13,385
Total investment securities	13,634	2,625,079

Unquoted mutual funds refer to the Global Access Balanced Plus Asia Portfolio ("GAP"). It invests primarily in global markets and focuses on generating risk-adjusted total returns from a diversified portfolio of equity, fixed income, commodities and hedge funds. The GAP seeks to implement a long-term investment strategy the focus of which is the moderate growth as well as preservation of capital through investment exposure to assets with lower volatility and stable medium-term growth, while maintaining exposure to assets with a greater degree of risk and return. The investment manager seeks to generate risk-adjusted total returns over a medium term investment cycle while preserving capital and liquidity. The fair value of the unquoted mutual funds is determined directly by reference to the valuation report by the investment advisors of the investment funds. The GAP uses the Net Asset Value ("NAV") to determine the fair value of all the underlying investments which (a) do not have a readily determinable fair value and (b) either have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company. The values assigned to these investments are based on available information and do not necessarily represent amounts that might ultimately be realised, as such amounts depend on future circumstances and cannot reasonably be determined until the individual investments are actually liquidated.

NOTES TO FINANCIAL STATEMENTS
30 June 2017

10. INVESTMENT SECURITIES (cont'd)

The Club obtained approval for the Club Redevelopment Project at the Extraordinary General Meeting on 3 June 2015 and the bulk of Club investment in unquoted mutual funds was liquidated in the year ended 2016, with the remaining investment in the year ended 2017.

The Club classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. As at 30 June 2017, the fair value measurement of the alternative investments are classified within Level 3 of the fair value hierarchy. There were no transfers between different levels during the year.

11. OTHER PAYABLES

	2017 $	2016 $
CPF payable	293,829	284,695
Provision for unutilised leave	306,322	320,026
Deferred income	69,430	-
Other accrued operating expenses	1,731,546	828,874
	2,401,127	1,433,595

12. CLUB FUNDS

Capital Fund comprises mainly Net Investment in Property, Plant and Equipment, Renewal and Replacement Fund, Security Fund and Legacy Fund. Entrance fees, interest, investment income, investment management expenses and allowance for impairment in value of investments, depreciation, gain or loss on sale of property, plant and equipment and a portion of taxation are attributable to the Capital Fund. All other income and expenses are attributable to the Operating Fund.

(a) **Operating Fund** comprises three components:

(i) A bank guarantee account;

(ii) A working capital component needed on demand or with short notification periods to meet operating cash flow timing needs; and

(iii) Operating surpluses brought forward from prior years.

The Operating Fund may be utilised for operating expenses approved by the General Committee. If the Operating Fund has been drawn down for unbudgeted operating expenses, it will be topped up with funds from the Legacy Fund at the end of the reporting period.

(b) **Net Investment in Property, Plant and Equipment** comprises the net book value of property, plant and equipment including an asset revaluation reserve of $2,304,416 arising from the revaluation of The Clubhouse building and land in 1972.

12. CLUB FUNDS (cont'd)

(c) **Renewal and Replacement Fund** comprises accumulated entrance fees and investment earnings and losses. A portion of the Renewal and Replacement Fund earnings is being accumulated towards the eventual cost of major replacements at the Club and the remainder of earnings to be used for annual renewal and replacement expenditures.

(d) **Security Fund** comprises a principal invested to generate earnings to be used for the additional security expenses The Club incurs due to its unique profile.

(e) **Legacy Fund** comprises of the remainder of the Capital Fund not otherwise designated, including unrealised gains and losses on investment securities. Earnings from the Legacy Fund are being accumulated for future improvements and expansion and are available to fund annual maintenance upon the recommendation of the Finance Committee and approval of the General Committee.

The basis of allocation among the various fund designations will be adjusted periodically in response to the prevailing market conditions for investments.

13. LEGACY FUND

Legacy Fund comprises:

	Other legacy fund $	Unrealised gain (loss) on investment securities $	Total $
2017			
At beginning of financial year	16,050,113	3,271,947	19,322,060
Legacy Fund drawn down for topping up of operating fund for prior years	(49,667)	-	(49,667)
Legacy Fund drawn down for current year income tax expense	(162,930)	-	(162,930)
Legacy Fund drawn for topping up of operating Fund	(5,049,061)	-	(5,049,061)
GC-approved expense	72,746		72,746
Net change in unrealised investment loss	-	(3,288, 091)	(3,288,091)
At end of financial year	10,861,201	(16,144)	10,845,057
2016			
At beginning of financial year	18,621,393	21,322,514	39,943,907
Legacy Fund drawn down for current year income tax expense	(159,042)	-	(159,042)
Legacy Fund drawn for topping up of operating Fund	(2,412,238)	-	(2,412,238)
Net change in unrealised investment loss	-	(18,050,567)	(18,050,567)
At end of financial year	16,050,113	3,271,947	19,322,060

NOTES TO FINANCIAL STATEMENTS
30 June 2017

14. MEMBERSHIP DUES

	2017	2016
Total number of members		
Voting		
Honorary	11	11
Ordinary	1,315	1,417
Service	84	93
Corporate	254	281
Vacant	123	111
	1,787	1,913
Non-voting		
Honorary	32	34
Associate	1,252	1,160
Term	200	331
Restricted	43	2
	1,527	1,527
Total	3,314	3,440

	2017 $	2016 $
Members' dues		
Ordinary	3,369,510	3,650,107
Associate	2,695,976	2,604,886
Corporate	843,488	873,293
Term	674,085	843,544
Absent	103,823	99,467
Visitor	42,354	60,746
Junior Member Extension	98,651	90,117
	7,827,887	8,222,160

NOTES TO FINANCIAL STATEMENTS
30 June 2017

15. NET INVESTMENT GAIN

	2017	2016
	$	$
Coupon income	12,462	12,692
Interest income	927,328	921,947
Realised loss on financial derivatives	-	(1,026,175)
Realised gain on investment securities	3,394,010	18,938,365
Unrealised gain on financial derivatives	547	20
Management fees	(6,601)	(73,543)
	4,327,746	18,773,306

16. OTHER INCOME

	2017	2016
	$	$
New Member operations surcharge	532,523	708,796
Parking fees	498,126	535,489
Rental income	140,487	279,726
Advertising income	147,923	217,950
Sundry income	652,764	776,432
	1,971,823	2,518,393

NOTES TO FINANCIAL STATEMENTS
30 June 2017

17. EXPENDITURE

2017

	Food and beverage	Jackpot room	Member activities	Club services	Facilities, front office and administration	Membership and marketing	Total
	$	$	$	$	$	$	$
Cost of sales/services	3,235,898	219,250	7,489	2,078,701	50,970	-	5,592,308
Salaries, wages, bonuses and other related expenses	6,694,489	28,034	3,410,841	1,823,782	5,501,906	312,083	17,771,135
Central provident fund contributions	1,011,304	2,837	205,322	248,986	653,586	33,170	2,155,205
Audit and legal fees	-	-	-	-	59,358	-	59,358
Professional fees	-	-	-	-	85,978	-	85,978
Allowance for doubtful debts	-	-	-	-	56,229	-	56,229
Repair and maintenance	108,825	3,529	97,087	9,468	622,316	-	841,225
Utilities	-	-	-	-	1,005,325	-	1,005,325
Other operating expenses	742,174	-	1,127,910	213,503	2,365,906	661,744	5,111,237
Finance charges	-	-	-	-	125,523	-	125,523
Subtotal for Operating Fund	**11,792,690**	**253,650**	**4,848,649**	**4,374,440**	**10,527,097**	**1,006,997**	**32,803,523**
Depreciation	610,170	-	1,091,513	120,751	660,849	7,834	2,491,117
Loss on sale of property, plant and equipment	259,755	69,731	150,097	5,916	499,583	17,140	1,002,222
Subtotal for Capital Fund	**869,925**	**69,731**	**1,241,610**	**126,667**	**1,160,432**	**24,974**	**3,493,339**
Total	**12,662,615**	**323,381**	**6,090,259**	**4,501,107**	**11,687,529**	**1,031,971**	**36,296,862**

2016

	Food and beverage	Jackpot room	Member activities	Club services	Facilities, front office and administration	Membership and marketing	Total
	$	$	$	$	$	$	$
Cost of sales/services	3,909,140	1,580,259	-	2,618,554	46,999	-	8,154,952
Salaries, wages, bonuses and other related expenses	6,823,818	167,800	3,503,531	1,880,476	5,285,008	316,248	17,976,881
Central provident fund contributions	1,032,507	17,162	202,970	265,383	685,791	30,701	2,234,514
Audit and legal fees	-	-	-	-	63,298	-	63,298
Professional fees	-	-	-	-	72,517	-	72,517
Allowance for doubtful debts	-	-	-	-	33,740	-	33,740
Repair and maintenance	173,811	30,763	40,207	12,155	525,972	-	782,908
Utilities	-	-	-	-	1,632,307	-	1,632,307
Other operating expenses	984,983	-	876,344	323,090	2,521,316	665,141	5,370,874
Finance charges	-	-	-	-	153,769	-	153,769
Subtotal for Operating Fund	**12,924,259**	**1,795,984**	**4,623,052**	**5,099,658**	**11,020,717**	**1,012,090**	**36,475,760**
Depreciation	636,298	34,753	1,049,165	114,082	871,824	53,706	2,759,828
Loss (Gain) on sale of property, plant and equipment	14,102	-	1,045	1,486	(2,470)	53	14,216
Subtotal for Capital Fund	**650,400**	**34,753**	**1,050,210**	**115,568**	**869,354**	**53,759**	**2,774,044**
Total	**13,574,659**	**1,830,737**	**5,673,262**	**5,215,226**	**11,890,071**	**1,065,849**	**39,249,804**

18. INCOME TAX

	2017	2016
	$	$
Current tax	162,930	159,042

Under Section 11(1) of the Income Tax Act, Chapter 134, the Club's revenue (excluding investment income, interest income and rental income) is exempted from tax if more than 50% of the Club's gross takings are from its members. Investment income, interest income and rental income are taxable at the statutory rate of 17% (2016 : 17%).

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

	2017	2016
	$	$
(Loss) Profit before tax	(2,589,167)	16,217,026
Income tax (credit) expense at statutory rate of 17% (2016 : 17%)	(440,158)	2,756,894
Non-deductible (non-taxable) items	629,013	(2,571,927)
Effect of revenue that is exempt from taxation	(25,925)	(25,925)
	162,930	159,042

19. COMMITMENTS

(a) Future capital expenditure

	2017 $	2016 $
Amounts approved and not contracted for	2,084,923	1,776,775
Amounts approved and contracted for	3,100	50,720

(b) Operating lease commitments - the Club as lessor

	2017 $	2016 $
Rental income included in the Club's profit or loss	140,487	279,726

At the end of the reporting period, the Club has contracted with community organisations for the following future minimum lease payments:

	2017 $	2016 $
Within one year*	10,592	207,419

**Lease agreements for the community offices will not be renewed when they expire on 31 July 2017.*

THE AMERICAN CLUB
Singapore

10 Claymore Hill Singapore 229573 T: 6737-3411 F: 6732-8303
www.amclub.org.sg