



SINCE 1876

# ANNUAL REPORT

THE SARAWAK CLUB

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## Contents

MESSAGE FROM THE PRESIDENT	2 - 4
NOTICE OF ANNUAL GENERAL MEETING 2022	5
MANAGEMENT COMMITTEE 2021-2022	6
NOTICE OF ANNUAL GENERAL MEETING 2021	7
MINUTES OF ANNUAL GENERAL MEETING 2021	8 - 22
HONORARY SECRETARY'S REPORT	23
STATEMENT BY THE MEMBERS OF THE MANAGEMENT COMMITTEE	24
INDEPENDENT AUDITOR'S REPORT	25 - 27
STATEMENT OF COMPREHENSIVE INCOME	28
STATEMENT OF FINANCIAL POSITION	29
STATEMENT OF CHANGES IN FUND BALANCE	30
STATEMENT OF CASH FLOW	31
NOTES TO THE FINANCIAL STATEMENTS	32 - 56
SCHEDULE OF OTHER OPERATING EXPENSES	57
CATERING MEMBER'S REPORT	58
BAR MEMBER'S REPORT	59
SPORTS MEMBER'S REPORT	60
GAMES MEMBER'S REPORT	61
SWIMMING MEMBER'S REPORT	62
ENTERTAINMENT MEMBER'S REPORT	63
HOUSE MEMBER'S REPORT	64
GENERAL MANAGER'S REPORT	65

## MESSAGE FROM THE PRESIDENT



**MELVIN WEE (W008)**

President

The last Annual General Meeting (“AGM”) of the Sarawak Club was held in December, 2021 in view of the COVID-19 standard operating procedures (“SOPs”) which prohibited the convening of the general meeting. In view thereof, I had presented an updated and comprehensive report at the AGM and the period in review covered in this report is therefore relatively short.

### THE COVID-19 PANDEMIC

In 2021, we saw advancement in the fight against COVID-19. Vaccination programs started and has been key as we head towards living with the virus. Throughout the year, we transitioned from the restrictive Movement Control Order to the National Recovery Phase. The varying protocols have been a challenge for the Club but we have remained steadfast in keeping compliant with the best interest of our members and staff at heart.

Gradually, more of our facilities reopened to members. As dining-in was reintroduced, the Club welcomed back members and their guests as well as our reciprocal members. It is heartening to see the return of the things as they were at the Club pre-pandemic. Most of the regulars at the tennis courts, squash courts, badminton courts and basketball court as well as the familiar faces playing pool, balut and bridge are back at the Club. The Main Hall, Badger Bar and the Poolside Terrace are also packed with members, especially during the weekends. We have also seen an increase in the number of patrons at Hornbill Restaurant and Rajah Room, especially during the festive season such as the Chinese New Year period and the recent Ramadhan / Aidil Fitri period. I hope to see the return of more activity at the swimming pool, the gymnasium and the Eagle Arms in the months to come. The Entertainment Member and her team have also been organising many events as the SOPs were relaxed. This included the thrilling and ever-popular lion dance performance on the evening of Chap Goh Meh and there are many more events lined up.

### FINANCIAL POSITION

Despite having to face the full brunt of the impact of COVID-19 pandemic in 2021, we managed to register a net surplus of RM464,347 for the Sarawak Club for the financial year ending 31.12.21 albeit with a contribution of RM477,600 from the Federal Government by way of the Wage Subsidy Scheme.

In the Annual General Meeting 2020, members passed several Motions to revise our Entrance Fees, Junior Conversion Fee, Transfer Fee and subscription for Absent Members. These changes have helped the Club weather the impact of the pandemic. Income derived from entrance fees, conversion fees and transfer fees was RM1.2mil in 2021 while Subscriptions contributed RM3.5mil.

The Management maintained tight control of its operating expenses, managing to reduce costs by 1% while still retaining our full complement of staff. Like before, we have included detailed accounts in this Annual Report.

## HEADWINDS AHEAD

The financial impact of the COVID-19 pandemic is still being felt with the disruption in the supply chain caused by the lockdowns worldwide impacting the cost of goods and services. The Sarawak Club is not immune from the impact of these cost increases and we had to reluctantly pass on part of the increase in costs by way of revision in the Food and Beverage pricing in April, 2022. It is noteworthy that prior to this, the last time Food and Beverage pricing was revised prior to this revision was in February 2019 and members have acknowledged that the pricing at our Food and Beverage outlets remain competitive.

The Government of Malaysia revised the minimum wage to RM1,500 per month with effect from May 1, 2022 and this will increase our salaries expense by at least RM170,000 per annum. The eventual increase in the salaries expense will be more as adjustments will also need to be made to salaries for staff at the levels higher than those earning the minimum wage in view of their seniority.

I have previously highlighted that the Club has funded our operational expenses, in large part, in the past from sales of memberships (until such sales ceased), Junior Member Conversion Fees and also Transfer Fees. With our Club's ordinary membership expected to reach the ordinary membership cap by 2024, we will be deprived of income from Junior Member Conversion Fees, which in the last 5 years is as follows:-

2017	2018	2019	2020	2021
RM625,000	RM552,500	RM459,000	RM612,000	RM936,000

Unless the Sarawak Club relies on our accumulated funds to fund our operational deficit in the years to come, we will need to revise our membership cap so that we can continue to allow Junior Conversions or we will need to increase our monthly membership subscriptions. Funding of our operational deficit from the accumulated funds is unsustainable in the long run while raising the membership cap may not be a viable option due to perceived overcrowding.

## CONTINUED IMPROVEMENTS AT THE SARAWAK CLUB

With the lifting of the Movement Control Order, the Club was also able to resume in earnest the construction of our new lift and the new staircase at the sports annex. This has since been completed and is an added convenience for those with less mobility.

The automated car parking system has also been implemented to ensure the ease of access and exit for both our members and our guests. Hopefully, the new system will also ensure a reduction of traffic congestion at the Sarawak Club. Improvements to vehicular access to the Sarawak Club are also presently being studied by the Management Committee.

The re-surfacing of the Tennis Courts No.3 and No.4 and the Basketball Court have also been completed and the Management Committee has also approved the replacement of the mats in the badminton courts.

We thank members for your understanding and bearing with us while the improvement works were being implemented.

## BLENDING THE OLD WITH THE NEW

The Management Committee was re-elected in the Annual General Meeting in 2021 and I am humbled that members have vested your trust in us to continue to lead the Club through this difficult period. We thanked Mr. Lai Lian Yee (L173), who did not seek re-election, and welcomed Mr. Dunstan Chan (C353) as the new Deputy President. It was also suggested in that Meeting that we should encourage new and

younger members to get involved in the management of the Club and the Management Committee had responded with an open invitation to members to join the various sub-committees as a way of dipping their toes into Club management. Sadly, we received only one volunteer. Nevertheless, the Management Committee Members have reached out to bring new blood into their respective sub-committees. I wish to thank you and welcome you aboard.

## **FINAL RESPECTS & RECOGNITION**

With a solemn heart, the Club lost a committed and dedicated Swimming Member on 5th March 2022 with the tragic passing of Tuan Haji Zain bin Abdullah (Z039). The late Tuan Haji Zain was actively involved in advancing swimming in the Club and was an integral member of the Management Committee. The Management Committee, on behalf of all the members and staff of The Sarawak Club, records our gratitude to the late Tuan Haji Zain and extends our deepest sympathies and condolences to his family.

In accordance with the Club Rules, the Management Committee has co-opted a member of the Swimming Sub-Committee, Mr Tan Boon Hua (T745) to be the Swimming Member for the remainder of Tuan Haji Zain bin Abdullah's term until the next election of the Management Committee in 2023.

## **APPRECIATION**

The day-to-day running of a members' Club of our size is a big responsibility. The Management Committee has been blessed with the support from the various sub-committee members and also from the dedicated Management team, led by our General Manager, Mr Robert Brodie. I wish to thank the Club's management team and all our staff for their tremendous effort and also to commend Chef Tay Soon Kheng for keeping the culinary offerings at the Club exciting.

Special mention has to be given to our Honorary Legal Advisor Mr. Chew Pok Oi (C111), Mr. Hudson Chua (L569-1), and our Immediate Past President Dato Richard Wee (W001) who have made themselves available for advice in their respective fields of expertise.

Finally, the biggest thanks goes to all our members who have continued to support the Club throughout this trying pandemic. We recognize that it has been a difficult period for everyone, and that your patronage here and timely settlement of your bills have allowed the Club to continue serving all our members and to keep all our staff in employment. I assure you that this Management Committee will do our utmost to ensure that our Club remains the pre-eminent members club around. Thank you.

# NOTICE OF ANNUAL GENERAL MEETING 2022

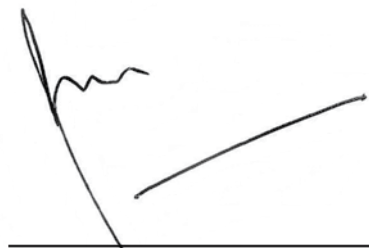
## ANNUAL GENERAL MEETING

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Notice is hereby given that the Annual General Meeting of all Honorary Life and Ordinary Members of the Club will be held on **Sunday, 26 June 2022, 10.00am at the Hornbill Restaurant.**

### **AGENDA**

1. President's Address.
2. To confirm minutes of the last Annual General Meeting held on Sunday, 05 December 2021.
3. To receive, consider and approve the Committee's Report and Financial Statement for the preceding financial year.
4. To elect and appoint the following for the ensuing year:
  - a) The Auditors
  - b) Three (3) Officers for the purpose of Section 9 (b) of the Societies Act 1966.
  - c) To appoint a Public Officer for the purpose of Section 9 (c) of the Societies Act 1966.
5. To transact any other business of which due notice has been given or which if raised without due notice, is admitted for discussion by a majority of members present and voting provided that no motion for the amendment or repeal of any existing Rule or the making of any new Rule shall be discussed unless due notice thereof shall have been given in accordance with Rule 32.



**CHRISTOPHER TAN**  
**Honorary Secretary**  
29 April 2022



## MANAGEMENT COMMITTEE 2021-2022



**MELVIN WEE**  
President



**DUNSTAN CHAN**  
Deputy President



**CHRISTOPHER TAN**  
Honorary Secretary



**WILSON TAN**  
Honorary Treasurer



**HENRY HO LAY SENG**  
Catering Member



**GEORGE CHAPMAN**  
Bar Member



**PETER HO CHING HIN**  
Games Member



**SIM CHIN KHENG**  
Sports Member



**THE LATE TUAN HAJI  
ZAIN B. ABDULLAH**  
Swimming Member



**KAREN SHEPHERD**  
Entertainment Member



**COLIN LAU**  
House Member



# NOTICE OF ANNUAL GENERAL MEETING 2021

## ANNUAL GENERAL MEETING

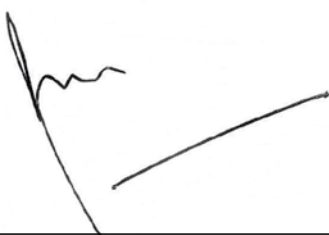
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The Annual General Meeting of all Honorary Life and Ordinary Members of the Club that was scheduled for Sunday 27 June 2021 was postponed following the updated Movement Control Order SOPs that were in effect at the time.

Notice is hereby given that the Annual General Meeting of all Honorary Life and Ordinary Members of the Club will be held on **Sunday, 05 December 2021, 10.00am at the Hornbill Restaurant.**

## AGENDA

1. President's Address.
2. To confirm minutes of the last Annual General Meeting held on Sunday, 30 August 2020.
3. To receive, consider and approve the Committee's Report and Financial Statement for the preceding financial year.
4. To elect the following office bearers in accordance with Rule 26:
  - President, Deputy President, Honorary Secretary, Honorary Treasurer, Bar Member, Catering Member, Entertainment Member, House Member, Sports Member, Games Member and Swimming Member
5. To elect and appoint the following for the ensuing year:
  - a. The Auditors
  - b. Three (3) Officers for the purpose of Section 9 (b) of the Societies Act 1966.
  - c. To appoint a Public Officer for the purpose of Section 9 (c) of the Societies Act 1966.
6. To transact any other business of which due notice has been given or which if raised without due notice, is admitted for discussion by a majority of members present and voting provided that no motion for the amendment or repeal of any existing Rule or the making of any new Rule shall be discussed unless due notice thereof shall have been given in accordance with Rule 32.



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**CHRISTOPHER TAN**  
**Honorary Secretary**  
28 October 2021

# MINUTES OF ANNUAL GENERAL MEETING

## HELD ON 5 DECEMBER 2021, 10.00AM AT THE HORNBILL RESTAURANT

### ATTENDANCE LIST

#### PRESENT:

**MELVIN WEE SENG LEE**  
PRESIDENT

**CHAN KIM KUAY @ CHRISTOPHER TAN**  
HONORARY SECRETARY

**WILSON TAN SWEE KWANG**  
HONORARY TREASURER

**GEORGE ALBERT WILLIAM CHAPMAN**  
BAR MEMBER

**HENRY HO LAY SENG**  
CATERING MEMBER

**PETER HO CHING HIN**  
GAMES MEMBER

**COLIN LAU YAW SIONG**  
HOUSE MEMBER

**SIM CHIN KHENG**  
SPORTS MEMBER

**ZAIN B. ABDULLAH**  
SWIMMING MEMBER

**KAREN SHEPHERD**  
ENTERTAINMENT MEMBER

#### ABSENT WITH APOLOGY:

**LAI LIAN YEE**  
DEPUTY PRESIDENT

Members In Attendance		
No.	Club No.	Name
1.	A095	ANG BIAN HIN @ ANG AH HUI
2.	A165	AU SIEW YEN, BEN JOSEPH
3.	B007	BRODIE ROBERT HARRY
4.	B113	BURLEY, NIGEL PHILIP
5.	C043	IAN DEANS MCKINNON
6.	C111	CHEW POK OI
7.	C157	CHAN KIM KUAY @ CHRISTOPHER TAN
8.	C328	CHUO MUI TEE, ANTHONY
9.	C353	CHAN, DUNSTAN
10.	C655	CHUO MEI SZE, BRENDA
11.	C670	CHUO MEI SIEW CORNELIA
12.	C698	CHAPMAN, GEORGE ALBERT WILLIAM
13.	C873	CHONG FUSHAN, XAVIER
14.	D046	DIOR AK SINGGAN @ WALTER DIOR
15.	E048	EU SZE HWANG, NICHOLAS
16.	G057	GOH SWEE CHAU, DAVID
17.	G060	GOH LENG YEU
18.	H001	HO LEE SENG, GILBERT
19.	H009	HO LAY SENG, HENRY
20.	H055	HO CHING HIN, PETER
21.	H085	HATCH, TIMOTHY
22.	H198	HAN MING CHIANG, DAVID
23.	J008	JONG AH JUDE
24.	J078	JAMES AK ENJENG @ SINJENG
25.	J095	JACOB DUNGAN SAGAN
26.	J112	JONG JUN HIAN, PAUL
27.	K209	KUEH SZE KWANG
28.	K262	KOH MUI TONG

No.	Club No.	Name
29.	K280	KOAY BENG HUI, GORDON
30.	K346	KO CHEO KWANG
31.	L074	LEE CHIN SAN, ELIZABETH
32.	L204	LAO PUONG SIONG, LUCY
33.	L235	LIM THIAM SENG, PETER
34.	L286	LIM HENG CHOO
35.	L290	LEONG CHIN ONN, RICHARD
36.	L384	LEE POH LENG, SANNY
37.	L441	LIM CHUI SOON
38.	L456	LING SHENG KHING, FELIX
39.	L465	LING KHAI SING
40.	L493	LO JIM PING
41.	L500	LAU YAW SIONG, COLIN
42.	L509	LAU HUI KIONG, JEFFREY
43.	L707	LAW AH CHAI, JAMES
44.	L775	LEE KEOK KHIONG, JOHN
45.	L836	LING LEE LEE
46.	L955	LING JIN HIN
47.	L1094	LEONG, LINA
48.	M131	MULOK SABAN
49.	N182	NIGEL THOMAS GEIKIE
50.	P042	POH CHAI KIONG, ALBERT
51.	P074	PANG KIA SIEW
52.	R054	RITCHIE, JOHN GEORGE
53.	S001	SHEPHERD, RICHARD FERGUSON
54.	S033	SIM KUAN YANG, DEREK RODNEY
55.	S127	SONG TIN KUET, STANLEY
56.	S280	SIM CHIN KHENG
57.	S356	SHEPHERD, KAREN
58.	T337	TONG LEY KIONG, DAPHNE
59.	T360	TING KAIK HANG, JARIS
60.	T407	TAN SWEE KWANG, WILSON

No.	Club No.	Name
61.	T607	TAN GEE HO, WILSON
62.	T659	TAN, CHERYL DIANE
63.	T761	TAN HUN SEANG
64.	W001	WEE LIANG CHIAT, RICHARD
65.	W008	WEE SENG LEE, MELVIN
66.	W222	WONG SIEW EE, JANIE
67.	W349	WEE WEI SI, NIGEL
68.	W466	WEE KIM HIEN
69.	W471	WONG LI CHING
70.	Z039	ZAIN B. ABDULLAH @ KUEH KIANG HENG

## ESTABLISH QUORUM

1

Mr. Christopher Tan (C157) (hereinafter referred to as the “Honorary Secretary”) informed the Annual General Meeting (hereinafter referred to as the “Meeting”) that the number of members who have registered as at 10.00am was 32 and confirmed that the requisite quorum under Rule 28.7 had been attained and therefore the Meeting could commence. The Honorary Secretary welcomed all members to the Meeting and extended his appreciation to the members for their attendance.

## OPENING

2

Before the Meeting proceeded, the Honorary Secretary reminded the members to strictly adhere to the Standard Operating Procedures (SOPs) stipulated by the Sarawak Disaster Management Committee (“SDMC”):-

- i. All attendees were required to wear a face mask throughout the entire proceeding of the Meeting;
- ii. All attendees were to ensure that social or physical distancing was practised at all times;
- iii. All attendees were not to move the chairs to sit together. The chairs were spaced apart as required for social distancing;
- iv. All attendees were to respect marked boundaries.
- v. Members wishing to speak were to make their way to the nearest microphone. Members were reminded not to handle the microphone. A staff would assist to adjust the position of the microphone, if needed;
- vi. Members were reminded to continue wearing their masks while speaking; and
- vii. After each speaker, the staff would replace the microphone cover with a fresh piece.

The Honorary Secretary then proceeded to establish the ground rules for the conduct of the Meeting. He emphasized that:

- i. Members were advised to either switch off their mobile phones or to put them in silent mode. Members wishing to answer a call were to do so outside of the Meeting room;
- ii. Members were to conduct themselves with proper decorum throughout the Meeting;
- iii. Members were to observe proper time management;
- iv. Members were reminded to speak on-topic;
- v. Only Honorary Life Members and Ordinary Members may speak;
- vi. Members must state their name and membership number before speaking; and
- vii. Members were to address the Chair when speaking, while the floor was to respect the speaker and make sure that he/she was not interrupted.

The Honorary Secretary then informed that under Rule 28.2, every Meeting in the Club shall be chaired by the President, and he proceeded to hand over the chair to the President.

## 3

**PRESIDENT'S ADDRESS**

Mr. Melvin Wee Seng Lee (W008) (hereinafter referred to as the “President”) welcomed all members attending the Meeting. Despite the COVID-19 situation, the President was grateful to members who were in attendance at the Meeting.

Due to the unpredictable Standard Operating Procedures and uncertainties as to the number of members who were permitted to attend the Meeting as well as the possibility to run an election for the Management Committee (hereinafter referred to as the “MC”) in the Meeting, the MC had not put forth any Motions for this Meeting. For the safety of the members, the MC decided to keep the duration of this Meeting at a reasonable length. Notwithstanding this, President provided the members with a comprehensive updated report.

He proceeded to address the Meeting as follows:

“The Annual General Meeting (“AGM”) this year was supposed to be held sometime in May or June. In fact, the notice of the AGM has already been printed in the Annual Report by May 2021. Unfortunately, the SOPs then did not allow for the AGM to be convened and therefore, had to be postponed. We have constantly engaged with the Registrar of Societies (“ROS”) with regards the convening of the AGM. As this is an election year for the Management Committee, a physical meeting was required to be convened and notice for the AGM was sent out as soon as the SOPs permitted physical meetings to be held.

In view of the lapse of time since the Annual Report was prepared, I will provide an Update on the Message from the President. I propose that the Message from the President contained in the Annual Report, from page 2 to 4, be taken as read and I will now proceed with this Update.

The devastating effects of the COVID-19 pandemic, which arrived on our shores in February 2020, resulted in the nationwide lockdown in March 2020. When we held our last AGM in August 2020, we had no idea how long the pandemic would last. Arising from the lockdown, we had already experienced its impact on our clubbing life as well as on our finances.

The last 18 months have been an extremely challenging one for the Sarawak Club as it has been for each and every one of us. We had to adapt to the new norms and for the MC, we had to manage in a challenging new environment with “new norms”.

There were multiple challenges including (1) to keep our members, staff and guests safe from this unseen virus that is highly infectious; (2) ensuring that we can have some semblance of “normalcy” in our offerings of services to our members; and (3) managing the financial impact of the pandemic.

**KEEPING EVERYONE SAFE**

In managing in these challenging times, I reflected on the long history of the Sarawak Club and how previous management committees and generations of members have ensured

that our Club has survived many challenges and changes over the years including the world wars and the devastating fire over a decade ago. With this in mind, it is my belief that this is another challenge in which we will overcome and prevail.

With regards the first challenge of keeping our members, staff and guests safe: in the last 20 months, we have had to adapt to an evolving situation as we learnt and understood more about the COVID-19 virus. In the pre-vaccine period before around August 2021, extreme precautions were taken to ensure the safety of our members, staff and guests. Once the Club was re-opened, we recognised that, inevitably we would be visited by unsuspecting COVID-19 infected persons. The objective then, as it still is now, was to avoid or limit on-site infection at the Club. As many members would be aware, the prompt issuance of notices on such visitations and advisories for members to contact trace and isolate, were done every time we became aware of such visitations. Internal contact tracings were also carried out.

Robust Standard Operating Procedures (SOPs) were put in place at the Sarawak Club to prevent on-site infections. These SOPs involved the implementation of the SOPs of the Ministry of Health, the State Disaster Management Committee, the Ministry of Local Government and Housing, the Ministry of Youth and Sports as well as the local authorities. We had engaged with these regulatory bodies on a regular basis for guidance on SOP compliance. In addition to these, we are fortunate to have amongst our members, medical practitioners, who offered us advice on the science of the virus as well as best practices to keep everyone safe and we are very thankful for their guidance.

Spot checks have been conducted to monitor SOP compliance by the relevant authorities and they have been pleased and satisfied with our high level of compliance.

The Sarawak Club also facilitated the expeditious vaccinations of our staff when vaccines became available in August this year. It was fortuitous that we had done so as the spike in COVID-19 cases in Kuching soon after resulted in numerous infections amongst our staff, mostly with no or mild symptoms. The infected staff and their close contacts were promptly contact traced and isolated to ensure the Club remained safe.

## **CONTINUITY IN SERVICES**

The next challenge that we faced was to ensure that we were able to continue to provide our Food & Beverage (“F&B”) offerings, facilities and services to our members despite the periods of lockdowns and stringent SOPs introduced by the regulatory authorities.

The objective of the MC has been to ensure that the new norm does not look too different from the old norm despite the disruptions of the lockdowns and stringent SOPs and so long as safety is not compromised.

Throughout the period, we were able to ensure the availability of our members’ favourite dishes from the various outlets, either by takeaways when dine-ins were not permitted, or by both dine ins and takeaways when dine-ins were permitted. Ease of ordering was facilitated through ordering by Whatsapp while ease of pick-ups was ensured through the set-up of a “pick-up station” at the Club entrance. The renovated and covered area, which was the old MC car park near the Club entrance, was also an unexpected new convenience for Takeaways pick-up.



For the sporting and other recreational facilities, these facilities were availed to our members so long as the SOPs and guidelines permitted the Sarawak Club to make available these facilities. At this point in time, the karaoke facility within Eagle Arms remain one of the few facilities that is prohibited under present SOPs.

As members can understand, the SOPs introduced by the regulatory authorities were often very detailed and constantly changing as they were adapted to keep up with the local levels of infectivity. Our club had to quickly respond to these changes, sometimes at very short notice, which resulted in some unavoidable and regrettable disruptions and inconveniences to our members. We had endeavoured to minimise such disruptions and inconveniences as far as possible. We had also pro-actively engaged with and appealed to the regulatory authorities for facilities such as the snooker and pool facilities, the squash courts, the steam room & sauna and the children's wading pool to be availed to our members as well as to allow children accompanied by their parents to come to the club where there was lack of clarity in the SOPs. Some of these appeals were successful while others were not. Again, the objective was to ensure minimal disruptions to our facilities and services offerings so long as it was safe to do so.

Other challenges include managing supply chain disruptions from the pandemic with the recent challenge involving ensuring the continuous supply of draft beer so our taps don't run dry!

The Sarawak Club App, which was recently introduced, has proven useful in prompt notifications to members (including for contact tracing purposes), promotion of F&B offerings and also for booking of sporting facilities such as swimming lanes, gym sessions as well as court bookings. In hindsight, the embracing of new technologies have allowed us to improve our service delivery to members.

We look forward to the day when all remaining facilities can be availed to members safely and when live bands can play at our bars and when members can host banquets for weddings, birthdays and other events at the Sarawak Club. We hope that we will soon be able to organise Members' Night, Family Day, New Year's Eve Gala Dinner as well as all our usual festive and sporting events for our members. At this moment, I can only assure you that your MC and all the Club staff are ready to bring you these as soon as the SOPs allow. Until then and with the gradual relaxation of SOPs, your MC will be working with the Club's management team to offer rewards and promotions to members while we are still prohibited by the SOPs to organise large scale events at the Club.

## **MANAGING THE FINANCIAL IMPACT**

The financial impact from the COVID-19 pandemic has been significant, adverse and also unpredictable.

It is significant and adverse for reasons that F&B operations contribute to fund the Club's operational expenses. However, to run the F&B operations so that we can generate a contribution, the Club incurs significant costs, and in particular, labour costs. The strict SOPs have prevented large banquets to be organised and this is the source of a sizeable portion of our revenue from our F&B operations. From a contribution of RM117,945 in 2018, the severity of the impact of the lockdowns resulted in a deficit of RM862,424 from

Food in the year in review. Similarly, from a contribution of RM15,021 in 2018, the impact on Beverage resulted in a deficit of RM140,501 from Beverages in the year in review. It is noteworthy that the main part of the F&B costs are salaries and staff expenses totalling over RM2 Million.

Also impacted are revenues from coaching fees, car parking fees, waived gym fees, library fees, tennis members' fees and surcharges for late payments in the year in review. Some of these fees have been waived due to the inability to offer these facilities to members.

We are also impacted by higher operational costs arising from costs of compliance of SOPs and pandemic related expenses including PCR testing of our staff and staff medical fees, sanitisation expenses as well as costs of sanitizers and cleaning aids, face masks and other protective gear.

The financial impact is unpredictable in that it depends on the length and severity of lockdowns which are in turn dependent on infectivity levels, efficacy of vaccines and the arrival of new variants.

The adverse financial impact has been mitigated by:

1. The understanding and support of our members who have paid the membership subscriptions on time as well as your continued support for our F&B outlets and the cost-cutting measures introduced by the MC, for which the MC is very grateful;
2. The understanding and support of our staff, who have helped the MC to watch our costs as well as in co-operating with the MC in our cost cutting measures, including staff costs. Overtime costs have been reduced and our staff have agreed to a suspension of salary increment in the year in review;
3. The contributions that we have managed to obtain from the Federal Government in the sum of RM188,800 under the Wage Subsidy Program in the year in review while we have also had savings by way of discounts in assessments as well as electricity and water charges from the State Government; and
4. The continued appeal of our memberships with 72 Junior Conversions and 44 membership transfers in the period FY2020 have also allowed us to generate increased Entrance fees in the sum of RM918,175.

I am grateful that the prudent financial management of the Club by my predecessors, especially our past presidents, Dato Richard Wee, Mr. George Lo and Mr. Shookry Gani, have resulted in significant accumulated reserves that puts us in a strong position to weather this storm.

## **BUSINESS AS USUAL**

Despite the lockdowns, it has been very much business as usual for the MC and the staff of the Sarawak Club in the management of the Club even though social and sporting activities have been curtailed by the lockdowns and the stringent SOPs.

Monthly MC meetings have been by way of Zoom where physical meetings have not been permitted. Interviews of prospective members have largely been by way of Zoom meetings with 59 interviews conducted in the year in review. There is continued interest in our club memberships even though the reference rate for membership transfers was now fixed at RM40,000 for Ordinary memberships.

Upgrading of the tennis courts and the basketball court is being carried out with the resurfacing of tennis courts 3 and 4 and the basketball court expected to be completed before the end of December, 2021.

The renovation of the staircase and the installation of the lift approved by members at the 2019 AGM is progressing on schedule and is expected to be completed by the end of the month and commissioned soon after. This will be an added convenience for our members, upon completion.

New uniforms have been introduced for our service staff in the year in review and on-going training and performance evaluation of our service staff are being carried out since the Club employed a Training Executive in 2019. As the Club had made improvements to our Club facilities between 2018 to 2019, we also believed that it was important to achieve higher standards of service to our members and we further believe that this can only be achieved through regular training and performance evaluation of our staff. At the same time, members may have noticed more regular promotions of new dishes at our various F&B outlets. We hope that this will result in a more satisfying dining experience for our members.

## APPRECIATION

One of my long- time colleague in the MC and our Deputy President, Mr. Lai Lian Yee, has decided not to seek re-election at this year's election. Mr. Lai has served in several senior MC positions including as Honorary Secretary and Honorary Treasurer for a number of terms before assuming the Deputy Presidency. Mr. Lai is a qualified Chartered Accountant and former Deputy Director in the Auditor-General's Office, Sarawak as well as a board member of a Bursa Malaysia listed company. The Sarawak Club is fortunate to have someone of Mr. Lai's calibre and experience to serve in the MC and I wish to record the Sarawak Club's appreciation to Deputy President Mr. Lai for his many years of dedicated service to the Sarawak Club.

I have expressed my appreciation to the MC, Sub-committee members, all our members, our immediate past president and advisor, Dato Richard Wee, our Honorary Legal Advisor, Mr. Chew Pok Oi, our external auditor, Mr. Hudson Chua and our GM, Mr. Robert Brodie and his team in my Message in the Annual Report and wish to reiterate my deep appreciation to all of you.

The presidency comes with a heavy responsibility, especially during these times, and I am assisted greatly by all of you in the discharge of my duties as President. I am very grateful to all of you and hope that you will give me your continued support so that we can work together to face this challenge and to bring the Club to greater heights."

The Honorary Secretary thanked the President for his address. He updated that the number of members registered was 55. He then invited the members to comment on the points raised in the President's address.

Dato Richard Wee Liang Chiat (W001) commented that the President's report put forth was very comprehensive. He wished to take this opportunity to thank the President and the MC members for managing the club during these challenging times by putting into consideration the members' needs during the COVID-19 pandemic and members were appreciative of what the MC had done for the club. He added that he understood that it was always easier to sit on the opposite side of the chair. Constructive criticism was always welcomed by all and members' feedback were important. He further congratulated the MC on a job well done.

Honorary Secretary thanked Dato Richard Wee for his comments. There being no further questions by the members, the Honorary Secretary proceeded to the next Agenda for the Meeting.

## **TO CONFIRM MINUTES OF THE LAST ANNUAL GENERAL MEETING HELD ON SUNDAY, 30 AUGUST 2020**

4

The Honorary Secretary requested for confirmation of the Minutes of the Annual General Meeting held on Sunday, 30 August 2020, 10.00am in the Hornbill Restaurant with reference to pages 14 to 34 of the Annual Report 2020.

The Honorary Secretary stated that the Annual Report 2020 was distributed to all members a few weeks prior to the Meeting. He invited the members who were present at the last Annual General Meeting to raise any corrections or amendments in the Minutes of the Annual General Meeting 2020.

The Honorary Secretary informed that there was one correction to be made in the minutes of the Annual General Meeting with reference to page 9 of the Annual Report. Mr. Zain B. Abdullah's (Z039), who is the Swimming Member, had attended but was left out in the Attendance List. Honorary Secretary added that the total attendance for AGM 2020 was 89.

There being no further comments on the Minutes of the Annual General Meeting 2020, Dr. Timothy Hatch (H085) proposed that the Minutes of the Annual General Meeting held on 30 August 2020 be confirmed. This was seconded by Dato Richard Wee (W001). There being no objection, the Minutes of the Annual General Meeting held on 30 August 2020 was thereby duly adopted by the Meeting.

## **TO RECEIVE, CONSIDER AND APPROVE THE COMMITTEE'S REPORT AND BALANCE SHEET AND WORKING ACCOUNTS FOR THE PRECEDING FINANCIAL YEAR**

5

The Honorary Secretary informed that the Committee's Report included the Honorary Secretary's report, Catering Member, Bar Member, Sports Member, Games Member, Swimming Member, Entertainment Member and House Member's reports. Also, The Independent Auditors' report, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Fund Balance, Statement of Cash Flow, Notes of Financial Statements and Schedule of Other Operating Expenses were in the Annual Report 2019 for members' scrutiny. The Honorary

Secretary informed that the detailed accounts for Restaurant (pg. 53), Bar (pg. 54), Club activities (pgs. 55-58), Club functions (pg. 59) and Scheduled of Other Operating Expenses (pg. 70) were also disclosed in the Annual Report 2020. As was practised in previous years' Annual General Meetings, the Honorary Secretary proposed for all the reports to be adopted collectively. Members were invited to raise questions or comment on the Reports.

There being no further questions by the members, the President requested that the Meeting move to confirm the Committee's Reports collectively. The Honorary Secretary requested for a Proposer and a Seconder for all the Committee's Reports, the Balance Sheet and Working Accounts to be confirmed. This was proposed by Mr. Jong Ah Jude (J008) and seconded by Mdm. Lucy Lao (L204). Thus, all the Committee's Reports, the Balance Sheet and Working Accounts were duly adopted by the Members present.

## 6

**ELECTION OF OFFICE BEARERS IN ACCORDANCE WITH RULE 26**

On the closing of the nomination, which was on 20 November 2021 at 10.00am, the nominations received were as follows:

Office	Nominee(s)	Club No.	Proposer(s)	Club No.
President	Melvin Wee Seng Lee	W008	Chan Kim Kuay @ Christopher Tan	C157
Deputy President	Dunstan Chan	C353	Lee Tze Yang	L1070
Honorary Secretary	Chan Kim Kuay @ Christopher Tan	C157	Melvin Wee Seng Lee	W008
Honorary Treasurer	Wilson Tan Swee Kwang	T407	Richard Wee Liang Chiat	W001
Bar Member	George Albert William Chapman	C698	Henry Ho Lay Seng	H009
Catering Member	Henry Ho Lay Seng	H009	Karen Shepherd	S356
Entertainment Member	Karen Shepherd	S356	George Albert William Chapman	C698
House Member	Colin Lau Yaw Siong	L500	Zain B. Abdullah	Z039
Sports Member	Sim Chin Kheng	S280	Peter Ho Ching Hin	H055
Games Member	Peter Ho Ching Hin	H055	Colin Lau Yaw Siong	L500
Swimming Member	Zain B. Abdullah	Z039	Sim Chin Kheng	S280

Therefore, the uncontested nominees were elected for all the positions.

## 6.1 OFFICE BEARERS FOR 2021-2023

The new Management Committee that will hold office for the term 2021-2023 was as follows:

Office	Name(s)	Club No.
President	Melvin Wee Seng Lee	W008
Deputy President	Dunstan Chan	C353
Honorary Secretary	Chan Kim Kuay @ Christopher Tan	C157
Honorary Treasurer	Wilson Tan Swee Kwang	T407
Bar Member	George Albert William Chapman	C698
Catering Member	Henry Ho Lay Seng	H009
Entertainment Member	Karen Shepherd	S356
House Member	Colin Lau Yaw Siong	L500
Sports Member	Sim Chin Kheng	S280
Games Member	Peter Ho Ching Hin	H055
Swimming Member	Zain B. Abdullah	Z039

President proceeded to invite the new Deputy President, Mr. Dunstan Chan (C353) to take his place at the MC table.

*The new Deputy President proceeded to take his seat.*

Dr. Timothy Hatch (H085) commented that he was concerned with the manner that the MC members were elected; whereby it seemed like they were nominating among themselves. Secondly, he did not see any new blood joining the MC members and he was also curious about how many years this MC's members have served the club. He opined that there was an appalling gender balance despite at least half of the club's membership were women and it seemed that not much effort had been made to encourage female members as well as younger members to join as a MC member. He suggested that there needed to be a time limit on the present committee and not to have this constant arrangement of musical chairs.

Dr. Timothy Hatch (H085) further shared his opinion that the club was just a hotel and a huge patron organization. He wondered if there was a need for an inflated committee in the future and to move forward to have a top-line General Manager who was trained in hospitality etc. so, the club can be run in a more commercial way rather than having a large committee. The club has very good and efficient staff and a good General Manager. He felt that the club would be run very well with its current staff and the General Manager. In conclusion, he hoped that the club could consider downsizing the management committee, seek a gender rebalance of the committee and injection of new faces in the main committee, in particular young members and lady members.

President took note of Dr. Timothy Hatch's (H085) sentiments and opinions. He agreed that there should always be renewal in the MC. But, one of the problems in ensuring gender equality



in the committee was that only Ordinary Members can be elected as a committee member. Although we know that there were many lady members around, many were Associate members who were not eligible to be nominated. As such, it was hard to get equal representation in the committee members. In fact, there has been some renewal through the years. In the last term, Dato Richard Wee (W001), Mr. Chua Teck Kheng (C113) and Mr. Jong Thian Lung (J011) stepped down to make way for Mr. Colin Lau (L500), Encik Zain B. Abdullah (Z039) and Mr. George Chapman (C698). And this term, Mr. Lai Lian Yee (L173) was stepping down and Mr. Dunstan Chan (C353) indicated his interest to serve and thus, ran for the position. President hoped that members may be more involved in the various sub-committees as a way of starting to get involved in the management of the club. Then, with experience in the sub-committee under their belt, they can be better prepared with the demands to serve in the MC in the years to come.

Dr. Timothy Hatch (H085) added that members have the perception that all the seats in the MC have been pre-arranged. President added that this will be his last term as the President as he was barred by the constitution for another term. Therefore, there will be another change in the next term.

Dato Richard Wee (W001) agreed with Dr. Timothy Hatch's (H085) opinion to have new faces in the MC. He remembered during his tenure as the Club's President, the MC had difficulties getting members to be a part of the team. He had also encountered challenges in elections where members stood against the incumbent MC and it was voted in a democratic way. President had also earlier mentioned that over the years, there have been new replacements brought into the MC, and this year we have Mr. Dunstan Chan (C353) and he was sure Mr. Chan can make his contributions felt. All in all, the sub-committees were places where members can learn the role of the MC. Dato Richard Wee went on to comment that the cross nomination among the members was a matter of convenience rather than fear or an inability to obtain nomination from other members. The negative perception by other members was something that could not be helped. The MC wanted injection of new members but was also wary that there should be a level of continuity so that the plans could be managed and executed accordingly.

President thanked Dato Richard Wee (W001) for his comments and assured the members that the MC will continue to do what's best for the club. He commented on the point that Dr. Timothy Hatch (H085) had raised about professional management; for a number of years, the club has had a team of professionals under the General Manager who has experience in the hospitality industry. This had been the intention of the successive MCs, to put such a professional team in place. The General Manager has established multiple team leaders to drive the operations of the Club. As President had shared earlier, the F&B component was a crucial revenue generator for the Club that needed to be managed properly. We have had high levels of success pre-pandemic. With the pandemic, the MC's role was more focused on policy-making and providing guidance to the professional managers. He also added that while change was needed in the MC, there was still a need for continuity so that there were minimal disruptions to the facilities and services that the members enjoy.

As President had previously mentioned, Mr. Lai Lian Yee (L173) had decided not to sit for re-election. He thanked Mr. Lai for his services and wished him the best in all his future endeavours. President also warmly welcomed the new Deputy President Mr. Dunstan Chan (C353) to the MC. Mr. Chan was a senior member of the club and had served in the MC previously. He has also previously served with President in the Rules Sub-committee. He was also a regular at

the Club's General Meetings who had contributed positively with comments and suggestions. President and the MC welcomed him and looked forward to his contributions to the club.

President added that Mr. Colin Lau, Ms. Karen Shepherd, Mr. George Chapman and Encik Zain B. Abdullah were serving their second term and together with the other experienced MC members; Mr. Christopher Tan, Mr. Wilson Tan, Mr. Henry Ho, Mr. Sim Chin Kheng and Mr. Peter Ho, they would work together to guide the club through these hard times of the pandemic. He also hoped that more members would volunteer to join the sub-committees.

Mr. Dunstan Chan (C353) (hereinafter referred to as "Deputy President") appreciated Dr. Timothy Hatch's (H085) comments earlier with regards to the change of the composite members in the MC. He opined that members were of the sentiment that the incumbent MC had done a good job of managing the club and thus, probably why they were happy for the incumbent to carry on unchallenged. He further commented that there was an existing Rule which precluded any member from holding on to the same portfolio for more than two terms. This Rule had been added to ensure no member would monopolize any single role indefinitely. If members felt strongly that there was a need for change, the avenue to stand and challenge for the MC was always availed to every Ordinary Member and Honorary Life Member. When he heard that the Mr. Lai Lian Yee may be taking his leave from the committee and the position may be left vacant, a member had suggested that he stand to fill the role. If other members chose not to nominate anyone else for election, that was their choice.

Deputy President opined that the argument of sectorial representation of the MC by race, gender or age was superficial - it should be based on the willingness of the members to serve and their competency to carry out the role. He echoed the President's call for younger members to start their involvement at the sub-committee level.

Dr. Timothy Hatch (H085) reaffirmed his intentions were genuine and reasonable in line with the factual make-up and representation of members in the MC. He hoped that members would give it serious thought and consideration. Dato Richard Wee (W001) suggested that the MC take Dr. Timothy Hatch's comments and opinion into consideration and proceed with the Meeting agenda.

President thanked Dr. Timothy Hatch (H085) for his comment and proceeded to the next agenda in the Meeting.

## TO ELECT AND APPOINT THE FOLLOWING FOR THE ENSUING YEAR

7

The Meeting proceeded to the appointment of the Auditors, the three (3) Officers for the purpose of Section 9(b) and a Public Officer for the purpose of Section 9(c) of the Societies Act 1966.

### 7.1 THE AUDITORS

The current Auditor of The Sarawak Club was Crowe Malaysia, who were prepared to continue as the appointed Auditor. The MC recommended that Crowe Malaysia be re-appointed as the Auditor of The Sarawak Club for the ensuing year. The appointment was proposed by Mdm. Lucy Lao (L204) and seconded by Mr. James Ak Enjeng @ Sinjeng (J078). The Meeting adopted the proposal for the appointment of Crowe Malaysia as The Sarawak Club's Auditor for the ensuing year.

## 7.2 THREE (3) OFFICERS FOR THE PURPOSE OF SECTION 9(B) OF THE SOCIETIES ACT 1966

The President explained that, by convention, the persons appointed as the three Officers for the purpose of Section 9(b) of the Societies Act 1966 comprised of the President, the Honorary Secretary and the Honorary Treasurer. Therefore, the persons who would be appointed for the purpose of Section 9(b) were Mr. Melvin Wee Seng Lee (W008), Mr. Christopher Tan (C157) and Mr. Wilson Tan (T407). This was proposed by Ms. Janie Wong Siew Ee (W222) and seconded by Mr. Stanley Song Tin Kuet (S127), and adopted by the Meeting.

## 7.3 A PUBLIC OFFICER FOR THE PURPOSE OF SECTION 9(C) OF THE SOCIETIES ACT 1966

The President explained that the Honorary Secretary was, by convention, appointed as the Public Officer for the purpose of Section 9(c) of the Societies Act 1966. Mr. Christopher Tan (C157) would be appointed as Public Officer for the purpose of Section 9(c) of the Societies Act 1966. This was proposed by Mr. Paul Jong Jun Hian (J112) and seconded by Mr. David Han Ming Chiang (H198), and adopted by the Meeting.

# 8

**TO TRANSACT ANY OTHER BUSINESS OF WHICH DUE NOTICE HAD BEEN GIVEN OR WHICH IF RAISED WITHOUT DUE NOTICE, IS ADMITTED FOR DISCUSSION BY A MAJORITY OF MEMBERS PRESENT AND VOTING PROVIDED THAT NO MOTION FOR THE AMENDMENT OR REPEAL OF ANY EXISTING RULE OR THE MAKING OF ANY NEW RULE SHALL BE DISCUSSED UNLESS DUE NOTICE THEREOF SHALL HAVE BEEN GIVEN IN ACCORDANCE WITH RULE 32.**

President stated that the MC was not presenting any motion for voting and neither were there any motions that had been submitted by members. However, if there were any motion or other business to be discussed with the majority approval of the members, it can still be discussed.

Mr. George Ritchie (R054) commented that there were not many questions asked during the financial statement's presentation because it had been nearly a year overdue. He queried whether it was in the club's practice to present the upcoming budget to members for approval.

Mr. Wilson Tan (hereinafter referred to as "Honorary Treasurer") explained that the practice had been that the Management would present the budget to the MC for its consideration and approval. President added that it was not a practice of our Club for the budget to be presented to members in the General Meeting. Deputy President commented that this may be worth considering but suggested that Mr. George Ritchie (R054) should formally move a motion in the General Meeting or else it would only be for discussion.

Dato Richard Wee (W001) commented that it was not the Club's practice to present the budget for members to run through. He likened it to any public company where they do not present their budget to the shareholders. Dato Richard Wee opined that the MC had thus far managed the club responsibly and that members could trust the budget to the MC to decide.

Mr. Chew Pok Oi (C111) (hereinafter referred to as "Honorary Legal Advisor") stated that it was not practical to present the budget for the ensuing term in the General Meeting as one cannot assure that there will be a continued term for the MC. An incoming committee can comprise of very different

committee members. There will be questions where will it be the outgoing committee members to present the budget that will bind the incoming committee. That would, technically, be problematic. The MC cannot present the budget at the end of its term.

President said that having considered the views from Mr. George Ritchie (R054), Dato Richard Wee (W001) and Honorary Legal Advisor, his views are as follows: Firstly, it was not the practice of the club to seek approval of the budget from members in the General Meeting. Secondly, as Honorary Legal Advisor had commented, it could be impractical to do so as the incoming MC may not necessarily be the same as the outgoing committee. The Club Rules also provide that the management of the club is vested in the MC. Based on that, the budget has always been considered by the MC in office once it was ready for presentation by the financial team and the General Manager. As we saw in the last year, sometimes situation changes rapidly. It was an evolving situation where the budget needed to be revised. Those are the practical reasons why it was more practical for it to be under the powers of the MC. President concluded that the matter will be given greater thought and consideration by the MC in its monthly meeting.

Dr. Timothy Hatch (H085) queried the Honorary Treasurer, based on the current situation, whether the club would be able to breakeven with the current level of operation. Honorary Treasurer replied that the Club was performing better in 2021 than in 2020. President added that the F&B outlets, especially the Mainhall, were well patronized as SOPs have been relaxed. The 2022 Chinese New Year eve dinner was oversubscribed with demand outstripping available tables. Clubbing life was slowly gaining momentum in terms of members returning for sports and for dining.

## **8.1 CLOSING**

When President was elected in 2019, he had asked Dato Richard Wee (W001) to serve as the Immediate Past President and Mr. Chew Pok Oi (C111) as the Club's Honorary Legal Advisor. Over the past two years, they have imparted invaluable advice to the MC; Dato Richard Wee advised on management and financial matters while Mr. Chew on legal matters. He hoped both would agree to continue to offer their services to the club as we rebuild and strengthen the finances that has been impacted by the pandemic.

Dato Richard Wee (W001) and Mr. Chew Pok Oi (C111) agreed to continue to serve as advisors to the MC.

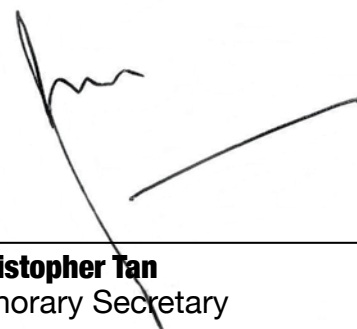
President recorded his appreciation to those who helped to organize the Meeting, including Mr. Chew Pok Oi, the Honorary Legal Advisor, for his legal advice at the Meeting, Mr. Hudson Chua and the external auditors from Crowe Malaysia, the General Manager and the staff for the preparations of and organizing the Meeting by ensuring the SOPs were complied with, and also to the members for attending this Meeting during these cautious times.

The Honorary Secretary updated that the number of members who have registered for the Meeting as at 11.20am was 70 members.

The Meeting was adjourned at 11.25 am.



**Melvin Wee Seng Lee**  
President



**Christopher Tan**  
Honorary Secretary

## HONORARY SECRETARY'S REPORT

With mass vaccination programs underway from the 1st quarter of 2021, we began transitioning into the National Recovery Phase. As before, the Sarawak Club continued to maintain strict adherence to the evolving safety protocols. The Omicron wave of infections led to an extended period of strict lockdown and this had severe implications on our operations.

The forward planning from the year before meant that we were slightly better equipped, financially, to weather the lockdown. Taking effect from 1st January 2021, the absent member monthly subscription rose from RM30 to RM50. Our combined subscription collection rose RM330,730 or 11%. The fee for Junior Members converting to Ordinary Members was adjusted from RM8,000 to RM12,000 and this change contributed to an additional RM324,000 in collected fees. Also helping to generate additional income was the collection of Transfer Fees, of which the fee was adjusted from RM2,500 to RM4,000.

At the other end, our collections were affected by the extended closing of our facilities. The Management Committee decided to waive monthly gym fees when the Gym remained closed between May to September 2021. This led to a drop in our gym fees collection by RM44,369. Also, Corporate Nominee renewal fees fell by RM74,000.

From a cost perspective, our operating expenses have remained almost unchanged. I am proud to share that the Club has been a responsible employer in keeping all our staff in employment throughout the pandemic. We recognize that our staff are a critical component of the Club and that it is our duty to care for them during this time of hardship. In this respect, the wage subsidies from the government have helped tremendously. In 2021, we received RM477,600 in wage subsidies.

But we have also been proactive at minimizing our expenses. For example, we reduced the frequency of the rubbish collection service; a saving of RM20,000. Prices of PPEs and other Covid-19 related expenses also normalized with widespread availability.

The Management Committee was always aware of trying to ensure that our facilities and amenities would be made available to our members without delay but within the confines of the prevailing safety protocols that have been imposed by the local authorities. Members have continued to support the club through the payment of the monthly subscription, and rightly expect to have the clubhouse and all that it offers available to them. The Management has regularly sought out the local authorities for approval to safely reopen our facilities. We wrote for conditional approval for members to return to the club with their young children, for the reopening of our snooker and pool tables, and the karaoke facilities. It has not always been successful but we remained committed to ensure a safe reopening. Here, I am very grateful to all our members who have tolerated the various inconveniences and have put safety above all else.

My sincere thanks to the rest of the Management Committee members, the sub-committee members, our esteemed advisors and the staff who have been a pillar of strength in this difficult year. I pray for your good health always.

**Christopher Tan (C157)**  
Honorary Secretary

## STATEMENT BY THE MEMBERS OF THE MANAGEMENT COMMITTEE

### THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

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### STATEMENT BY THE MEMBERS OF THE MANAGEMENT COMMITTEE

We, Melvin Wee Seng Lee and Wilson Tan Swee Kwang, being two of the Members of Management Committee of The Sarawak Club, state that, in the opinion of the Management Committee, the financial statements set out on pages 28 to 57 are drawn up in accordance with Malaysian Private Entities Reporting Standard and the Societies Act, 1966 in Malaysia and the rules and regulations of The Sarawak Club so as to give a true and fair view of the state of affairs of the Club at 31 December 2021 and of its results and cash flows for the financial year ended on that date.

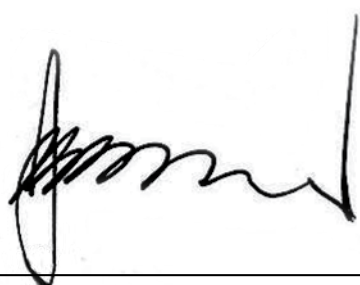
### SIGNED ON BEHALF OF THE MANAGEMENT COMMITTEE DATED 31 MARCH 2022



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**MELVIN WEE SENG LEE**

President



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**Wilson Tan Swee Kwang**

Honorary Treasurer

31 MARCH 2022

Kuching



# INDEPENDENT AUDITORS' REPORT



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of The Sarawak Club (the Club), which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in fund balance and statement of cash flow for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 28 to 57.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Club as at 31 December 2021, and of its financial performance and its cash flow for the financial year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Societies Act, 1966 in Malaysia.

#### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence and Other Ethical Responsibilities*

We are independent of the Club in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### Information Other than the Financial Statements and Auditors' Report Thereon

The Management Committee of the Club are responsible for the other information. The other information comprises the Message from The President, Minutes of General Meeting, Honorary Secretary's Report, Games Member's Report, Bar Member's Report, Catering Member's Report, Swimming Member's Report, House Member's Report, Sports Member's Report, Entertainment Member's Report and General Manager's Report but does not include the financial statements of the Club and our auditors' report thereon.

Our opinion on the financial statements of the Club 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 of the Club, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Club or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SARAWAK CLUB (CONT'D)**

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

### **Responsibilities of the Management Committee for the Financial Statements**

The Management Committee of the Club are responsible for the preparation of financial statements of the Club that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Societies Act, 1966 in Malaysia. The Management Committee are also responsible for such internal control as the Management Committee determine is necessary to enable the preparation of financial statements of the Club that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Club, the Management Committee are 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 Management Committee either intend to liquidate the Club or to cease operations, or have no realistic alternative but to do so.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Club as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

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



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SARAWAK CLUB (CONT'D)**

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

### **Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)**

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:- (Cont'd)

- Conclude on the appropriateness of the Management Committee' 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 auditors' report to the related disclosures in the financial statements of the Club 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 auditors' report. However, future events or conditions may cause the Club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Club, including the disclosures, and whether the financial statements of the Club represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management 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.

### **OTHER MATTERS**

This report is made solely to the members of the Club, as a body, in accordance with Societies Act, 1966 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

31 MARCH 2022  
Kuching

**Chong Thian Poh**  
01580/02/2023 J  
Chartered Accountant

## THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	NOTE	2021 RM	2020 RM
<b><u>The City Club</u></b>			
<b>Income</b>			
Membership subscriptions		3,475,590	3,144,860
Entrance fees		1,242,000	918,175
Surcharges		102,889	112,750
Sundry income	5	539,763	230,943
		<u>5,360,242</u>	<u>4,406,728</u>
<b>Contributions for</b>			
Food and beverages	6	(1,103,608)	(1,002,925)
Club activities	7	(442,417)	(375,506)
Club functions	8	(8,618)	(21,522)
		<u>(1,554,643)</u>	<u>(1,399,953)</u>
<b>Income from operations</b>		3,805,599	3,006,775
<b>Cost</b>			
Depreciation of property, plant and equipment	11	(724,218)	(784,808)
Other operating expenses	Appendix I	(2,653,487)	(2,672,306)
<b>Surplus/(Deficit) from operations</b>		427,894	(450,339)
Interest income	9	156,057	205,339
<b>Surplus/(Deficit) from The City Club</b>		<u>583,951</u>	<u>(245,000)</u>
<b><u>Golf Resort</u></b>			
<b>Income</b>			
Revenue entitlement from SCC		173,500	174,006
Rental income		12,000	12,000
<b>Cost</b>			
Depreciation of property, plant and equipment	11	(16,027)	(66,339)
Depreciation of investment properties	12	(214,831)	(214,831)
Other operating expenses	Appendix I	(86)	(214)
<b>Deficit from Golf Resort</b>		<u>(45,444)</u>	<u>(95,378)</u>
<b>Surplus/(Deficit) before taxation</b>		538,507	(340,378)
Income tax expense	10	(74,160)	(90,083)
<b>Surplus/(Deficit) for the financial year</b>		<u>464,347</u>	<u>(430,461)</u>

The annexed notes form an integral part of these financial statements.

**THE SARAWAK CLUB**

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

**STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2021**

	NOTE	2021 RM	2020 RM
<b>ASSETS</b>			
NON-CURRENT ASSETS			
Property, plant and equipment	11	11,992,411	12,467,009
Investment properties	12	7,613,674	7,828,505
		<u>19,606,085</u>	<u>20,295,514</u>
CURRENT ASSETS			
Inventories	13	260,755	223,673
Members' accounts	14	588,148	476,729
Other receivables, deposits and prepaid expenses	15	344,332	398,899
Cash and bank balances		445,102	536,319
Fixed deposits with licensed banks	16	7,724,469	7,246,608
Tax refundable		41,213	30,817
		<u>9,404,019</u>	<u>8,913,045</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Members' deposits	17	51,200	51,200
Other payables, deposits and accrued expenses	18	1,615,033	2,277,835
		<u>1,666,233</u>	<u>2,329,035</u>
NET CURRENT ASSETS		<u>7,737,786</u>	<u>6,584,010</u>
		<u>27,343,871</u>	<u>26,879,524</u>
<b>FUND BALANCE</b>			
Accumulated funds		<u>27,343,871</u>	<u>26,879,524</u>

The annexed notes form an integral part of these financial statements.

## THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

### STATEMENT OF CHANGES IN FUND BALANCE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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	Non-distributable Reserve Accumulated Funds RM
Balance at 1.1.2020	27,309,985
Deficit for the financial year	(430,461)
Balance at 31.12.2020 / 1.1.2021	26,879,524
Surplus for the financial year	464,347
Balance at 31.12.2021	27,343,871

The annexed notes form an integral part of these financial statements.



**THE SARAWAK CLUB**

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

**STATEMENT OF CASH FLOW  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	NOTE	2021 RM	2020 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus/(Deficit) before taxation		538,507	(340,378)
Adjustments for:			
Bad debts written off		1,929	-
Depreciation of property, plant and equipment	11	740,245	851,147
Depreciation of investment property	12	214,831	214,831
Loss on property, plant and equipment written off	11	1,523	416
Interest income		(156,057)	(205,339)
Operating surplus before working capital changes		1,340,978	520,677
(Increase)/Decrease in inventories		(37,082)	42,058
(Increase)/Decrease in members' accounts		(113,348)	207,984
Decrease in other receivables, deposits and prepaid expenses		54,567	141,149
Decrease in members' deposits		-	(43,055)
(Decrease)/Increase in other payables, deposits and accrued expenses		(662,802)	563,305
<b>CASH FROM OPERATIONS</b>		<b>582,313</b>	<b>1,432,118</b>
Income tax paid		(84,556)	(146,167)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>497,757</b>	<b>1,285,951</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	11	(267,170)	(1,063,330)
Increase in fixed deposits with maturities more than three months		(620,985)	(5,366)
Interest received		156,057	205,339
<b>NET CASH FOR INVESTING ACTIVITIES</b>		<b>(732,098)</b>	<b>(863,357)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(234,341)</b>	<b>422,594</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		<b>1,873,195</b>	<b>1,450,601</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	19	<b>1,638,854</b>	<b>1,873,195</b>

The annexed notes form an integral part of these financial statements.

## THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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#### 1. GENERAL INFORMATION

The principal objective of The Sarawak Club ("the Club") is to promote and carry on social and sporting activities.

The registered office and principal place of business of the Club is located at Jalan Taman Budaya, 93000 Kuching, Sarawak.

The financial statements of the Club were authorised for issue by the members of the Management Committee in accordance with a resolution of the members of the Management Committee on 31 MARCH 2022.

#### 2. BASIS OF PREPARATION

The financial statements of the Club have been prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Private Entities Reporting Standard ("MPERS").

Management has used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Judgement and assumptions are applied in the measurement, and hence, the actual results may not coincide with the reported amounts.

#### 3. SIGNIFICANT ACCOUNTING POLICIES

##### 3.1 REVENUE RECOGNITION

Revenue represents membership subscriptions, entrance fees, surcharges and revenue generated from the activities of the Club.

Sales of goods and services rendered are recognised upon delivery of products and when the risks and rewards of ownership have passed to the members. Sales represent gross invoiced value of goods sold and services rendered net of trade discounts.

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

## THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 3.2 TAX ASSETS AND TAX LIABILITIES

A current tax for current and prior periods, to the extent unpaid, is recognised as a current tax liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as a current tax asset. A current tax liability or asset is measured at the amount the Club expects to pay or recover using tax rates and laws that have been enacted or substantially enacted by the reporting date.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or tax loss. The exceptions for initial recognition differences include items of property, plant and equipment that do not qualify for capital allowances and acquired intangible assets that are not deductible for tax purposes.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affect neither accounting profit nor taxable profit or tax loss. The exceptions for the initial recognition differences include non-taxable government grants received and reinvestment allowances and investment tax allowances on qualifying property, plant and equipment.

A deferred tax asset is recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Unused tax credits do not include unabsorbed reinvestment allowances and unabsorbed investment tax allowances because the Club treats these as part of initial recognition differences.

Deferred taxes are measured using tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred taxes reflect the tax consequences that would follow from the manner in which the Club expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

At the end of each reporting period, the carrying amount of a deferred tax asset is reviewed, and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of a part or all of that deferred tax asset to be utilised. Any such reduction will be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

A current or deferred tax is recognised as income or expense in profit or loss for the period. For items recognised directly in equity, the related tax effect is also recognised directly in equity.

## THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 3.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses, (if any).

City club's freehold land has an unlimited useful life and therefore is not amortised.

All other property, plant and equipment are depreciated on a straight line method to their residual values at rates based on the estimated useful lives of the various assets.

The estimated useful lives are as follows:-

Short leasehold land	Over the remaining leasehold period
Buildings	30 to 50 years
Swimming pools	50 years
Tennis courts	30 years
Machineries	10 years
Furniture, fittings and equipment	2 to 10 years

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement.

##### 3.4. INVESTMENT PROPERTIES

The Club recognises a land, building (including a floor of a building), or both land and building, including property under construction, as investment properties if it is held for capital appreciation, rental income or both. Investment properties are recorded at cost on initial recognition. Cost of investment properties comprises purchase price plus all directly attributable costs incurred to bring the property to its present location and condition intended for use as investment properties. Cost of self-constructed investment properties comprises all direct and indirect construction costs but exclude internal profits.

For the purpose of subsequent measurement, items of equipment that are irremovable and items that are physically attached to a building, such as lifts, elevators, electrical system and air-conditioning system, are treated as an integral part of the property. The Club uses the fair value model to measure investment properties after initial recognition if the fair value can be measured reliably without undue cost or effort. Any changes in the fair value of investment properties are recognised in profit or loss in the year in which they arise.

If a reliable measure of fair value is not available without undue cost or effort for an item of investment property subsequently, the investment properties are measured at cost less any accumulated depreciation and impairment losses until a reliable measure of fair value becomes available. In case of investment properties that had been previously accounted for using the fair value model, the carrying amount of the investment properties on that date becomes its cost.

## THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 3.4 INVESTMENT PROPERTIES (CONT'D)

Depreciation on investment properties is charged to profit or loss on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. The principal annual rates used for this purposes are:-

Short leasehold land	53 to 60 years
Building	50 years
Golf course	50 years
Swimming pool	50 years

The depreciation method, useful lives and residual values will be reviewed if there is a significant change since the last annual reporting date in the pattern by which the Club expects to consume the investment property's future economic benefits. Any changes are accounted for as a change in accounting estimate.

Any gain or loss arising from the disposal of investment properties is recognised in profit or loss.

##### 3.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

An impairment loss arises when the carrying amount of a Club's asset exceeds its recoverable amount.

At the end of each reporting period date, the Club assesses whether there is any indication that a stand-alone asset or a cash-generating unit may be impaired by using external and internal sources of information. If any such indication exists, the Club estimates the recoverable amount of the asset or cash-generating unit.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and the value in use.

For an asset measured on a cost-based model, any impairment loss is recognised in profit or loss.

The Club reassesses the recoverable amount of an impaired asset or a cash-generating unit if there is any indication that an impairment loss recognised previously may have reversed. Any reversal of impairment loss for an asset carried at a cost-based model is recognised in profit or loss, subject to the limit that the revised carrying amount does not exceed the amount that would have been determined had no impairment loss been recognised previously.

##### 3.6 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost of food and beverages is determined on the weighted average method and other inventories are determined on "first-in, first-out" basis. The cost of inventories comprises the original purchase price plus cost incurred in bringing the inventories to their present location. Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs.

## THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 3.7 FINANCIAL INSTRUMENTS

###### (a) Initial Recognition and Measurement

The Club recognises a financial asset or a financial liability in the statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial assets and financial liabilities are measured at fair value which is generally the transaction price, plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

###### (b) Derecognition of Financial Instruments

A financial asset is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Club transfers the contractual rights to receive cash flows of the financial asset, including circumstances when the Club acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

###### (c) Subsequent Measurement of Financial Assets

For the purpose of subsequent measurement, the Club classifies financial assets into two categories, namely: (i) financial assets at fair value through profit or loss, and (ii) financial assets at amortised cost.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 3.7(f).

###### (d) Subsequent Measurement of Financial Liabilities

After initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

###### (e) Recognition of Gains and Losses

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognised in profit or loss when they arise.

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in profit or loss only when the financial asset or financial liability is derecognised or impaired, and through the amortisation process of the instrument.

## THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 3.7 FINANCIAL INSTRUMENTS (CONT'D)

###### (f) Impairment and Uncollectibility of Financial Assets

At the end of each reporting period, the Club examines whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Evidences of trigger loss events include: (i) significant difficulty of the issuer or obligor; (ii) a breach of contract, such as a default or delinquency in interest or principal payments; (iii) granting exceptional concession to a customer; (iv) it is probable that a customer will enter bankruptcy or other financial reorganisation; (v) the disappearance of an active market for that financial asset because of financial difficulties; or (vi) any observable market data indicating that there may be a measurable decrease in the estimated future cash flows from a group of financial assets.

For short-term trade and other receivables, where the effect of discounting is immaterial, impairment loss is tested for each individually significant receivable wherever there is any indication of impairment. Individually significant receivables for which no impairment loss is recognised are grouped together with all other receivables by classes based on credit risk characteristics and aged according to their past due periods. A collective allowance is estimated for a class group based on the Club's experience of loss ratio in each class, taking into consideration current market conditions.

##### 3.8 PROVISIONS

The Club recognises a liability as a provision if the outflows required to settle the liability are uncertain in timing or amount.

A provision is recognised when the Club has a present legal or constructive obligation as a result of a past event, and of which the outflows of resources on settlement are probable and reliable estimate of the amount can be made. No provision is recognised if these conditions are not met.

A provision is measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

##### 3.9 CASH AND CASH EQUIVALENTS

The Club adopts the indirect method in the preparation of the cash flow statement.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risks of changes in value.

## THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 3.10 EMPLOYEE BENEFITS

The Club recognises a liability when an employee has provided service in exchange for employee benefits to be paid in the future and an expense when the Club consumes the economic benefits arising from service provided by an employee in exchange for employee benefits.

##### (a) Short-term Benefits

Wages and salaries are accrued and paid on a monthly basis and are recognised as an expense, unless they relate to cost of producing inventories or other assets.

##### (b) Post-Employment Benefits - Defined Contribution Plans

The Club makes statutory contributions to approved provident funds and the contributions made are charged to profit or loss in the period to which they relate. When the contributions have been paid, the Club has no further payment obligations.

#### 4. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

##### 4.1 ESTIMATION UNCERTAINTY

The measurement of some assets and liabilities requires management to use estimates based on various observable inputs and other assumptions. The areas or items that are subject to significant estimation uncertainties of the Club are:

##### (a) Measurement of a Provision

The Club uses a "best estimate" as the basis for measuring a provision. Management evaluates the estimates based on the Club's historical experiences and other inputs or assumptions, current developments and future events that are reasonably possible under the particular circumstances.

##### (b) Loss Allowances of Financial Assets

The Club recognises impairment losses for loans and receivables using the incurred loss model. Loans and receivables are categorised into credit risk classes and tested for impairment, using the Club's past experiences of loss statistics, ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowances made and these may affect the Club's financial position and results.



## THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

#### 4. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY (CONT'D)

##### 4.1 ESTIMATION UNCERTAINTY (CONT'D)

##### (c) Depreciation of Property, Plant and Equipment

The cost of an item of property, plant and equipment is depreciated on the straight-line method. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and this may lead to a gain or loss on an eventual disposal of an item of property, plant and equipment.

##### (d) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

##### (e) Impairment of Property, Plant and Equipment and Investment Properties

The Club determines whether an item of its property, plant and equipment and investment properties is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows.

#### 5. SUNDRY INCOME

	2021 RM	2020 RM
Car parking fees	17,248	32,494
Miscellaneous income	44,915	9,649
Wages Subsidy Programme	477,600	188,800
	<u>539,763</u>	<u>230,943</u>

Included in miscellaneous income were income derived from sales of car stickers and rental of vending machine.

## THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

#### 6. CONTRIBUTIONS (FOR)/FROM FOOD AND BEVERAGES

##### (a) FOOD

	2021 RM	2020 RM
<b>REVENUE</b>		
Food sales	2,933,399	3,059,140
<b>LESS: COST OF SALES</b>		
Food cost	1,746,987	1,755,104
GROSS PROFIT	1,186,412	1,304,036
<b>ADD: OTHER INCOME</b>		
Corkage charges	2,696	6,599
Room charges	100	627
	2,796	7,226
<b>LESS: OPERATING EXPENSES</b>		
Cleaning material	10,550	10,056
Decoration and equipment rental	2,721	4,960
Electricity and water charges	43,720	57,795
Entertainment and promotion	14	13,841
Equipment and utensils replacement	5,589	7,712
Fuel and gas	148,612	132,627
Ice cube	3,575	5,508
Laundry charges	14,891	22,580
Medical expenses	6,615	7,614
Printing and stationeries	9,412	10,346
Repairs and maintenance	24,498	52,660
Salaries, E.P.F., SOCSO and E.I.S. contributions	1,668,155	1,748,630
Staff accommodation	14,218	13,029
Staff meal	27,310	29,840
Sundry expenses	63,585	54,145
Uniforms	15,220	2,343
	2,058,685	2,173,686
Contributions for food	(a) (869,477)	(862,424)

## THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

#### 6. CONTRIBUTIONS (FOR)/FROM FOOD AND BEVERAGES (CONT'D)

##### (b) BEVERAGES

	2021 RM	2020 RM
<b>REVENUE</b>		
Beverages sales	466,029	664,009
Tuckshop sales	19,391	26,552
	<u>485,420</u>	<u>690,561</u>
<b>LESS: COST OF SALES</b>		
Beverages cost	365,050	458,722
Tuckshop cost	16,397	22,226
	<u>381,447</u>	<u>480,948</u>
<b>GROSS PROFIT</b>	<u>103,973</u>	<u>209,613</u>
<b>ADD: OTHER INCOME</b>		
Corkage charges	3,440	5,140
	<u>3,440</u>	<u>5,140</u>
<b>LESS: OPERATING EXPENSES</b>		
Electricity and water charges	10,930	14,449
Glassware and equipment replacement	2,538	979
Ice cube	3,575	5,508
Karaoke expenses	122	10,997
Licence fees	18,044	21,786
Medical expenses	4,282	1,446
Promotion	489	244
Printing and stationery	4,098	6,491
Repairs and maintenance	7,532	9,138
Salaries, E.P.F., SOCSO and E.I.S. contributions	253,890	254,562
Staff accommodation	14,217	13,028
Staff meal	5,760	5,760
Sundry expenses	14,232	7,352
Transportation	-	3,500
Uniforms	1,835	14
	<u>341,544</u>	<u>355,254</u>
Contributions for beverages	(b) (234,131)	(140,501)
Total contributions for food and beverages for the financial year	(a + b) (1,103,608)	(1,002,925)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

**7. CLUB ACTIVITIES**

2021

**INCOME**

Booking fees  
Coaching and lesson fees  
Fees  
Fines  
Receipts from competition

	Gymnasium RM	Badminton RM	Squash RM	Indoor and outdoor games RM	Tennis RM	Swimming RM	Library RM	Total RM
	-	3,646	345	225	910	-	-	5,126
	5,605	3,300	3,400	600	12,520	39,920	-	65,345
	81,351	-	-	-	8,570	-	20,304	110,225
	-	-	-	-	-	-	806	806
	-	-	-	1,616	-	-	-	1,616
	86,956	6,946	3,745	2,441	22,000	39,920	21,110	183,118

# THE SARAWAK CLUB

(Registered in Malaysia)  
Registration No: PPM-002-13-20121957

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 7. CLUB ACTIVITIES (CONT'D)

2021

#### EXPENSES

	Gymnasium RM	Badminton RM	Squash RM	Indoor and outdoor games RM	Tennis RM	Swimming RM	Library RM	Total RM
Balut sundry expenses	-	-	-	3,519	-	-	-	3,519
Competition expenses	-	-	-	2,591	1,299	-	-	3,890
Coaching and lesson fees	16,728	2,805	2,890	1,250	9,155	31,936	-	64,764
Lease rental	22,290	-	-	-	-	-	-	22,290
Magazines	-	-	-	-	-	-	11,227	11,227
Repairs and maintenance	5,825	-	150	2,100	15,416	35,145	1,941	60,577
Salaries, E.P.F., SOCSO and E.I.S. contributions	162,252	-	-	-	36,194	112,695	131,485	442,626
Sundry expenses	9,313	-	-	1,880	3,309	1,371	769	16,642
	216,408	2,805	3,040	11,340	65,373	181,147	145,422	625,535
Contribution (for)/from club activities	(129,452)	4,141	705	(8,899)	(43,373)	(141,227)	(124,312)	(442,417)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

**7. CLUB ACTIVITIES (CONT'D)**

2020	Gymnasium RM	Badminton RM	Squash RM	Indoor and outdoor games RM	Tennis RM	Swimming RM	Library RM	Total RM
<b>INCOME</b>								
Booking fees	-	2,998	855	865	665	-	-	5,383
Coaching and lesson fees	9,435	6,260	5,120	540	3,660	53,355	-	78,370
Fees	125,720	-	-	-	7,170	432	31,035	164,357
Fines	-	-	-	-	-	-	3,291	3,291
Receipts from competition	-	-	-	3,840	-	-	-	3,840
	135,155	9,258	5,975	5,245	11,495	53,787	34,326	255,241

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

**7. CLUB ACTIVITIES (CONT'D)**

2020

**EXPENSES**

	Gymnasium RM	Badminton RM	Squash RM	Indoor and outdoor games RM	Tennis RM	Swimming RM	Library RM	Total RM
Balut sundry expenses	-	-	-	8,616	-	-	-	8,616
Competition expenses	-	-	-	2,368	6,551	133	-	9,052
Coaching and lesson fees	20,636	5,321	6,894	1,100	3,111	42,720	-	79,782
Lease rental	21,820	-	-	-	-	-	-	21,820
Magazines	-	-	-	-	-	-	4,985	4,985
Repairs and maintenance	8,220	-	4,200	270	16,129	36,337	390	65,546
Salaries, E.P.F., SOCSO and E.I.S. contributions	158,259	-	-	-	33,146	108,751	117,909	418,065
Sundry expenses	16,288	-	403	1,690	3,355	-	1,145	22,881
	225,223	5,321	11,497	14,044	62,292	187,941	124,429	630,747
Contribution (for)/from club activities	(90,068)	3,937	(5,522)	(8,799)	(50,797)	(134,154)	(90,103)	(375,506)

**THE SARAWAK CLUB**

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021****8. CLUB FUNCTIONS**

	2021 RM	2020 RM
Band entertainment	-	3,194
Other club functions	20	2,074
Festival celebrations	8,598	12,565
New year's eve dinner and dance	-	3,689
Deficit for club functions	8,618	21,522

**9. INTEREST INCOME**

	2021 RM	2020 RM
Fixed deposits	154,368	200,007
Current accounts	1,689	5,332
	156,057	205,339

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**THE SARAWAK CLUB**

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021****10. INCOME TAX EXPENSE**

	2021 RM	2020 RM
Current tax expense:		
- provision for the financial year	74,160	90,083

Incomes from other investments of the Club is taxable at personal scale rate under Schedule 1, Income Tax Act, 1967 while other income derived from its members is not taxable.

A numerical reconciliation of income tax expense at the applicable income tax rate to income tax expense at the effective income tax is as follows:-

	2021 RM	2020 RM
Surplus/(Deficit) before tax	538,507	(340,378)
Tax at the statutory tax rate of:-		
First RM250,000 (2020 - First RM400,000)		
of chargeable income	46,900	(71,182)
24.5% on the remaining chargeable income (2020 - 25%)	72,127	-
Tax effects of:-		
Non-deductible expenses	902,917	1,895,707
Non-taxable income	(947,784)	(1,734,442)
Income tax expense for the financial year	74,160	90,083

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**THE SARAWAK CLUB**

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021****11. PROPERTY, PLANT AND EQUIPMENT**

	At 1.1.2021 RM	Additions RM	Written off RM	Depreciation charges RM	At 31.12.2021 RM
<i>Carrying amount</i>					
<b>The City Club</b>					
Freehold land	1	-	-	-	1
Short leasehold land	130,555	-	-	(4,080)	126,475
Buildings	10,231,543	60,373	-	(275,342)	10,016,574
Swimming pools	300,719	-	-	(13,526)	287,193
Tennis courts	399,274	118,472	-	(40,511)	477,235
Furniture, fittings and equipment	1,216,770	70,122	(1,523)	(390,759)	894,610
Capital work-in-progress	171,235	18,203	-	-	189,438
Sub-total	12,450,097	267,170	(1,523)	(724,218)	11,991,526
<b>Golf Resort</b>					
Machineries	16,824	-	-	(16,027)	797
Furniture, fittings and equipment	88	-	-	-	88
Sub-total	16,912	-	-	(16,027)	885
<b>Total</b>	12,467,009	267,170	(1,523)	(740,245)	11,992,411

# THE SARAWAK CLUB

(Registered in Malaysia)  
Registration No: PPM-002-13-20121957

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At 1.1.2020 RM	Additions RM	Written off RM	Reclassification RM	Depreciation charges RM	At 31.12.2020 RM
<i>Carrying amount</i>						
<b>The City Club</b>						
Freehold land	134,636	-	-	(134,635)	-	1
Short leasehold land	-	-	-	134,635	(4,080)	130,555
Buildings	8,878,013	-	-	1,627,665	(274,135)	10,231,543
Swimming pools	314,244	-	-	-	(13,525)	300,719
Tennis courts	204,265	-	-	231,572	(36,563)	399,274
Furniture, fittings and equipment	879,235	121,490	(416)	672,966	(456,505)	1,216,770
Capital work-in-progress	1,761,598	941,840	-	(2,532,203)	-	171,235
Sub-total	12,171,991	1,063,330	(416)	-	(784,808)	12,450,097
<b>Golf Resort</b>						
Machineries	83,163	-	-	-	(66,339)	16,824
Furniture, fittings and equipment	88	-	-	-	-	88
Sub-total	83,251	-	-	-	(66,339)	16,912
<b>Total</b>	12,255,242	1,063,330	(416)	-	(851,147)	12,467,009

**THE SARAWAK CLUB**

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021****11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	At cost RM	Accumulated depreciation RM	Carrying amount RM
2021			
<b>The City Club</b>			
Freehold land	1	-	1
Short leasehold land	134,635	(8,160)	126,475
Buildings	13,689,788	(3,673,214)	10,016,574
Swimming pools	676,286	(389,093)	287,193
Tennis courts	1,404,672	(927,437)	477,235
Furniture, fittings and equipment	6,834,780	(5,940,170)	894,610
Capital work-in-progress	189,438	-	189,438
Sub-total	22,929,600	(10,938,074)	11,991,526
<b>Golf Resort</b>			
Machineries	663,384	(662,587)	797
Furniture, fittings and equipment	497,145	(497,057)	88
Sub-total	1,160,529	(1,159,644)	885
<b>Total</b>	24,090,129	(12,097,718)	11,992,411

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**THE SARAWAK CLUB**

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021****11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	At cost RM	Accumulated depreciation RM	Carrying amount RM
2020			
<b>The City Club</b>			
Freehold land	1	-	1
Short leasehold land	134,635	(4,080)	130,555
Buildings	13,629,415	(3,397,872)	10,231,543
Swimming pools	676,286	(375,567)	300,719
Tennis courts	1,286,200	(886,926)	399,274
Furniture, fittings and equipment	6,776,221	(5,559,451)	1,216,770
Capital work-in-progress	171,235	-	171,235
	<u>22,673,993</u>	<u>(10,223,896)</u>	<u>12,450,097</u>
<b>Golf Resort</b>			
Machineries	663,384	(646,560)	16,824
Furniture, fittings and equipment	497,145	(497,057)	88
	<u>1,160,529</u>	<u>(1,143,617)</u>	<u>16,912</u>
	<u>23,834,522</u>	<u>(11,367,513)</u>	<u>12,467,009</u>

The City Club is situated on freehold land whereas the short leasehold land is used for tennis courts.

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**THE SARAWAK CLUB**

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021****12. INVESTMENT PROPERTIES**

	At 1.1.2021 RM	Depreciation charges RM	At 31.12.2021 RM
<i>Carrying amount</i>			
<b>Golf Resort</b>			
Short leasehold land	486,452	(10,332)	476,120
Building	2,117,150	(68,477)	2,048,673
Golf course	4,516,536	(117,133)	4,399,403
Swimming pool	708,367	(18,889)	689,478
	<u>7,828,505</u>	<u>(214,831)</u>	<u>7,613,674</u>

	At 1.1.2020 RM	Depreciation charges RM	At 31.12.2020 RM
<i>Carrying amount</i>			
<b>Golf Resort</b>			
Short leasehold land	496,783	(10,331)	486,452
Building	2,185,627	(68,477)	2,117,150
Golf course	4,633,670	(117,134)	4,516,536
Swimming pool	727,256	(18,889)	708,367
	<u>8,043,336</u>	<u>(214,831)</u>	<u>7,828,505</u>

	At cost RM	Accumulated depreciation RM	Carrying amount RM
<b>2021</b>			
<b>Golf Resort</b>			
Short leasehold land	597,485	(121,365)	476,120
Building	3,239,723	(1,191,050)	2,048,673
Golf course	5,856,666	(1,457,263)	4,399,403
Swimming pool	944,490	(255,012)	689,478
	<u>10,638,364</u>	<u>(3,024,690)</u>	<u>7,613,674</u>

## THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

#### 12. INVESTMENT PROPERTIES (CONT'D)

	At cost RM	Accumulated depreciation RM	Carrying amount RM
2020			
<b>Golf Resort</b>			
Short leasehold land	597,485	(111,033)	486,452
Building	3,239,723	(1,122,573)	2,117,150
Golf course	5,856,666	(1,340,130)	4,516,536
Swimming pool	944,490	(236,123)	708,367
	<u>10,638,364</u>	<u>(2,809,859)</u>	<u>7,828,505</u>

- (a) The Golf Course is situated on a land leased from Universiti Malaysia Sarawak pursuant to Golf Course Project Development Agreement dated 24 February 2006.
- (b) The Club owns the 7 acre leasehold land which is the site of the Golf Resort club house building and facilities.
- (c) The investment properties are measured using the cost model because their fair values cannot be reliably measured without undue cost or effort using valuation techniques due to the lack of comparable market transactions with properties of the same type and quality in that particular location.

#### 13. INVENTORIES

	2021 RM	2020 RM
At cost:-		
Food and beverages	232,015	190,074
Utilities and consumables	27,900	31,514
Merchandise	840	2,085
	<u>260,755</u>	<u>223,673</u>

## THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

#### 14. MEMBERS' ACCOUNTS

	2021 RM	2020 RM
Members' accounts	1,661,908	1,400,009
Advance billings	(1,073,760)	(923,280)
	<u>588,148</u>	<u>476,729</u>

- (a) Members' accounts comprise amounts receivable from members for subscription fees, sales of food and drinks and services provided.
- (b) Advance billings comprise membership subscription fees, absent subscription fees and outstation subscription fees.

#### 15. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

	2021 RM	2020 RM
Refundable deposits	22,305	22,305
Prepaid expenses	125,527	144,585
Other receivables	196,500	232,009
	<u>344,332</u>	<u>398,899</u>

#### 16. FIXED DEPOSITS WITH LICENSED BANK

The fixed deposits with licensed banks of the Club at the end of the reporting period bore effective interest rates ranging from 2.00% to 2.25% (2020 – 2.00% to 3.07%) per annum respectively. The fixed deposits have maturity periods ranging from 3 to 12 months (2020 – 3 to 12 months).

#### 17. MEMBERS' DEPOSITS

	2021 RM	2020 RM
Members' deposits	<u>51,200</u>	<u>51,200</u>

Members' deposits comprise refundable deposits received from non Sarawakian term members and deposits for banquet booking.



**THE SARAWAK CLUB**

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021****18. OTHER PAYABLES, DEPOSITS AND ACCRUED EXPENSES**

	2021 RM	2020 RM
Deposits refundable	-	14,000
Accrued expenses	91,728	143,792
Membership transfer/conversion control accounts	266,741	1,060,901
Other payables	1,092,657	888,726
Other payables control account	18,625	45,731
Service tax payable	145,282	124,685
	<u>1,615,033</u>	<u>2,277,835</u>

**19. CASH AND CASH EQUIVALENTS**

For the purpose of the cash flow statement, cash and cash equivalents comprise the following:-

	2021 RM	2020 RM
Cash in hand and at bank	445,102	536,319
Fixed deposits with licensed banks	7,724,469	7,246,608
	<u>8,169,571</u>	<u>7,782,927</u>
Less: Fixed deposits with maturities more than 3 months	(6,530,717)	(5,909,732)
	<u>1,638,854</u>	<u>1,873,195</u>

**20. CAPITAL COMMITMENT**

	2021 RM	2020 RM
Approved but not contracted for:- Renovation	-	213,050
Approved and contracted for:- Renovation	147,000	-
	<u>147,000</u>	<u>-</u>

## THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

#### 21. FINANCIAL INSTRUMENTS

	2021 RM	2020 RM
<b>Financial Assets</b>		
<u>Amortised Cost</u>		
Members' accounts (Note 14)	588,148	476,729
Other receivables (Note 15)	196,500	232,009
Cash and bank balances	445,102	536,319
Fixed deposits with licensed banks (Note 16)	7,724,469	7,246,608
	<u>8,954,219</u>	<u>8,491,665</u>
 <b>Financial Liabilities</b>		
<u>Amortised Cost</u>		
Other payables (Note 18)	1,469,751	2,139,150

**THE SARAWAK CLUB**

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

**SCHEDULE OF OTHER OPERATING EXPENSES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021****APPENDIX I**

	2021 RM	2020 RM
<b><u>The City Club</u></b>		
Advertisement	240	-
Auditors' remuneration - current year	10,000	10,000
Bad debts written off	1,929	-
Bank charges and credit card commission	45,067	45,627
Electricity and water charges	163,950	216,733
Functions and meeting expenses	12,914	12,414
Housekeeping contract charges	199,200	182,430
Housekeeping expenses	78,163	120,674
Insurance	49,121	54,498
Legal and professional fees	9,950	2,616
Licence fees	41,386	25,425
Loss on property, plant and equipment written off	1,523	416
Medical expenses	7,608	33,554
Members' introduction night expenses	202	6,206
Postages and telephone charges	49,151	47,563
Personal protective equipment supplies	5,603	30,164
Printing, stationeries and publications	40,303	52,879
Quit rents and assessment	37,594	38,372
Refreshment	9,323	9,791
Repairs and maintenance - building and electrical	51,228	32,284
Repairs and maintenance - equipment	77,563	75,205
Repairs and maintenance - ground	41,075	40,721
Salaries, E.P.F., SOCSO and E.I.S. contributions	1,682,013	1,588,985
Staff trainings	8,525	5,466
Sundry expenses	14,747	28,414
Travelling and transport expenses	417	623
Uniforms	14,692	11,246
	<u>2,653,487</u>	<u>2,672,306</u>
<b><u>Golf Resort</u></b>		
Quit rents	86	214
	<u>86</u>	<u>214</u>
<b>Other operating expenses</b>	<u>2,653,573</u>	<u>2,672,520</u>

## CATERING MEMBER'S REPORT

After the shock of the pandemic in 2020, the year 2021 was a cautious year for the Management especially amid the uncertainty of a drawn out pandemic.

Our members continued to support the Club through their patronage of our F&B offerings. Takeaways maintained its dominant trend with a 25% rise in sales from the Mainhall, Badger Bar and Poolside Terrace. Chef Tay and Chef Mutalif have both been creative in coming up with new dishes and promotions on a weekly basis to entice members to return repeatedly. However, the various stages of the lockdown meant that opportunity to dine in were few and far in between. There was literally no banquets at all, as compared to a meagre banquet sales of RM280,000 in 2020.

Most jarring has been the increase in the costs of food, gas and takeaway packaging. Rising food costs ate into our profit margins, falling from 42.7% in 2020 to 40.5% in 2021. Cooking gas average prices rose from RM225 per cylinder in 2020 to RM292 per cylinder in 2021. Thankfully, the Management has operated prudently to minimise costs elsewhere, mostly in overtime payments, to deliver a year-end closing of the Restaurant accounts, a deficit of RM869,477, that was 1% off compared to the previous year.

I am also grateful to the service staff and the kitchen staff who have worked throughout the pandemic to serve members. Unfortunately, some of them did catch the Covid-19 virus and there were mandatory isolation of infected staff as well as close contacts which may have compromised our level of service. My sincere apologies to the members for the inconveniences and thank you for your kind understanding.

As the country marches from a pandemic phase to an endemic phase, there is light at the end of the tunnel. We hope that members will remember to keep safe as normalcy returns to club life.

**Henry Ho (H007)**  
Catering Member

### **Catering Sub-Committee Members 2019-2021**

Chua Teck Kheng (C113)  
Charles Voon (V022)  
Jackie Yeo (Y112)

### **Catering Sub-Committee Members 2022-2023**

Antonia Ratnawati Wiryawan (A234)  
Wong Li Ching (W471)  
Jackie Yeo (Y112)

## BAR MEMBER'S REPORT

Covid-19 bit even harder in 2021. Our bottom line deficit widened from RM140,501 to RM234,131 on the back of dipping sales coupled with high beverage costs. The Management did its best to tighten on operating expenses.

We were badly affected by the 8-month extended closure of our Eagle Arms due to the strict SOPs of the National Recovery Phases covering karaokes. A near total blackout of banquets also robbed us of sales.

Things started to improve in the final months of 2021. Both the Badger Bar and the Eagle Arms welcomed New Year revelers, although it was muted celebrations. Yet, it is a small step in the right direction towards living with the virus.

The staff have been terrific throughout the pandemic and I am pleased to hear many good things about them from the members. I am grateful that members continue to patronize our bars safely and understand that our strict compliance with the SOPs are inherently in the best interest of members' health and safety.

I am glad that the year is behind us and am looking forward to more moments of comradeship with fellow members within these hallowed halls.

### **George Chapman (C698)**

Bar Member

### **Bar Sub-Committee Members 2019-2021**

Janice Pang (N101-1)  
Geraldine Sim (S314)  
Cheryl Dianne Tan (T659)  
Nigel Wee (W326)

### **Bar Sub-Committee Members 2022-2023**

Janice Pang (N101-1)  
Nigel Geikie (N182)  
Albert Poh (P042)  
Geraldine Sim (S314)  
Cheryl Dianne Tan (T659)  
Nigel Wee (W326)

## SPORTS MEMBER'S REPORT

Sports made a much welcomed return to the green list of activities that were permitted, albeit with social distancing restrictions.

Besides social games among members, coaching clinics were also allowed to resume. As time passed, we were pleased that more and more parents were gaining confidence to reenroll their children in the coaching clinics. Our coaches were always being reminded to strictly comply with the safety procedures, in everyone's best interests.

This year, we also undertook to upgrade the playing surfaces on tennis courts no.3 and no.4 as well as the basketball court. The works were delayed due to travel restrictions placed on the skilled workers who were from Kuala Lumpur. And when works finally began, the rainy season prolonged the works. We apologise for the inconveniences during this episode. But the finished courts have been very well received by members and we hope it will entice more members to take up the sports.

I wish to thank my conveners who have persevered through the pandemic, being always reliable and ready to offer advice and ideas for their respective sports. Special thanks to Mr. Albert Poh who has chosen to step down as the Tennis Convener, and we welcome Mr. Jolly Chua who replaces him in the new term. Also, a warm welcome to Dr. Caesar Delwis our new Squash Convener. We look forward to a better 2022.

### **Sim Chin Kheng (S280)**

Sports Member

#### **Sports Sub-Committee Members 2019-2021**

Chong Chon Chee (C120) – Badminton Convener  
Sam Lau (L735) – Basketball Convener  
James Chuo (C774) – Gym Convener  
Albert Poh (P042) – Tennis Convener

#### **Sports Sub-Committee Members 2022-2023**

Chong Chon Chee (C120) – Badminton Convener  
Sam Lau (L735) – Basketball Convener  
James Chuo (C774) – Gym Convener  
Jolly Chua (C432) – Tennis Convener  
Caesar Delwis (D074) – Squash Convener

## GAMES MEMBER'S REPORT

Another stop-start year for our games section has thrown a spanner in the works. In spite of the fact that vaccinations have taken off, sporadic outbreaks among the community has prolonged the lockdowns.

We were only able to organize the monthly pool challenge twice this year, and six months apart. Balut fared slightly better, with the monthly balut being held throughout the first and last quarters of the year. And with travelling still a problematic luxury, the Club has decided not to organize its annual balut invitational tournament. This was the sentiment everywhere, with other national and international clubs also cancelling their invitational tournaments. I suppose absence makes the heart grow fonder, and when the invitational tournament eventually returns, it will certainly be a blast.

And despite the lockdown, the Darts Convener has been hard at work planning for the new darts section. After much thought and consideration, the Eagle Arms is our new home for darts. If darts is your game, please come and play. The fraternity is growing and we hope to hold more activities next year.

### Results

#### Monthly Pool Challenge

2021	Champion	Runner-up
April	Kenneth Kwan (T061)	Adenan Abdul Rasyid (S021)
November	Bruce Sim (S278)	Desmond Sahathevan (S025)

#### Annual 8-Ball Pool Master (17 – 19 December 2021)

<b>Champion:</b>	Chong Shaw Fui (C289)
<b>Runner-up:</b>	George Chapman (C698)

#### Monthly Balut Medals

2021	Champion		Runner-up	
January	Maureen Liew (L539)	882	Susan Lim (T607-1)	882
February	Susan Lim (T607-1)	804	Wilson Tan (T607)	787
March	Sim Pei Pei (S466)	812	Daniel Ting (T447)	773
October	Anthony Chuo (C328)	776	John Lee (L775)	764
November	Richard Leong (L290)	830	Chong Shaw Fui (C289)	824
December	Anthony Chuo (C328)	832	Daisy Kon (K141)	830

#### Annual Balut Master 2021 (16 January 2022)

	INDIVIDUAL	PARTNERSHIP
<b>Champion:</b>	Daisy Kon (K141) – Score 836	John Lee (L775) & Daisy Kon (K141) - Score 1607
<b>1st Runner-Up:</b>	Peter Ho (H055) – Score 826	Peter Ho (H055) & Maureen Liew (L539) – Score 1560

#### Peter Ho Ching Hin (H055)

Games Member

#### Games Sub-Committee Members 2019-2021

Gabriel Ling (L454) – Balut Convener  
 Chang Yah Hwa (C440) – Bridge Convener  
 John Lee (L775) – Darts Convener  
 Bruce Sim (S278) – Pool & Snooker Convener

#### Games Sub-Committee Members 2022-2023

Dorothy Tham (L286-1) – Balut Convener  
 Hung Man Ming (F076-1) – Bridge Convener  
 John Lee (L775) – Darts Convener  
 Bruce Sim (S278) – Pool & Snooker Convener

## SWIMMING MEMBER'S REPORT

Our swimming pool has always been one of the signature facility of the Club. The water is well maintained, changing rooms are clean and that's why members love to swim here. Kudos to the swimming pool staff and the cleaners for a wonderful job.

So it was without a doubt that the forced closure of our swimming pool with the onset of the Movement Control Order in mid-March upset many members, many of whom swim religiously. And as the closure extended from weeks to months, the Management did seek permission from the State Disaster Management Committee to reopen our pool. But we have had to toe the line with respect to the restrictions in place, in the best interest of the health and safety of our members.

Thankfully, we were able to reopen the swimming pool on 4th September, although with restrictions in place. Only lap swimming was allowed, and members were required to book to reserve their lanes. After numerous feedback, we have also made two lanes available on a first-come-first-serve basis during the peak evening hours from 4pm to 7pm. Swimming lessons also resumed in September, adhering to all the restrictions imposed.

I wish to assure members that we take the health and safety of all members and staff seriously. If you are feeling unwell or have any symptoms relating to Covid-19, please play your part - do not swim and seek appropriate medical attention. We all hope that we can overcome this pandemic safely and quickly and return to our usual swimming activities.

### **The Late Tuan Haji Zain bin Abdullah (Z039)**

Swimming Member 2019-2021

### **Swimming Sub-Committee Members 2019-2021**

Chua Yaw Chiang (C557)

Alexander Ng (N206)

Tan Boon Hua (T745)

Michael Chung

### **Tan Boon Hua (T745)**

Swimming Member 2021-2022

### **Swimming Sub-Committee Members 2022-2023**

Chua Yaw Chiang (C557)

Alexander Ng (N206)

Awang Saifeluddin bin Awangku Karim (A232)



## ENTERTAINMENT MEMBER'S REPORT

The Covid-19 pandemic dragged on into another year, heavily impacting on the way in which members could socialize in the Club. While the Catering team were valiantly able to transition to take-away provision, entertainment was off the menu. In a year which saw even longer periods of lockdown and the ongoing uncertainty of when restrictions would be tightened, activities and events could not be planned effectively. Every attempt to anticipate was met with a new wave as Delta and eventually Omicron appeared.

All of our usual festive celebrations, children's activities and annual events such as the Members' Night, Senior Members' Appreciation Night and Family Day had to be put on the backburner for the second year running.

But we take heart that vaccination in the community is at a high rate and so, a semblance of normalcy alongside less stringent safety procedures are just around the corner. The Entertainment Sub-Committee are eager and excited to plan for a return of our members' favourites, as well as trying out some new ideas.

My heartfelt thanks go to our outgoing sub-committee members Mr. Jong Thian Lung and Ms Shen-Tel Lee who have given their all to this sub-committee in their years of service. They set a high standard for the new sub-committee members to aim for, but I have no doubt that Mdm Gracie Geikie and Mr. Alex Tan have many ideas of their own to share. Thank you also to the Management team, especially Choo Kok Lee, who has been more occupied with procedures than parties in the past year but has supported us throughout nonetheless.

The Entertainment team is looking forward to the time when we can meet again, and the Club can resume its normal round of activities. Whatever happens, your safety will be our priority but we are all foreseeing fun times ahead.

### **Karen Shepherd (S356)**

Entertainment Member

### **Entertainment Sub-Committee Members 2019-2021**

Connie Yeo (G060-1)  
Jong Thian Lung (J011)  
Shen-Tel Lee (T008-1)  
Dona Drury (W001-1)

### **Entertainment Sub-Committee Members 2022-2023**

Connie Yeo (G060-1)  
Gracie Geikie (G133)  
Alex Tan (T913)  
Dona Drury (W001-1)

## HOUSE MEMBER'S REPORT

For the past year, the Management Committee has opted to maintain a prudent approach towards House related spending as it became quite apparent that the pandemic would drag on.

Nevertheless, a few significant projects were undertaken and successfully completed over the past year.

A major addition to the club facilities is the new lift and staircase at the Sports Annex. The project was in fact approved during the 2019 AGM but because of the pandemic, physical works on site were not able to commence in earnest until mid-July 2021. Physical completion was achieved before Christmas and by mid-February this year the lift was fully operational and in use. The lift makes it easier for our elderly members and members with disabilities to access the facilities at the back portion of the club complex.

Another substantial undertaking was the resurfacing works carried out to tennis courts no.3 and 4 and the basketball court. Tennis was one of the sport activity that was allowed for most part of the pandemic. Works commenced in mid-October 2021 when travel quarantine restrictions were relaxed allowing the specialists workers to come in from West Malaysia. The resurfacing works were completed in mid-December.

We also took the opportunity to improve the sub-surface drainage around tennis court no.3 during the resurfacing works.

Other small but no less important repairs and maintenance works were carried out throughout the year. These included the removing of the roots that were damaging the asphalt surface to the multi-storey car parks and also the replacement of some of the faulty roof cappings that were causing leakages at various locations in the clubhouse.

The roof repairs are ongoing and we are working closely with the contractors and consultants to come up with viable solutions to resolve the remaining leaks.

Last but not least, I thank all members for your patience, understanding and support as you all have had to endure inconveniences during the various works and I will continue working closely with the Club management and Management Committee to maintain and improve club facilities for the forthcoming year.

**Colin Lau (L500)**  
House Member

### **House Sub-Committee Members 2019-2021**

Goh Kheng Ghee (G077)  
Hubert Kueh (K120)  
Kho Kai Tze (K311)  
James Ling Chai Haw (L066)

### **House Sub-Committee Members 2022-2023**

Hubert Kueh (K120)  
Kho Kai Tze (K311)  
James Ling Chai Haw (L066)

## GENERAL MANAGER'S REPORT

As we come to grips with the pandemic, the Club has continued to make our services and facilities available to members. We operate within the constraints of the prevailing safety protocols, maintaining compliance as best as we can, ultimately in the best interest of our members and staff.

The COVID-19 vaccination program kicking off in earnest in the 1st quarter of the year has given members more confidence to venture out, to exercise and to socialize. Gradually, more and more of our sporting and entertainment facilities were allowed to reopen and restrictions relaxed along the way. The staff were delighted as much as relieved to see the familiar faces return to play, dine and relax in the club.

The Club's food continued to be popular with members. The trend for takeaways has continued from 2020, and in April 2021 we began accepting takeaway orders via WhatsApp to relieve the frustrations of those trying to call in to place their orders. This has been a much welcomed additional service for members, and coupled with the simplified collection process, has received many 'thumbs-up' from members.

Dining in was also permitted albeit with seating restrictions and physical distancing SOPs imposed. The Main Hall being open, spacious and airy, has been most members' outlet of choice. Our other air-conditioned outlets were also reopened to members and their guests. Best practices to improve ventilation have been implemented which included opening of windows and doors. This was less than ideal as it compromised on comfort but has been a necessary evil to keep everyone as safe as can be.

In early March 2021, the local authorities were on site for an impromptu spot-check of our sporting facilities. They were pleased with our high level of compliance with the safety protocols. Since then, we have also implemented a booking service of our sporting facilities via the Club's mobile app to manage and simplify the reservation process for members. This covered the badminton courts, the squash courts, the basketball court, the gym and also the swimming pool.

The pandemic had also adversely affected our day-to-day operations in terms of our cost of operations. Pandemic related expenses such as for sanitizers, face masks and test kits have continued over from 2020. Yet, the Management was able to very minimally reduce our operating expenses for this FY2021, having renegotiated temporary reductions in our cleaning contract and rubbish collection contract among other cost-saving initiatives.

Elsewhere in the Club, only the more urgent repair and maintenance works were carried out. Some costly repairs have had to be shelved as the uncertainty of when the pandemic would come to an end loomed heavily on our minds. These repairs would eventually have to be attended to.

I am very grateful to the rest of my management colleagues and their teams for their dedicated service in the Club. I want to specially commend our very own "front-liners" – Chef Tay Soon Kheng and his kitchen team, Mr. Mikolden Legem and his F&B service team, Chief Micheal Abak and his Security team and Mr. Choo Kok Lee and his Activities team who were ever-present throughout. I also wish to thank all members and the Management Committee who have remained in solidarity with the staff during this trying pandemic.

**Robert Brodie**

General Manager





## **THE SARAWAK CLUB**

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