



PENANG CLUB

ANNUAL REPORT

and

ACCOUNTS

2020 / 2021



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PENANG CLUB

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the ANNUAL GENERAL MEETING of the Members of the Club will be held in the Family Dining Area on Friday, 12th November 2021 at 7.30pm.

Members who attend the meeting will have to be fully vaccinated. Registration opens at 6.30pm and is on a first come first serve basis limited to 80 members only, in compliance with the SOPs set by the Majlis Keselamatan Negara (MKN) of 50% capacity.

1. To confirm the Minutes of the last Annual General Meeting held on Friday, 6th November 2020.
2. To adopt the report of the Committee and Audited Accounts for the year 31st August 2021.
3. Any other business of which seven day's notice in writing has been given under Penang Club Rule 59(b).
4. To elect the President, Vice-President and seven Ordinary Members of the Committee for the ensuing year in accordance with rules of the Club.

BY ORDER OF THE GENERAL COMMITTEE

SHEKHAR NAIR
General Manager/Secretary

28th October 2021

To improve the global environment and encourage the 'go green' practice, our Annual Reports are uploaded and can be viewed in the Penang Club website @ www.penangclub.net.

All attendees will be entitled to a non-transferable food voucher worth RM30.00 each, valid from 12th November 2021 to 15th December 2021.

PENANG CLUB

Report by the Committee for the year ended 31 August 2021 submitted for the consideration of Members at the Annual General Meeting to be held in the Club's premises on Friday, 12th November 2021.

TRUSTEES

YBhg Dato' Dr. V. Thuraisingham DSPN, KMN, PKT

YBhg Dato' Seri Nazir Ariff B. YBhg .Dato' Haji K.Mushir Ariff DGPN, DMPN, DSPN, PKT, PJM, JP

YBhg Dato' Lim Tiong Chin DSPN, PJK, FCA, CPA

COMMITTEE

Mr. Joe Lim Hun Beng	President
Mr. Raymond Tan Boon Kheng	Vice President
YBhg Dato' Dr. Kuldip Singh Sohan	Immediate Past President
Mr. Melvin Lim Hwa Aik	Committee Member
Mr. Albert Wong Soo Keong	Committee Member
Mr. Lim Teong Khoon	Committee Member
Mr. Melvin Lee Ching Shin	Committee Member
Dr. Dzulkafli Jalil	Committee Member
YBhg Dato' Malkit Singh	Committee Member
Mr. Allan Lee Chee Siang	Committee Member

MEMBERSHIP

The Total number of members at 31 August 2021 is **2319** compared with 2331 at the end of the last Financial Year.

	As at 31.08.2021			As at 31.08.2020
Ordinary/Transferable Membership	<u>OM</u>	<u>OTM</u>	<u>Total</u>	<u>Total</u>
A) Active Members				
-Resident Members	22	634	656	662
-Outstation/ASEAN Members	12	115	127	130
B) Inactive members				
-Absent Members (Life)	284	92	376	379
-Absent Members (Temporary)		41	41	37
sub-total:	318	882	1200	1208
Associate Members			41	42
Honorary Members			32	33
Single Lady Associates			189	179
Corporate Member			9	9
Term Member			2	2
Lady Associates-Wives			846	858
Grand Total:			2319	2331

FINANCE CONVENOR'S REPORT

Convenor: Mr. Melvin Lim Hwa Aik

SUMMARY OF THE YEAR

During the current financial year ended 31 August 2021, the Club incurred a Deficit before Taxation of RM263K and a Net Deficit of RM83K, compared to a Deficit before Taxation of RM107K and Net Surplus of RM23K in the prior financial year 2020.

There was a decrease of RM513K (13.7 %) in Total Income mainly due to in the current Financial Year, the Club was closed for and only opened for take away and delivery services for 144 days as instructed by the Authorities under the Movement Control Order/ Full Movement Control Order/ National Recovery Plan, compared to the closure of the Club for 58 days in FY 2020. The Annexe Building had also closed for 124 days (91 days in FY2020) as ordered by The Ministry of Finance during the Movement Control Order/ Full Movement Control Order/ National Recovery Plan. This has resulted in a drastic drop in Net Income in Chamber Rent of RM160K (87.99%), Net Income from Slot Machines of RM121K (11.51%), Net Income from Mess Sales of RM55K (38.25%) and Net Profit from Bar Sales of RM31K (17.22%).

The recruitment of new members was very encouraging in the 1st half of the Financial Year but was badly hit in the 2nd half of the Financial Year during the Full Movement of Control Order. There was an increase of RM61K (209.48%) in Entrance Fee and a minor increase of RM5K (5.26%) in Transfer Fee.

Despite of the increase in Fixed Deposit Placement (RM7mil –vs- RM6.7mil as at 31st August 2020), there was a significant decrease in Interest received from Fixed Deposits of RM88K (37.20%) due to the lower interest rates. Fixed Deposit interest rates ranging from 1.80% to 2.30% (FY 2020 : 1.80%-3.60%)

(Please refer Membership Convenor's Report and Games Room Convenor's Report for more details).

The closure and the limitation of the Club operations (for take away and delivery services only) during Movement Control Order/ Full Movement Control Order/ National Recovery Plan had significantly affected the cash flow and financial status of the Club with no income except for the subscriptions received from the members and a very small contribution from the take away and delivery services. The Committee had debated over the charging of full subscriptions during the closure/ limited operations of the Club, of which, we had no choice, but finally decided to charge full subscriptions in order to sustain the Club. We would like to thank all members for being understanding and supportive by paying full subscriptions during that period, the contributions from all members have certainly helped the Club tremendously. As a token of appreciation and in view that we had to cancel the Annual Members Day (a.k.a. Merdeka Night), we had rolled out a special rebate on F& B items of a maximum of RM50 per member, in the month of September 2020 which recorded a total amount of RM20K. We have also given a Food Voucher of RM50 per member, to be utilized for Food Items only between mid September to 31st October 2021.

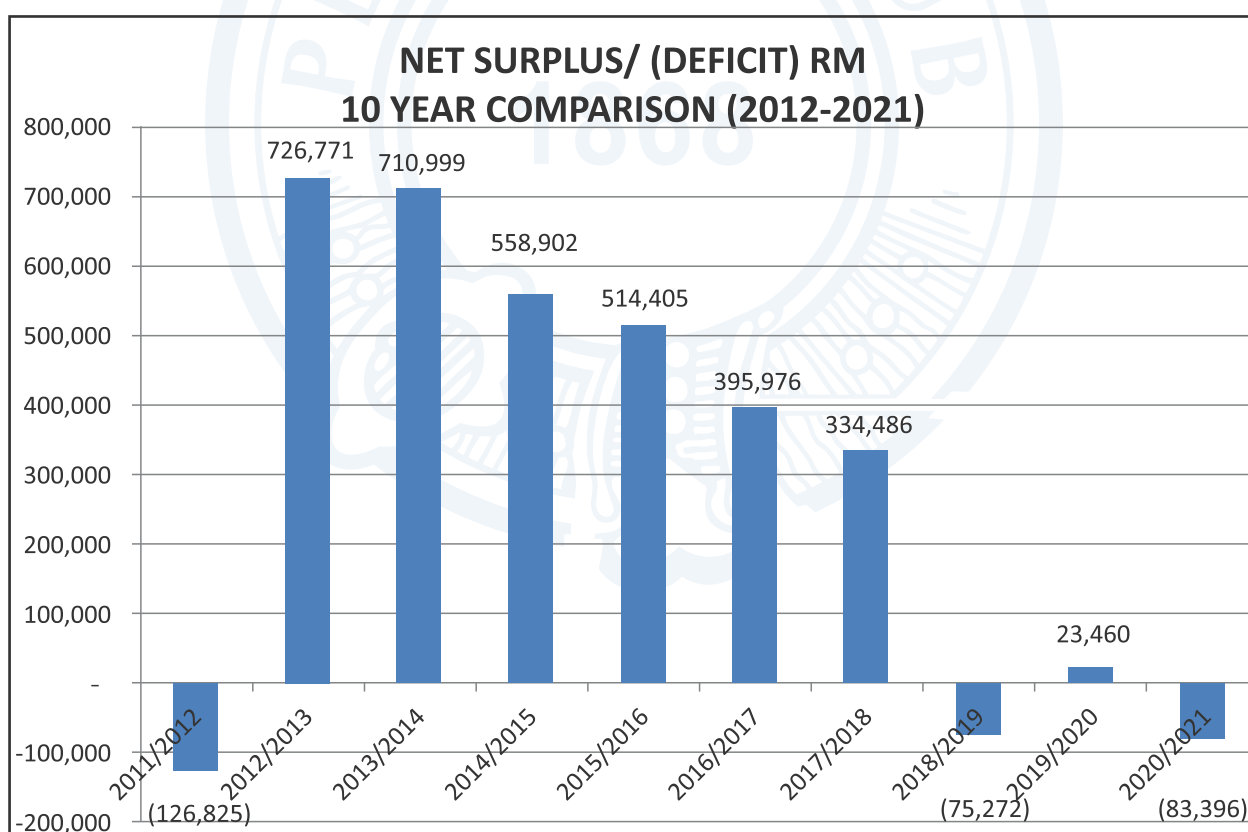
During the year, the Club had fortunately also received the PSU (wages subsidy) from the Government for September 2020, July & August 2021, totaling an amount of RM115K (FY 2020 : RM224K for April to Aug 2020). This subsidy has somewhat lighten the financial burden of the Club caused by the necessary closure.

The Other Payables written off gain of RM140K is due to the Friendly Loan from the Games Room Operator on the purchases of Slot Machines, which is as agreed by both parties, whereby on the termination of the agreement, the Slot Machines will be disposed at RM1 per unit.

There was a decrease of RM355K (9.27%) in total expenditure mainly due to the decrease in Staff Cost & Other Benefits of RM149K (7.45%) where we have only distributed an average of 0.50-0.75 months Bonus for calendar Year 2020 (1.50 to 2 months for calendar Year 2019) and no overtime claims during the Club limited operations (except for essential sections such as Security). A significant decrease in Events and Activities of RM65K (67.35%) was mainly due to the freezing of Club major events, activities, sports activities and live bands following the new SOPs issued by the Health and Local Authorities. Decrease in Utilities (Electricity and Power) of RM49K (17.16%) resulted from the lower usage and decrease in Other Operating Expenses of RM28K (28.91%) where we had temporarily froze the Astro Services and Laundry services during the limited operations of the Club.

There was a reversal of Taxation amounting to RM180K from the previous year.

COMPARISON OF FINANCIAL RESULTS FOR THE PAST TEN YEARS (YEAR 2012-YEAR 2021)

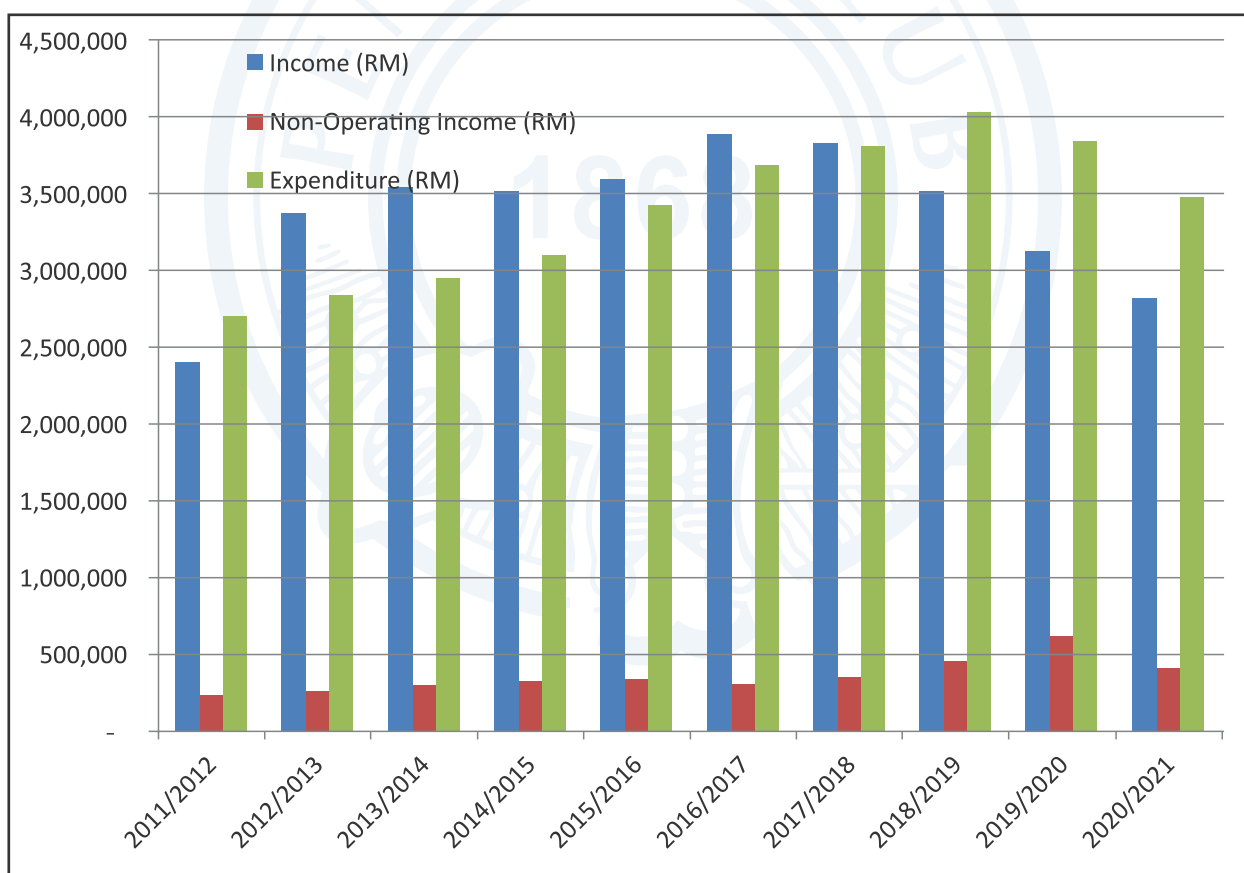


SUMMARY OF FINANCIAL RESULTS FOR YEAR 2021 –VS- YEAR 2020

The financial results in comparison with last year are as follows:-

	Y/E 31.08.2021 RM	Y/E 31.08.2020 RM	Diff %
Operating Income	2,810,828	3,121,161	(9.94)
Less: Expenditure	<u>(3,481,336)</u>	<u>(3,837,071)</u>	(9.27)
Operating (Deficit)	(670,508)	(715,910)	6.34
Add: Non-operating income	<u>407,112</u>	<u>609,370</u>	(33.19)
(Deficit) Before Tax	(263,396)	(106,540)	(147.23)
Taxation	<u>180,000</u>	<u>130,000</u>	
Surplus/ (Deficit) After Tax	<u>(83,396)</u>	<u>23,460</u>	(455.48)

INCOME AND NON-OPERATING INCOME vs EXPENDITURE 10 YEAR COMPARISON (2012-2021)



MAJOR FLUCTUATIONS FOR YEAR 2021

Major fluctuations are explained below:

Non-Improvements

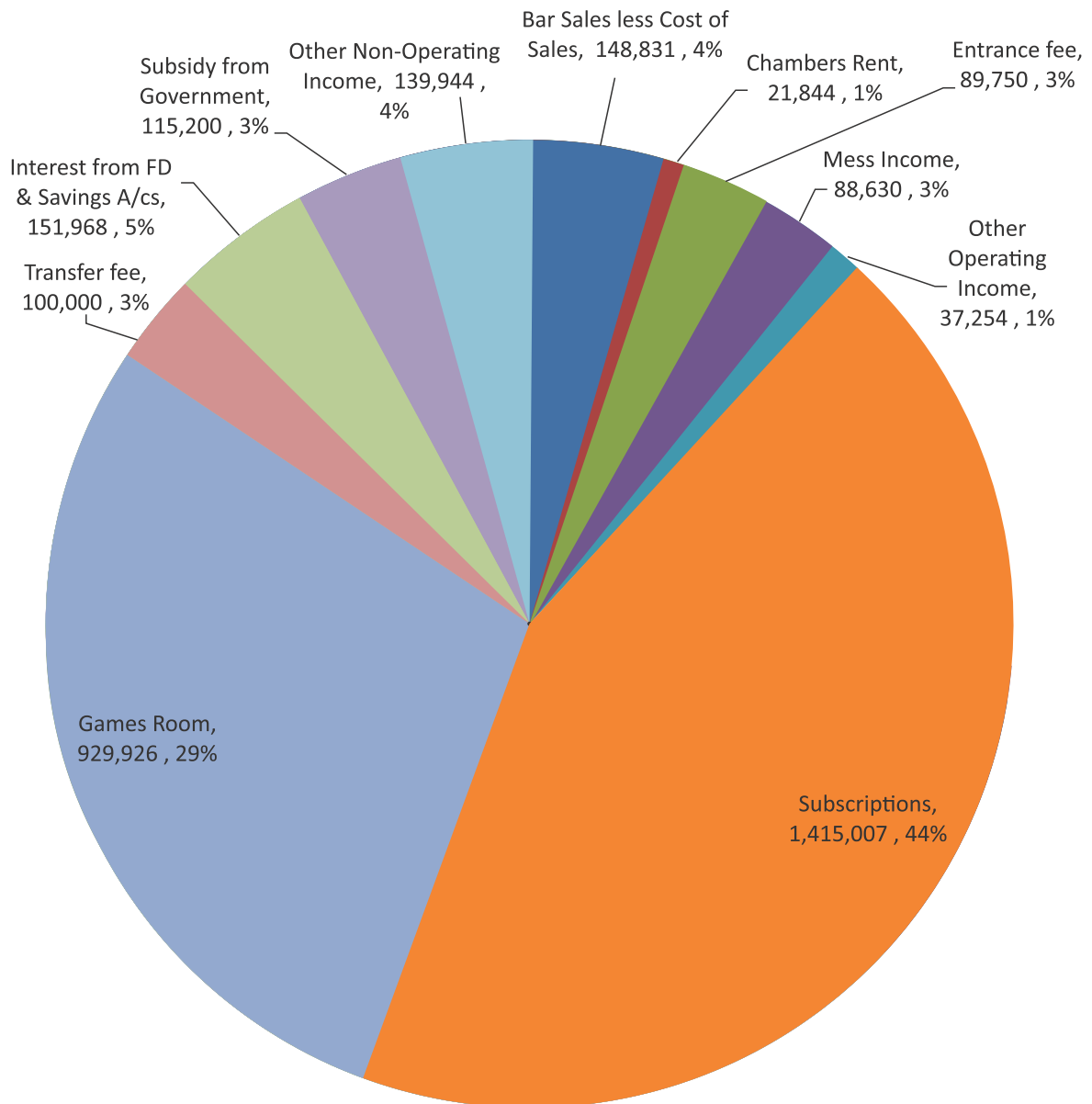
- ❖ There was a decrease of RM160K (87.99%) in Income from Chamber Rent due to we have temporarily discontinued accepting visiting members and affiliated clubs members from 3rd October 2020 onwards in view of the 3rd wave of Covid-19 and also the closure of Chamber Rooms for 164 days during the Financial Year (FY 2020 : 85 days). The Chamber Rooms were only reopened on 1st October 2021.
- ❖ There was a decrease in Net Income from Slot Machines of RM121K (11.51%) due to closure of Games Room for 124 days (FY 2020 : 91 days) due to the Covid 19 pandemic. The Games Room resumed its operations on 14th September 2021 after obtaining the approval from the Ministry of Finance.
- ❖ There was a decrease of Net Income from Mess Sales of RM55K (38.25%) and Net Profit from Bar Sales of RM31K (17.22%) due to the Club only opened for Take Away and Delivery services for 144 days during the Financial Year.

Improvements

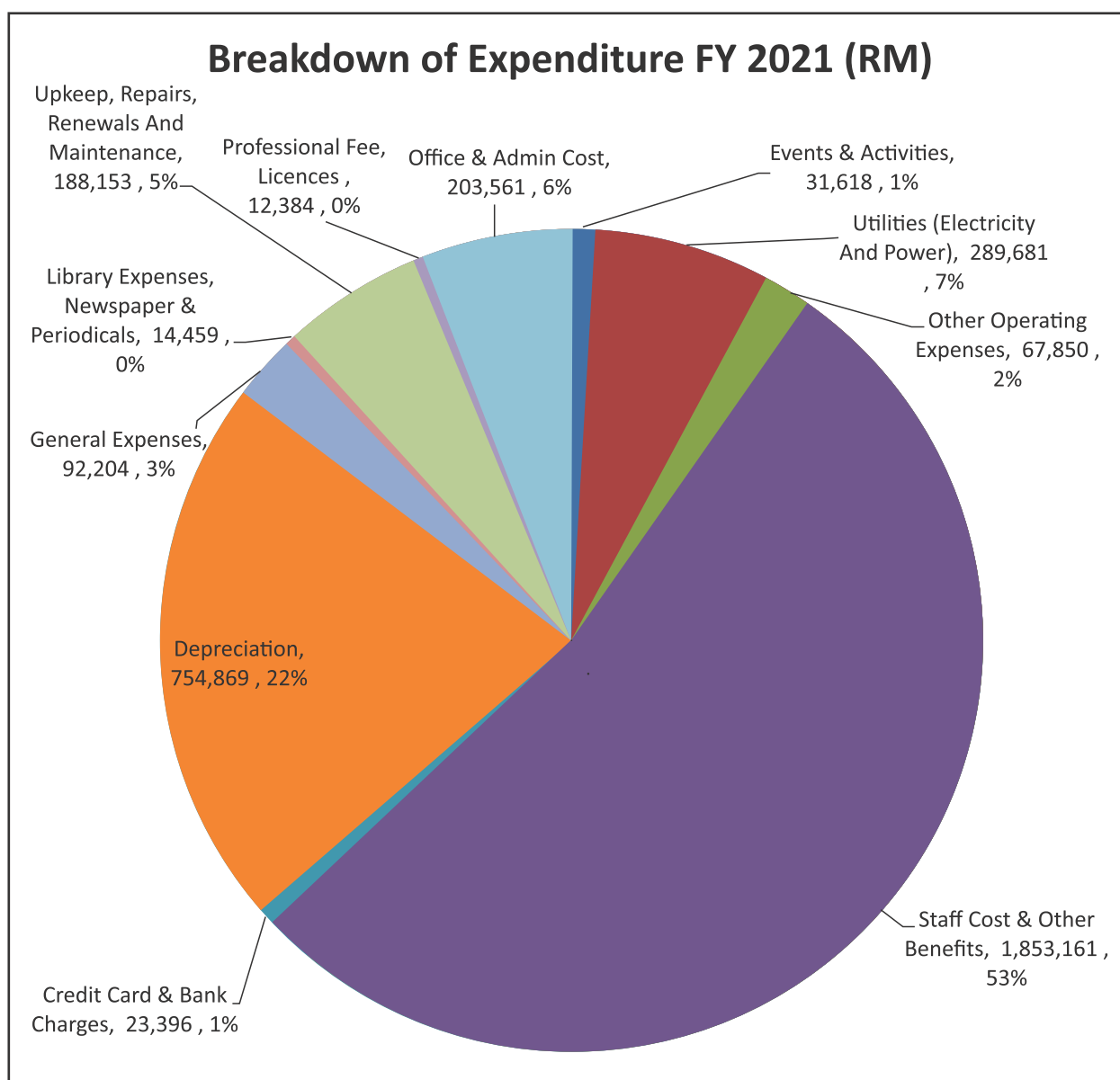
- ❖ Increase in Entrance Fee of RM61K (210.34%) due to we managed to get 14 new members (including a direct applicant) as compared to 6 in Year 2019/2020. Please refer Membership Convenor's Report for details.
- ❖ Increase in Fixed Deposits of RM307K (4.59%) due to additional placements of Fixed Deposits of RM200K and interests added into principal of RM107K

INCOME

Breakdown of Income For FY 2021 (RM)



EXPENDITURE



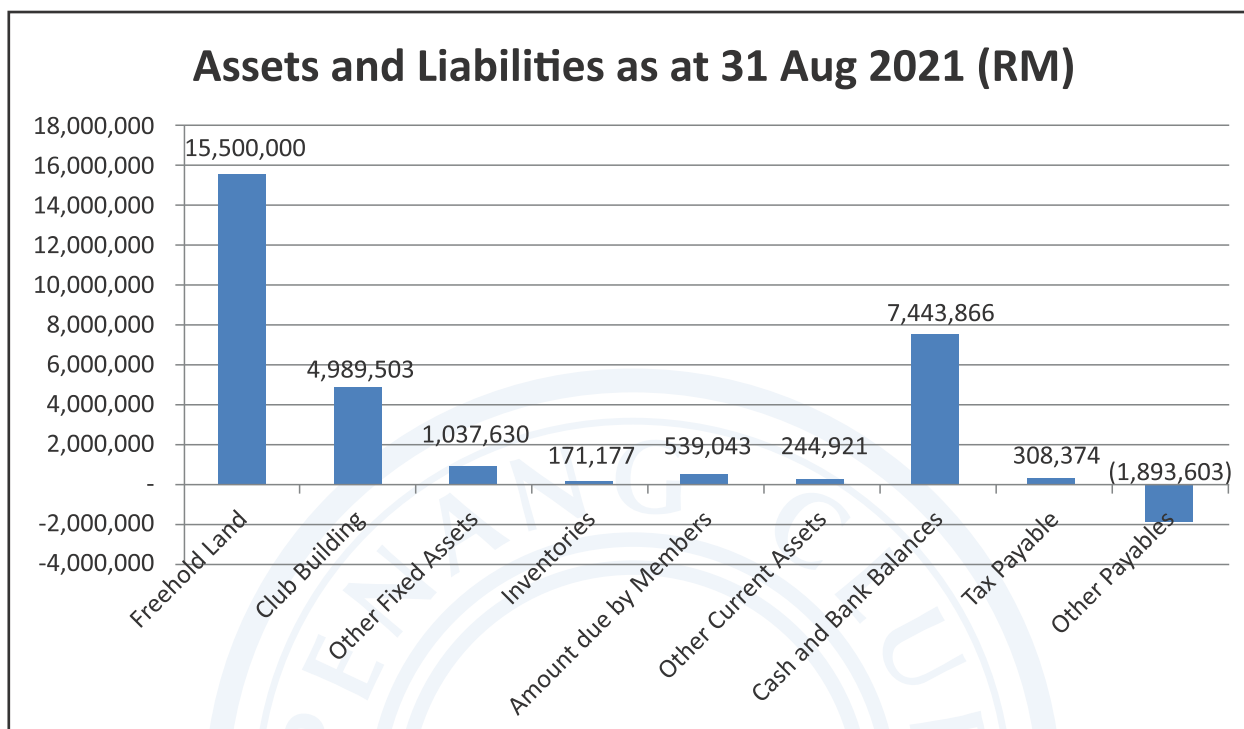
The Committee Members as well as the Management, continue to periodically review all the expenditure of the Club to ensure that all expenses are incurred reasonably and, ultimately, for the development and improvement of the Club as well as providing better services to the members. Decrease in Total Expenditure of RM355K (9.27%) is mainly due to cost savings during the limited operations in the current financial year.

BALANCE SHEET

The book value of total Members' funds (or the residual 'net worth' of the Club) at year end amounted to RM 25,891,430. This figure was arrived at by adding the value of the Accumulated Funds, the 2010-2011 RM 15,234,450 revaluation surplus on the Club's land, while subtracting all current creditors' obligations together with the value of the five small funds under which the Club provides for various future contingencies.

As at year end, the Club's cash and bank balances stood at RM7.44 million (an increase of 3.19%).

The components of the Club's year-end balance sheet as at 31 August 2021 are shown in the following chart below:



OTHERS

We would like to remind a small number of the members to be more prompt on their payments. Members are encouraged to perform auto payment with us by signing up our auto debit form, for their own convenience and to avoid any oversight on due payments. Members are reminded not to provide credit card information through e mail, especially the CCV numbers.

The Club has moved to being environmentally friendly, as well as undertaking cost cutting measures by switching to e statements with effect from August 2019. Members are urged to update their latest e mail addresses with the Front Office or Accounts Department. Members are also encouraged to download the mobile apps which has been mobilised since April 2018, where members are able to view their statements and transactions details in real time. We have also discontinued printing Annual Reports from Year 2020 onwards where the reports are uploaded in the Penang Club website.

Finally, I would like to take this opportunity to convey my sincere gratitude and appreciation to my fellow Committee Members and the Members for their continuous guidance and support provided to me throughout the year. A word of thanks must also be extended to the Accounts Department for their dedication in ensuring that the Club's accounts were properly and fairly maintained.

LIBRARY CONVENOR'S REPORT

Convenor: Mr. Timothy Lim Meng Tatt

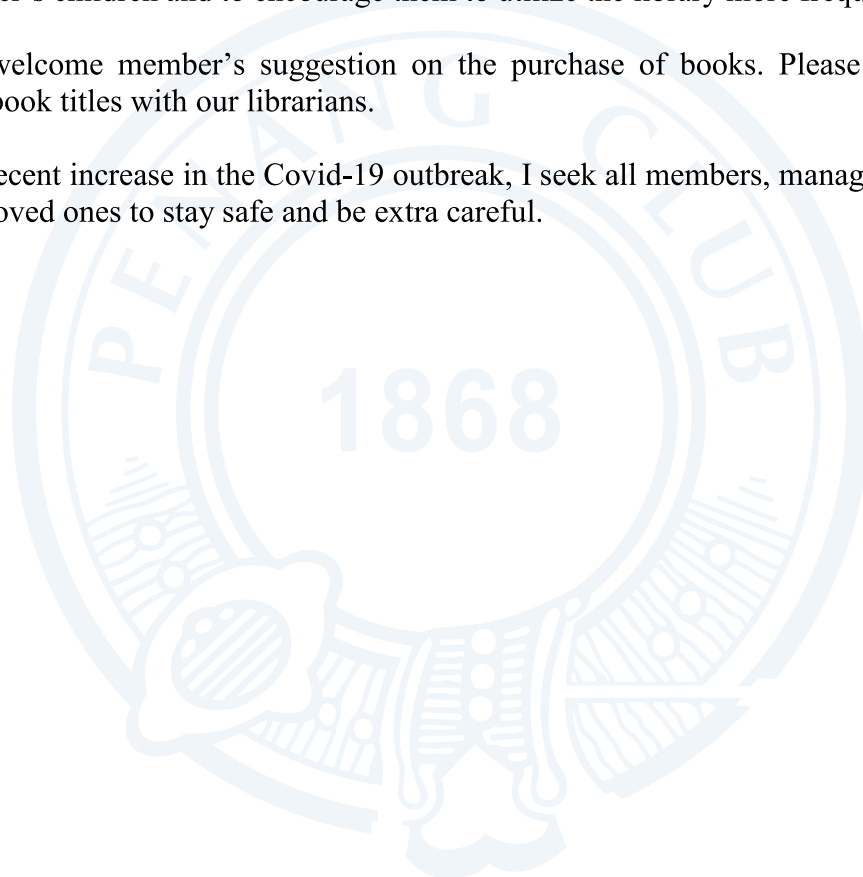
This is my second term holding the portfolio as Library Convenor.

We have been clearing all the books and reading materials that have not been read for over the last 10 years and above to allocate space for new books. In addition to that, we have displayed some of the books for sale to our members. Please contact our Librarian Miss Sandra for further details.

We will be bringing in some children's educational books to instill a love for reading in our Member's children and to encourage them to utilize the library more frequently.

We also welcome member's suggestion on the purchase of books. Please share your preferred book titles with our librarians.

With the recent increase in the Covid-19 outbreak, I seek all members, management, staff and their loved ones to stay safe and be extra careful.



PROJECT & DEVELOPMENT CONVENOR'S REPORT

Convenor : Mr. Joe Lim Hun Beng

This is my Third term holding office for the above portfolio. During the MCO, the Club initiated a food bank drive to help the underprivileged.

Despite the economic environment, all the uncertainty at a personal level, members heeded our call. Contributions came pouring in. Our Corporate Social Responsibility, (CSR) Programme was a huge success. Thanks to the generosity of our donors.

On another note, we have completed most of our refurbishment works. Our next project in line is to upgrade our Gymnasium. We are doing a feasibility study before we proceed with the project.

My portfolio requires me to work hand in hand with Mr Albert Wong Soo Keong, the Upkeep & Maintenance Convenor to resolve any issues and address how resources need to be managed whilst working at different projects.

I would like to express my thanks to all my Committee Members, Management and Staff and also the Club Members for their support, cooperation and patience throughout my term as the Project & Development Convenor.

SPORTS & RECREATION REPORT

Convenor: Mr. Raymond Lee Chee Boon

This is my Second term holding the portfolio as Sports and Recreation Convenor. The past 2 years has been slow moving as many of our competitions have been put on a halt due to the Covid-19 pandemic.

I would like to extend a gentle reminder to all the participants in all the Games Section to abide and strictly follow the SOP's set by the relevant authorities and The Club Management while participating in their respective activities.

My sincere thanks and appreciation to the President, Committee Members, Players and Staff and not forgetting the Club Members for their support throughout my term as the Sports Convenor.

SPORTS CAPTAIN AND VICE CAPTAIN 2020/2021

SNOOKER

Captain: Mr. Allan Lee Chee Siang (L296)

DARTS

Captain: Mr Amanjeet Singh A/L Terlochan Singh (A82)

SQUASH

Captain: Mr. Andre Lim Beng Kok (L297)

BRIDGE

Captain: Mr. Alan Orchard (O136)

ADMIN & HR CONVENOR'S REPORT

Convenor : Mr. Raymond Tan Boon Kheng

This is my second term as the Admin & HR convenor. I have worked closely with Management and the Committee to continuously improve the service and management of the Club in order to be distinct from other clubs and remain the premier Club in Penang. Our staff's well-being is also our priority to ensure job satisfaction and positive working attitude among the staff and to Members.

In view of the Covid 19 pandemic-endemic, we have gone through several challenges. A first Covid 19 case involving a staff was found in end of March 2021. A few staff were selected by MKN for quarantine. As a safety precaution, we had arranged for all staff for the RTK test in end of March/beginning of April 2021. Throughout the year, we monitored closely the health conditions of the staff and sent the staff for Covid 19 tests whenever there is any suspects. We have also bought the self test kits since September 2021, before the reopening for Dine-In. All staff are required to perform the saliva self test exercise every one to two weeks and on ad-hoc basis.

As of 31 August 2021, the breakdown of staff strength is as follows:-

Staff strength	2021	2020	2019	2018	2017
Executives	3	3	3	3	3
Staff	47	49	46	44	47
Total	50	52	49	47	50
Staff Turnover					
New intake	10	15	9	3	11
Retired	0	0	0	0	1
Resigned	12	4	4	5	4
Terminated	0	1	0	0	0
Deceased	0	0	0	0	0
Medical Board	0	0	0	0	0
Absconded/Self Terminated	0	7	3	1	2
Outsourced (Contract)					
Security	0	0	0	0	0
Mess	0	0	7	9	8
Grand Total	50	52	56	56	58

We have discontinued to engage foreign workers since the MCO in March 2020. It is always our priority to recruit local staff instead of foreign workers though it is a tough task to retain the local staff especially the younger generation. The Club has continued engaging the retired staff (above 60 years old) who are committed, dedicated and loyal to our club on contract basis .

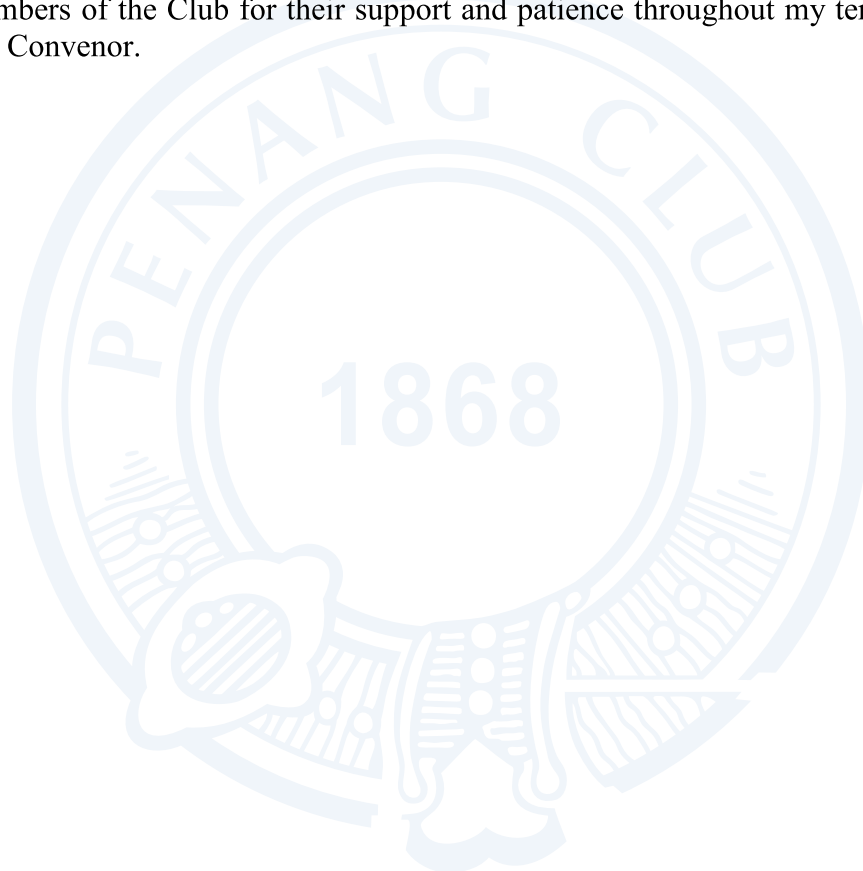
An Average between 0.5 months to 0.75 months bonus was paid to the staff in February 2021 based on work performance. I would like to acknowledge the contribution of the staff as a whole for the Club's success. Their hard work and continuous service to Members is not taken for granted but is greatly appreciated.

The Staff Party for Year 2020 and Year 2021 were cancelled due to the MCO and restrictions of travelling .

During this period, I would like to take this opportunity to remind Members to cooperate with our staff to ensure SOPs are being adhered to.

I would like to record my appreciation to the President for his assistance in arranging the vaccination for the club Employees.

Last but not least, I would like to thank my fellow Committee Members, Management and Staff and not forgetting the Members of the Club for their support and patience throughout my term as the Admin & Human Resources Convenor.



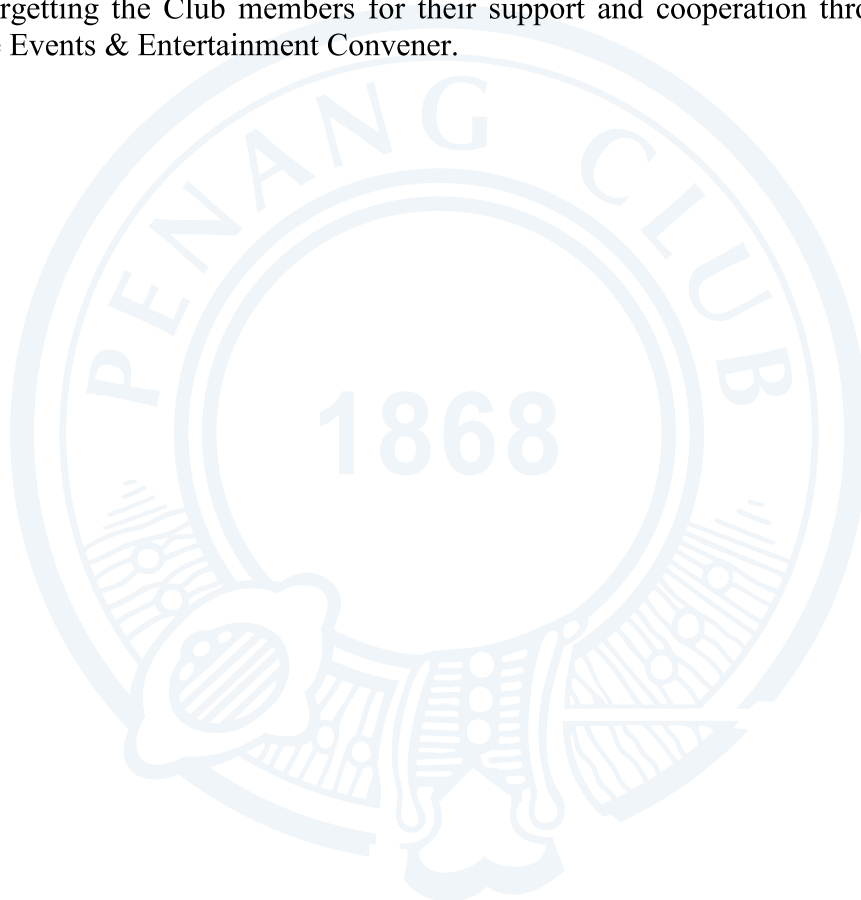
EVENTS & ENTERTAINMENT CONVENOR'S REPORT

Convenor : Mr. Melvin Lee Ching Shin

This is my Second term holding the portfolio as Events & Entertainment Convenor. We were unable to organize any events due the global pandemic which brought the world to a standstill.

We have postponed all our events to the following year as social gathering were prohibited.

I would like to thank the President and the Committee Members, Management and Staff and not forgetting the Club members for their support and cooperation throughout my term as the Events & Entertainment Convener.



Membership Convenor's Report

Convenor : Dato' Dr Kuldip Singh Sohan

I would like to thank the Members, President, Committee Members, Management and Staff for their support throughout my term as the Membership Convenor.

There is an increase of 53.02% in Total Entrance and Transfer Fee as compared to last year. During the year, we managed to get 14 new members as compared to 6 in Year 2019/2020. We have a total of 16 transferors in Year 2020/2021 compared to 17 transferors in Year 2019/2020. Entrance Fee and Transfer Fee has contributed RM89,750 (47.3%) and RM100,000 (52.70%) respectively.

The recruitment exercise was good in the 1st half of the Financial Year but was then affected by the lockdowns and limitation due to the Covid 19 pandemic and endemic. We hope to get more new members in the coming Years.

Append herewith the Entrance and Transfer Fee for previous years:

Year	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/2018	2018/2019
Amount (RM)	136,000	164,000	186,000	280,000	214,075	285,750	349,750	287,000	160,000

The breakdown with comparison is as follows:-

	<u>2020/2021</u>	<u>2019/2020</u>
1. Entrance Fee		
a. Direct Membership (1; 2019/2020 : 0)	RM 25,000	-
b. Son of Member (5; 2019/2020 : 3)	RM 31,250	RM 18,750
c. Daughter of Member (1; 2019/2021 : 0)	RM 2,500	-
d. Associate Member (0; 2019/2020 : 0)	-	-
e. Single Lady Associate (4; 2019/2020 : 1)	RM 25,000	RM 6,250
f. Term Member (3; 2019/2020 : 2)	RM 6,000	RM 4,000
g. Corporate NIL	-	-
2. Transfer Fee		
a. OTM to others (16; 2019/2020 : 14)	RM100,000	RM 87,500
b. Member to Son (0; 2019/2020 : 3)	-	RM 7,500
 RM189,750 RM124,000

Most of the new Members are from the younger and middle aged generation and we are glad that they patronized the Club quite often. The Club was only opened for take away services for 144 days during Movement Control Order 2 (MCO2), Movement Control Order 3 (MCO3), Full Movement Control Order (FMCO) and National Recovery Plan 1 (NRP1) as dine in was prohibited by the Authorities. The usage of the Club has started to pick up slowly when we opened for Dine in in Mid September 2021. We are looking forward to more active members who will be patronizing the Club more often. Any comments and recommendations from members for the betterment of the Club are most welcome.

UPKEEP & MAINTENANCE CONVENOR'S REPORT

Convenor : Mr. Albert Wong Soo Keong

This is my Second term as the Upkeep & Maintenance Convenor. During the Movement Control Order (MCO), we had minimal staff carrying out the normal routine maintenance and repair works to maintain and upkeep the Club.

Besides the normal routine maintenance and repairs, during the year, we have also performed the following :

1. Upgraded our patio Table and Chairs
2. Replaced all existing aluminium casement windows at Family Dining, Sunken Verandah, Conference Room, Squash area, Emergency Staircase, Sunken sliding door and fixing of Family Dining panel behind cashier counter
3. Installed new hawker stall area at Patio
4. Replaced Swimming Pool side awning shade
5. Upgraded our website

The total maintenance and development expenditure amounted to **RM367,855** (2020/2021) as compared with **RM656,679** last year (2019/2020). The amount can be briefly accounted for in the following three major areas:-

		<u>2020/2021</u>	<u>2019/2020</u>
		RM	RM
i.	Upkeep and Maintenance expenses	143,376	180,054
ii.	Repairs and Renewal expenses	44,777	38,759
iii.	Development projects	179,702	437,866
	Grand Total	367,855	656,679

As for the item (iii) above, they can be further categorized into the following expenditures vis-à-vis:-

		<u>2020/2021</u>	<u>2019/2020</u>
		RM	RM
1.	Building	120,040	383,734
2.	Lift	NIL	NIL
3.	Kitchen equipment	5,398	11,100
4.	Video & Audio system	NIL	1,000
5.	Air- Conditioning	NIL	17,000
6.	Computers/ software	8,000	1,150
7.	Other Club equipment and fittings	NIL	10,362
8.	Furniture, fitness equipment and fittings	46,264	13,520
9.	Office equipment and accessories	NIL	NIL
10.	Building Improvement	NIL	NIL
11.	Swimming Pool and ancillary facilities	NIL	NIL
12.	Slot Machines	NIL	NIL
	Total	179,702	437,866

I take this opportunity to express my sincere gratitude and appreciation to the President, the Committee Members, Management and Staff and not forgetting the Club Members for their patience and cooperation throughout my term as the Upkeep and Maintenance Convenor.

RULES & DISCIPLINE REPORT

Convenor : Dato' Malkit Singh Randhawa

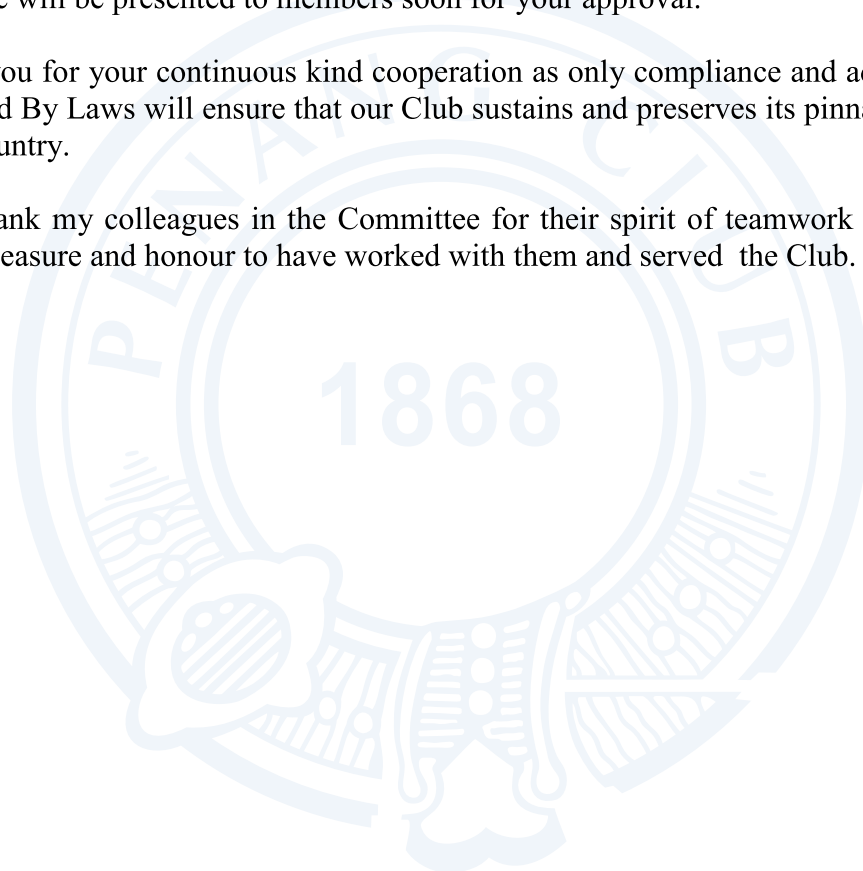
This is my third term serving the Club as its Rules & Discipline Convenor.

The Covid-19 situation had the Club busy with preparations and implementation of stringent guidelines and advisories to ensure that the health and safety of members and staff received upmost priority. Generally the members understood the need for such measures and extended their fullest cooperation to ensure compliance.

Draft changes have been made to the Rules and By Laws by the Rules Committee. The same will be presented to members soon for your approval.

I thank you for your continuous kind cooperation as only compliance and adhering of Rules and By Laws will ensure that our Club sustains and preserves its pinnacle status in the country.

I also thank my colleagues in the Committee for their spirit of teamwork and it has been a pleasure and honour to have worked with them and served the Club.



FOOD & BEVERAGE CONVENOR'S REPORT

Convenor : Mr. Allan Lee Chee Siang

The F & B industry has been badly affected by the pandemic with many experiencing a significant drop in sales and we are no exception.

However, with the lifting of the restrictions, we expect our sales to pick up. We will bring back our Sunday buffet lunch soon and will offer diners a wider spread of food options.

Although the General Manager and I are still receiving some comments from Members, the numbers of complaints have come down significantly and we are receiving positive feedback regarding our caterer and his food quality. We will continue to monitor complaints and review these with the caterer and take appropriate action to improve our standards. With the continued support and increase in the Member's patronization of the Club facilities :

- We have introduced our new menu for Patio and Family Dining by adding in some Japanese cuisine and pre order items.
- We will be adding more wine selections into our new upcoming beverage list.
- We are also planning for whiskey and wine tasting

I would like to take this opportunity to thank the President, Committee Members, Management and Staff and also the Members for their support throughout my term.

IT CONVENOR'S REPORT

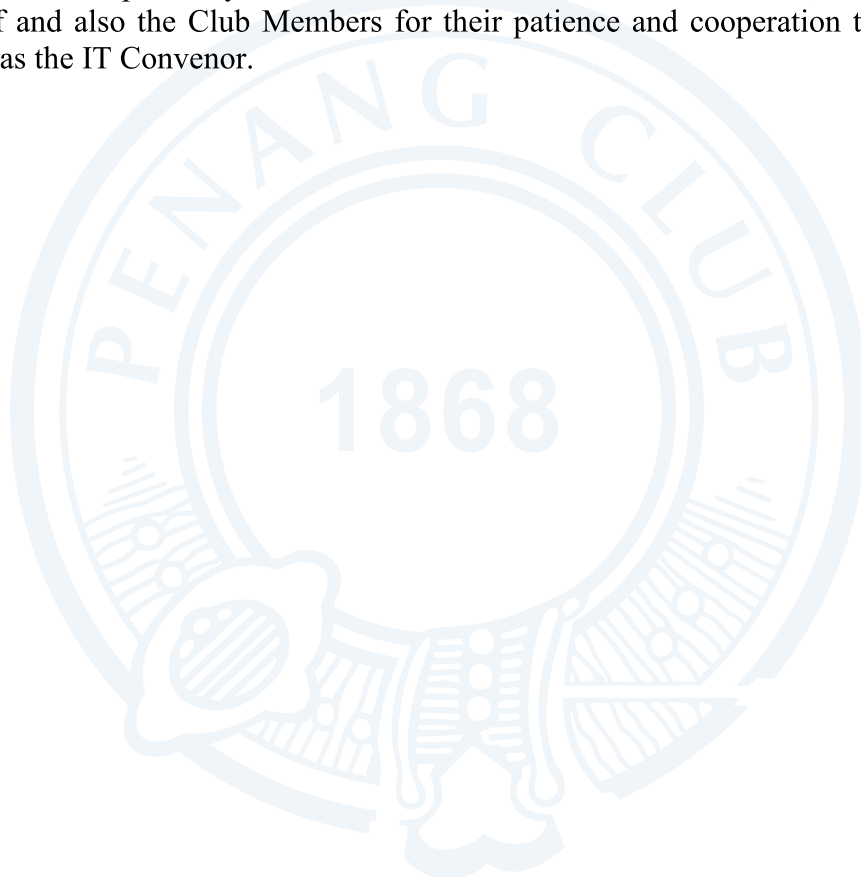
Convenor : Dr. Dzukaflī Bin Abd Jalil

This has been my third term holding the above portfolio.

We have upgraded our website and also replaced the Routers and Modems for better internet connection.

Maxis have also upgraded their system to provide our members with faster internet speed and stronger coverage.

I would like to express my sincere thanks to the Committee Members, Management and Staff and also the Club Members for their patience and cooperation throughout my term as the IT Convenor.



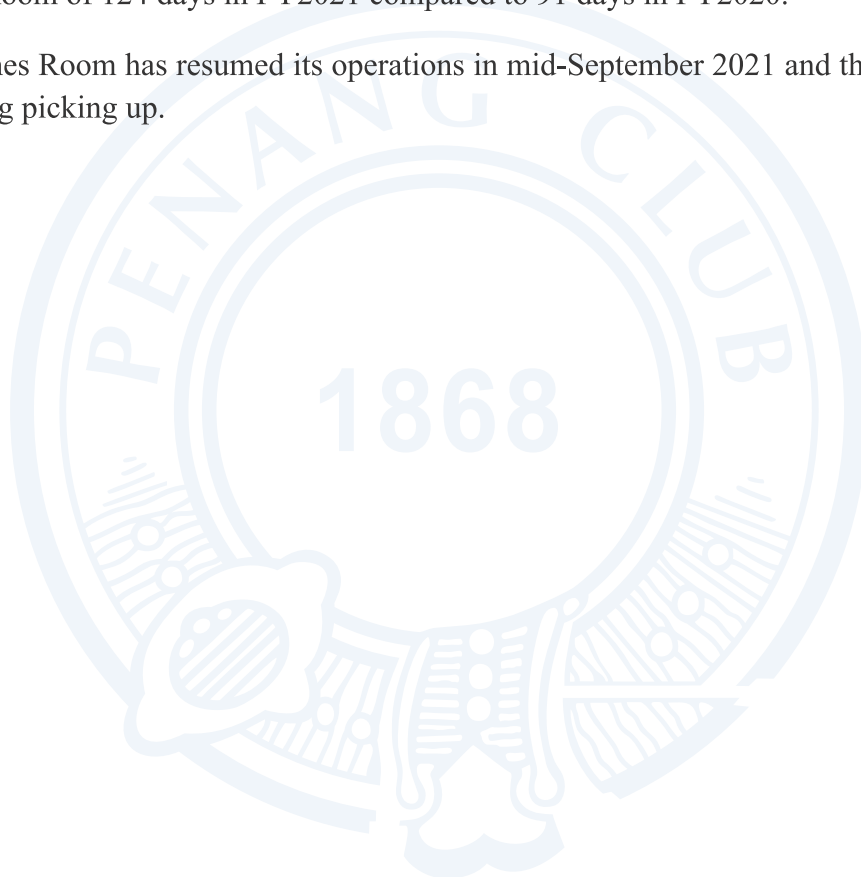
GAMES ROOM CONVENOR'S REPORT

Convenor : Mr. Lim Teong Khoon

I would like to thank the President and the Committee Members, Management and Staff and not forgetting the Club Members and the Games Room Operators for their constant support and cooperation throughout my term as the Games Room Convenor.

The total guarantee sum collected from September 2020 to August 2021 (FY2021) was RM929,926 compared to RM1,050,918 from September 2019 to August 2020 (FY2020), a decrease of 11.51% mainly due to the restrictions during the closure of Games Room of 124 days in FY2021 compared to 91 days in FY2020.

The Games Room has resumed its operations in mid-September 2021 and the business is slowing picking up.



PENANG CLUB

Minutes of the **Annual General Meeting (AGM)** of the Penang Club held at the Clubhouse, No. 42-B Jalan Sultan Ahmad Shah, 10050 Penang in the Family Dining Room on **Friday, 6th November 2020** at 7:30pm.

PRESENT: 91 MEMBERS

ATTENDANCE OF OFFICE BEARERS

1.	Mr Joe Lim Hun Beng	(L00074)	-	President (Chairman of Meeting)
2.	Mr Raymond Tan Boon Kheng	(T00285)	-	Vice-President
3.	YBhg Dato' Dr Kuldip Singh Sohan	(K00119)	-	Immediate Past President
4.	Dr. Dzulkafli bin Abd Jalil	(D00041)	-	Committee Member
5.	Mr Lim Teong Khoon	(L00231)	-	Committee Member
6.	Mr Melvin Lim Hwa Aik	(L00279)	-	Committee Member
7.	Mr Melvin Lee Ching Shin	(L00323)	-	Committee Member
8.	YBhg Dato' Malkit Singh s/o Dalip Singh	(M00099)	-	Committee Member
9.	Mr Ooi Kean Lee	(O00125)	-	Committee Member
10.	Mr Albert Wong Soo Keong	(W00095)	-	Committee Member

ATTENDANCE OF MEMBERS

	<u>NAME</u>	<u>MEMBERSHIP NUMBER</u>
11.	Mr Amit Singh Penesar	A00072
12.	YBhg Dato' Hj Abdul Rafique Bin Abdul Karim	A00077
13.	Mr Adam Ahmed	A00081
14.	Mr Amanjeet Singh a/l Terlochan Singh	A00082
15.	Mr F.B. Andreassen	A00083
16.	Mr Balachandran Mahesan	B00064
17.	YBhg Dato' Mr Baldev Singh Bhar	B00072
18.	Mr James Duke Booth	B00088
19.	Mr Lionel Choong Khuat Leok	C00222
20.	Mr Chan Wah Kim	C00246
21.	Mr Cheah Sin Boon	C00268
22.	Mr Benjamin Chuah Ban Seng	C00269
23.	Mr Chung Kean Beng	C00272
24.	Mr Eric Cheang Sian Teik	C00274
25.	Mr Nicholas Bryan Choong Chin Ian	C00282
26.	Mr Chee Wai Hong	C00283
27.	Mr Chew Teng Lok	C00284
28.	Mr Fong Yew Kong	F00037
29.	Mr Goh Ming Tong	G00023
30.	YBhg Dato' Danny Goon Siew Cheang	G00027
31.	Mr Ganesh Ponniah	G00047

	<u>NAME</u>	<u>MEMBERSHIP NUMBER</u>
32.	Mr Gooi Soon Lee	G00051
33.	Mr Sunny Goh Huck Sun	G00066
34.	Mr Gnasegaran a/l Egamparam	G00100
35.	Mr Goh Ewe Gin	G00103
36.	YBhg Dato' Aloysius Gasper	G00120
37.	Mr Robert Henry Hawkins	H00093
38.	Mr Ramsun Ho Chii Huey	H00131
39.	Mr Ho Whye Chong	H00132
40.	Mr Heah Sieu Hoe	H00145
41.	Dr Harjit Singh s/o Dalip Singh	H00146
42.	Mr Robert D. Hodges	H00150
43.	Mr Harbhajan Singh a/l Uttam Singh	H00153
44.	Mr Paul Harrison	H00154
45.	Mr Imbeck Klaus Heinrich	I00012
46.	Dr Jaspal Singh Gill	J00016
47.	YBhg Dato' Kuvenaraju Pachappen	K00121
48.	Ybhg Dato Khor Ewe Seng @ David Khaw	K00135
49.	Mr Leslie Lai	L00062
50.	YBhg Dato Paduka Lakhbir Singh Chahl	L00070
51.	YBhg Dato' Lim Tiong Chin	L00131
52.	Mr Lee Chin Teong	L00169
53.	Mr Jeffrey Lee Chin Wah	L00216
54.	Ybhg Dato Seri Lee Yow Ching	L00224
55.	Mr Loke Beng Hoe	L00230
56.	Mr Lee Chee Siang	L00296
57.	Mr Lim Beng Kok	L00297
58.	Mr Timothy Lim Meng Tatt	L00302
59.	Mr Lai Hook Kian	L00305
60.	Mr Raymond Lee Chee Boon	L00311
61.	Mr Lim Yuus Hock	L00319
62.	Mr Low Chong Aun	L00339
63.	Mr R J Manecksha	M00035
64.	YBhg Dato' Mahinder Singh Dulku	M00071
65.	YBhg Dato' Omar Merican	M00084
66.	Mr D.A. Marron	M00092
67.	Mr Manohar Shamdas Bakhtan	M00095
68.	Mr Muhammad Fairus	M00101
69.	Ybhg Dato Dr Mohd Razha Rashid	M00102
70.	YBhg Dato Joe Ng Kweng Moh	N00026
71.	Mr Tony Ng Keng Hong	N00085
72.	Mr Nagarethinam R Pillay	N00094
73.	YBhg Tan Sri Dato' Ong Gim Huat	O00043
74.	Mr Ong Yu Shin	O00134
75.	Mr Alan Orchard	O00136
76.	Dr Praveen Selvarajah	P00058
77.	Mr Pradeepkumar (Peter) Chitroda	P00064
78.	Dr Rabinder Singh Gill	R00080
79.	YBhg Dato' Shaik Ismail	S00135

	<u>NAME</u>	<u>MEMBERSHIP NUMBER</u>
80.	Mr Surinder Singh	S00164
81.	Dr Terlochan Singh	T00158
82.	Mr Tham Soon Seong	T00170
83.	Mr Teja Singh	T00182
84.	Mr Tharumarajah a/l Thiagarajan	T00248
85.	Mr Teoh Meng Keat	T00258
86.	Mr Steven Tan Teik Hoe	T00286
87.	Mr Tan Swee Cheng	T00309
88.	Mr Karsten Willerup	W00079
89.	Mr Kevin Wong Soo Weng	W00083
90.	Mr Chris Wells	W00105
91.	Captain Yeo Tian Tia	Y00077

IN ATTENDANCE:

- | | | |
|------|-----------------|-----------------------------|
| i. | Mr Shekhar Nair | - General Manager/Secretary |
| ii. | Ms Ooi Ean Ping | - Finance Manager |
| iii. | Ms Joy Cheung | - Club Executive |
| iv. | Ms BT Cheah | - Minutes Taker |

The General Manager/Secretary, Mr Shekhar Nair greeted all present and welcomed the members to the Annual General Meeting (AGM). The GM/Secretary then invited the President to call the meeting to order.

The President, Mr Joe Lim Hun Beng (L00074) as Chairman of the meeting, greeted and welcomed all members present. Before proceeding to call the meeting to order, the President/Chairman reminded all present to observe the Standard Operating Procedures (SOP) of the meeting; to sanitize hands, wear face masks and practise social distancing at all times. The Chairman then announced that under Rule 61, there was quorum for the meeting and hence he called the meeting to order at 7.31pm.

The President requested all present to observe / adhere to the following:

- a) switch their mobile phone to silent mode throughout the meeting;
- b) members who wished to address the House, must identify themselves by their name and membership number for record purposes.

Thereafter, the President requested all present to stand up and observe a moment of silence for deceased members who passed away during the outgoing term of office.

Apologies from members

The President announced that the following members had sent their apologies for being unable to attend the AGM:

- i) YBhg. Dato' Seri Nazir Ariff (N00028)
- ii) YBhg. Dato' Dr. V. Thuraisingham (T00041)
- iii) Col Douglas Fox (F00040)

Closing of Registration

The President announced that the registration of members would close after item 4 of the agenda, just before the election of the Committee.

Distribution & Reading of Minutes

The President stated that the Notice of the Annual General Meeting dated 16th October 2020 (including the minutes of the last Extraordinary General Meeting (EGM), Annual General Meeting (AGM) and audited accounts) had been duly served and circulated to the members. The President asked the members present whether the members would like to have the Notice read out or taken as read. The House unanimously agreed to that the Notice of AGM and the minutes be taken as read. The President thanked the House and proceeded with items listed on the agenda.

AGENDA 1

To Confirm the Minutes of the last Extraordinary General Meeting (EGM) held on Friday, 8th November 2019.

The minutes of the last EGM held on 8/11/2019 were confirmed without any amendments on the proposal of Mr Balachandran Mahesan (B00064) and seconded by Mr Tham Soon Seong (T00170).

AGENDA 2

To Confirm the Minutes of the last Annual General Meeting (AGM) held on Friday, 8th November 2019.

The minutes of the last AGM held on 8/11/2019 were confirmed without any amendments on the proposal of Mr James Booth (B00088) and seconded by YBhg Dato Paduka Lakhbir Singh Chahl (L00070).

AGENDA 3

To adopt the report of the Committee and Audited Accounts for the year ended 31st August 2020.

The President tabled the report of the Committee and Audited Accounts for the year ended 31st August 2020 for confirmation. He enquired as to whether there were any questions from the Floor and if none, a proposer and seconder to adopt the accounts.

Mr Tham Soon Seong (T00170) referred the Chairman to page 39 of the financial report, under Current Liabilities – Other payables and accrued expenses of RM2.1 million (for financial year 2020) and page 56, Note 12 – Other payables of RM1.2 million compared to RM1.6 million in year 2019.. Mr Tham stated that there was a substantial difference between the figures of RM1.2 million in financial year 2020 compared to RM1.6 million in year 2019 and requested for the elements of the RM1.2 million.

Mr Tham Soon Seong (T00170) then referred the Chairman to page 41 of the financial report, under item 6, Contract Workers he observed that the Club paid RM232K in year 2019 compared to RM82K in year 2020. He noted that there was a saving of about RM150K. He added that based on this context, he observed that even without the contract workers, the staffs were performing very

well. As such he proposed that in the coming years, the Club to try its best not to hire contract workers and used the savings of RM150K to provide better welfare for the local employees and make succession plan for the Club. He suggested that the Club to provide training and prepare for a success plan in the Club. He pointed out that the Club could not deny that many of them were already in their sixties or seventies and hence the Club must start to make succession plan.

Thereafter Mr Tham Soon Seong (T00170) referred to page 42 of the financial report and pointed out that under 'Salaries and Wages' the amount for both years were almost the same. He proposed that if possible, the payments for contract workers to be reported near to the salaries and wages for local employees so that it would be easier for comparison purpose without having to refer to separate pages.

The President thanked Mr Tham Soon Seong and announced that he would invite the Finance Convenor, Mr Melvin Lim Hwa Aik (L00279) to answer the questions from Mr Tham.

The Finance Convenor, Mr Melvin Lim Hwa Aik (L00279) stated that whilst the office was working on the breakdown for Other Payables as classified in the accounts, he would proceed to answer the other questions raised by Mr Tham Soon Seong. The Finance Convenor explained that questions 2 and 3 were operational matters whereby the Club was closed for a few months early this year due to Covid19 pandemic hence there was no requirement for the contract workers. In addition, the operating hours of the Club had also been reduced resulting in lower overtime costs. As for the presentation of contract workers cost and salaries and wages expenses to be presented close by for ease of comparison, the Finance Convenor informed that the Committee would inform and discuss the same with the auditors. In terms of the savings on contract workers, it was mainly due to the Club had to be shut down for a few months and thereafter not being fully patronized as well.

As the breakdown classified under Other Payables requested by Mr Tham Soon Seong were still being retrieved, the Finance Convenor proposed that the figures to be given to Mr Tham when available. Mr Tham Soon Seong (T170) agreed that the figures for Other Payables to be given to him later.

Note:

After the AGM, the Club replied to Mr Tham Soon Seong (T00170) via letter dated 9/11/2020 to provide the figures for Other Payables as below:

	<i>FY 2020</i>	<i>FY 2019</i>
<u>Other Payables</u>	<i>RM</i>	<i>RM</i>
<i>Creditors</i>	405,250	481,518
<i>Staff Fund</i>	1,777	839
<i>Staff Party Fund</i>	1,947	19,851
<i>Retention Sum – Renovation</i>	22,500	103,575
<i>Service Tax Payables</i>	51,957	60,276
<i>Friendly Soft Loan (Games Room)</i>	771,534	911,477
<i>Caterer</i>	24,018	27,647
<i>Affiliated Clubs</i>	7,173	8,140
<i>Total</i>	<u>1,286,156</u>	<u>1,613,323</u>

The Chairman/President then asked if there were any other question/s from the Floor.

Mr Balachandran Mahesan (B00064) referred to page 51 of the Annual Report under Rental of Steam Room Lockers amounting to RM2,310/= in year 2020. He asked as to whether the rental of the lockers was the same as provided for under Bye-Laws number 73 which read “*Lockers outside the Steam Room in the Male Changing Room numbered 1-6 are for rental at RM60.00 for half a year*” or were there any other clause for the rental of lockers. Mr Balachandran Mahesan pointed out that if it was under Bye-Laws number 73, the maximum amount would be RM720/= only and asked how did the Club managed to collect the sum of RM2,310/=. He added that he believed that the bye-Laws were old bye-laws and based on the amount stated in the audited report the lockers would have been increased to at least 15 lockers.

Committee Member, Mr Raymond Tan Boon Kheng (T00285) explained that given the renovations done in the Club, the number of lockers have been increased. Mr Balachandran Mahesan (B00064) then asked where was the provision in the bye-laws for the increase of the lockers. Committee Member, Mr Raymond Tan (T00285) replied that during the renovation, members were informed that the number of lockers had been increased; secondly the amount also included the rental of snookers lockers.

Mr Balachandran Mahesan (B00064) pointed out that the bye-laws as printed provided for only 6 lockers at the steam room and asked whether the bye-laws had been amended. He added that amendment of bye-laws could be done by the Committee without the need to call for an extraordinary general meeting. Committee Member, Mr Raymond Tan Boon Kheng (T00285) replied that the Committee would look into the bye-laws and make the necessary amendments if needed. Mr Balachandran Mahesan (B00064) reiterated that the bye-laws must be amended to increase the number of lockers and the Club must run in accordance with the provisions of the rules and bye-laws of the Club.

The Chairman/President, Mr Joe Lim Hun Beng (L00074) thanked Mr Balachandran Mahesan and stated that the Committee would look into bye-laws and make the required amendments. Mr Balachandran Mahesan (B00064) stated that he was very happy that the number of lockers had been increased with more income for the Club but the rules and bye-laws must be put in order.

There being no queries from the Floor, the report of the Committee and the audited accounts for year ended 31st August 2020 were received as correct on the proposal of Mr Alan Orchard (O00136) and seconded by Mr Balachandran Mahesan (B00064).

AGENDA 4

Any other business of which seven (7) days’ notice in writing has been received under Penang Club Rule 59(b).

The Chairman announced that the Committee did not receive any notice from the members and the registration at the moment was 89 and would be closed very soon before the start of balloting. The register were thereafter closed with 91 members on it.

AGENDA 5

To elect the President, Vice-President and seven (7) Ordinary Members of the Committee for the ensuing year in accordance with the Rules of the Club.

The Chairman read out Agenda 5 and requested for 3 volunteers from the Floor to be appointed as scrutineers for the election of Committee. The following members were then appointed as volunteers for the balloting:

- i) Mr Pradeepkumar (Peter) Chitroda (P00064)
- ii) Dr Jaspal Singh Gill (J00016)
- iii) Mr Lionel Choong Khuat Leok (C00222)

Dr Jaspal Singh Gill (J00016) requested that the Committee members to be introduced to the House before the start of the election.

The General Manager/Secretary, Mr Shekhar Nair announced that the proposers and seconders of members nominated for election were as displayed on the notice board and proceeded to read out the names of the candidates as follows:

Post of President:

Name of candidate	:	Mr Joe Lim Hun Beng	(L00074)
Proposed by	:	YBhg Dato' Dr Kuldeep Singh Sohan	(K00119)
Seconded by	:	Mr Lim Teong Khoon	(L00231)

There being no other candidate to contest the post, Mr Joe Lim Hun Beng (L00074) was deemed re-elected as the President for another term.

Post of Vice-President:

Name of candidate	:	Mr Raymond Tan Boon Kheng	(T00285)
Proposed by	:	Mr Melvin Lim Hwa Aik	(L00279)
Seconded by	:	YBhg Dato' Malkit Singh	(M00099)

There also being no other candidate to contest the post of Vice-President, Mr Raymond Tan Boon Kheng was deemed re-elected as the Vice-President for another term.

Post of Committee Members: (listed by sequence of membership number)

- | | | | | |
|----|-------------------|---|-----------------------------------|----------|
| 1) | Name of candidate | : | Mr James Duke Booth | (B00088) |
| | Proposed by | : | Mr Balachandran Mahesan | (B00064) |
| | Seconded by | : | Mr Robert D Hodges | (H00150) |
| 2) | Name of candidate | : | Dr. Dzulkafli bin Abd Jalil | (D00041) |
| | Proposed by | : | YBhg Dato' Dr Kuldeep Singh Sohan | (K00119) |
| | Seconded by | : | Mr Raymond Tan Boon Kheng | (T00285) |
| 3) | Name of candidate | : | Mr Lim Teong Khoon | (L00231) |
| | Proposed by | : | Mr Melvin Lee Ching Shin | (L00323) |
| | Seconded by | : | Mr Raymond Tan Boon Kheng | (T00285) |
| 4) | Name of candidate | : | Mr Melvin Lim Hwa Aik | (L00279) |
| | Proposed by | : | Mr Raymond Tan Boon Kheng | (T00285) |
| | Seconded by | : | YBhg Dato' Dr Kuldeep Singh Sohan | (K00119) |
| 5) | Name of candidate | : | Mr Allan Lee Chee Siang | (L00296) |
| | Proposed by | : | Mr Raymond Tan Boon Kheng | (T00285) |
| | Seconded by | : | YBhg Dato' Dr Kuldeep Singh Sohan | (K00119) |

- 6) Name of candidate : Mr Melvin Lee Ching Shin (L00323)
 Proposed by : Mr Lim Teong Khoon (L00231)
 Seconded by : Mr Raymond Tan Boon Kheng (T00285)
- 7) Name of candidate : YBhg Dato' Malkit Singh (M00099)
 Proposed by : Dr. Dzulkafli bin Abd Jalil (D00041)
 Seconded by : Mr Albert Wong Soo Keong (W00095)
- 8) Name of candidate : Mr Albert Wong Soo Keong (W00095)
 Proposed by : YBhg Dato' Dr Kuldip Singh Sohan (K00119)
 Seconded by : Dr. Dzulkafli bin Abd Jalil (D00041)

The General Manager/Secretary, Mr Shekhar Nair announced that election should be for only seven(7) Committee members and members casting their vote must not mark more than seven(7) names. The ballot forms were available at the registration counter and upon sounding of the gong, members from the first row on the right following the demarcation on the floor to proceed to collect their ballot paper.

Mr Tony Ng Keng Hong (N00085) congratulated the Chairman for being re-elected as President for another term and requested that all candidates standing for election to reveal their faces to the members before the members cast their vote. All 8 candidates were then accordingly introduced to the House.

The General Manager/Secretary, Mr Shekhar Nair then reminded all present to carry on observing the social distancing and keeping the facemask on throughout the meeting. Voting stations were set up by alphabetical order according to the surname of members; ballot boxes were placed inside the Sunken Verandah and members to exit through the main dining room to return to their seats. The General Manager/Secretary announced that members to mark a tick (✓) (as shown on the screen) in the box provided and any other mark shall invalidate the ballot as a spoilt vote. The ballot box was then locked in the presence of all members before being placed inside the Sunken Verandah.

After casting of the ballots, the General Manager/Secretary announced that the ballots were closed and called upon the 3 scrutineers to witness the opening of the ballot box and counting of the votes. After discussion with the scrutineers, it was agreed that in order to expedite the counting of the votes, the General Manager/Secretary to announce only the name/s that was/were not ticked/voted.

After counting of the votes, the General Manager/ Secretary announced that there were 89 ballots cast with 1 spoilt vote hence total valid votes were 88 (2 members did not vote) and proceeded to announce the results of the election as follows:

	<u>Name of Candidate</u>	<u>Membership No.</u>	<u>Votes Received</u>
1)	Mr James Duke Booth	(B00088)	41
2)	Dr. Dzulkafli bin Abd Jalil	(D00041)	62
3)	Mr Lim Teong Khoon	(L00231)	63
4)	Mr Melvin Lim Hwa Aik	(L00279)	70
5)	Mr Allan Lee Chee Siang	(L00296)	61
6)	Mr Melvin Lee Ching Shin	(L00323)	63
7)	YBhg Dato' Malkit Singh	(M00099)	77
8)	Mr Albert Wong Soo Keong	(W00095)	62

The Chairman thanked the members re-electing him and most of the Committee members and proceeded to announce and introduce the Committee members elected into office for the term 2020/2021 as follows:

Post of President : Mr Joe Lim Hun Beng (L00074)

Post of Vice-President : Mr Raymond Tan Boon Kheng (T00285)

Post of Committee Members :

- 1) Dr Dzulkafli Jalil (D00041)
- 2) Mr Lim Teong Khoon (L00231)
- 3) Mr Melvin Lim Hwa Aik (L00279)
- 4) Mr Allan Lee Chee Siang (L00296)
- 5) Mr Melvin Lee Ching Shin (L00323)
- 6) YBhg Dato' Malkit Singh (M00099)
- 7) Mr Albert Wong Soo Keong (W00095)

Under the Rule 35 of the Club Rules, the Immediate Past President, YBhg Dato' Dr Kuldip Singh Sohan (K00119) shall be a member of the Committee.

Record of Appreciation

The Chairman thanked outgoing Committee member, Mr Ooi Kean Lee (O00125) who had decided not to seek re-election this year. The Chairman also thanked everyone for attending the AGM.

Meeting Adjourned

There being no other business the Chairman adjourned the meeting at 8:47pm and declared the bar open.

CONFIRMED AS CORRECT AT THE TIME/DATE OF THE MEETING.



MR JOE LIM HUN BENG
PRESIDENT / CHAIRMAN



SHEKHAR NAIR
GENERAL MANAGER / SECRETARY

ATTENDANCE OF COMMITTEE MEMBERS 2020/2021

Mr. Joe Lim Hun Beng	President	10/12
Mr. Raymond Tan Boon Kheng	Vice President	12/12
YBhg Dato' Dr. Kuldip Singh Sohan	Immediate Past President	11/12
Mr. Melvin Lim Hwa Aik	Committee Member	12/12
Mr. Albert Wong Soo Keong	Committee Member	12/12
Mr. Lim Teong Khoon	Committee Member	10/12
Mr. Melvin Lee Ching Shin	Committee Member	9/12
Dr. Dzulkafli Jalil	Committee Member	11/12
YBhg Dato' Malkit Singh	Committee Member	12/12
Mr. Allan Lee Chee Siang	Committee Member	12/12



PENANG CLUB
(Established in 1868)

FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2021

PENANG CLUB
(Established in 1868)

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PENANG CLUB
(Established in 1868)

GENERAL INFORMATION

PRESIDENT	LIM HUN BENG
VICE PRESIDENT	RAYMOND TAN BOON KHENG
IMMEDIATE PAST PRESIDENT	DATO' DR KULDIP SINGH SOHAN
COMMITTEE MEMBERS	DR DZULKAFI BIN ABD JALIL DATO' MALKIT SINGH S/O DALIP SINGH LEE CHING SHIN LIM TEONG KHOON MELVIN LIM HWA AIK LEE CHEE SIANG WONG SOO KEONG
GENERAL MANAGER / SECRETARY	SHEKHAR NAIR A/L SUKUMARAN
AUDITORS	ALJEFFRIDEAN PLT
BANKERS	AMBANK (MALAYSIA) BERHAD MALAYAN BANKING BERHAD PUBLIC BANK BERHAD UNITED OVERSEAS BANK (MALAYSIA) BERHAD
REGISTERED OFFICE / PRINCIPAL PLACE OF BUSINESS	42-B JALAN SULTAN AHMAD SHAH 10050 PENANG

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PENANG CLUB (Established in 1868)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of PENANG CLUB (Established in 1868), which comprise the balance sheet as at August 31, 2021, and the statement of income and expenditure and cash flow statement for the year then ended, and notes to the financial statements, including a summary significant accounting policies, as set out on pages 39 to 60.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Club as at August 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with General Accepted Accounting Principles 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 Committee 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.

2nd Floor, Acctax Corporate Centre, No.2, Jalan Bawasah, 10050 Georgetown, Penang.

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Offices: Kuala Lumpur • Putrajaya • Ipoh • George Town • Bayan Baru • Butterworth • Sungai Petani

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ALJEFFRIDEAN PLT (LLP0022267-LCA & AF 1366), Chartered Accountants, was registered on 18 November 2019 and with effect from that date, ALJEFFRIDEAN (AF 1366), a conventional partnership was converted to a limited liability partnership. MGI Worldwide is a network of independent audit, tax, accounting and consulting firms.

PENANG CLUB
(Established in 1868)

Responsibilities of the Committees Members for the Financial Statements

The committee members of the Club are responsible for the preparation of financial statements of the Club that give a true and fair view in accordance with General Accepted Accounting Principles and the requirements of the Societies Act 1966 in Malaysia. The committee members are also responsible for such internal control as the committee members 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.

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 the Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee members.

PENANG CLUB
(Established in 1868)

- Conclude on the appropriateness of the committee members' 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 represent the underlying transactions and events in a manner that achieves fair presentation.

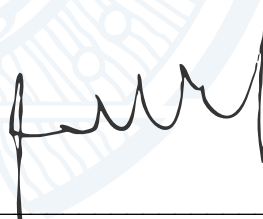
We communicate with the committee members of the Penang Club regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

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



ALJEFFRIDEAN PLT **AF1366**
201906003455 (LLP0022267-LCA)
Chartered Accountants



NEOH CHIN WAH **01080/01/2023 J**
Partner

Dated : October 11, 2021
Penang, Malaysia

PENANG CLUB
(Established in 1868)

BALANCE SHEET
AS AT AUGUST 31, 2021

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
NON-CURRENT ASSETS			
Property, plant and equipment	7	<u>21,527,133</u>	<u>22,106,400</u>
CURRENT ASSETS			
Inventories	8	171,177	171,057
Members' accounts	9	539,043	545,585
Other current assets	10	244,921	448,665
Current tax assets		308,374	128,374
Cash and bank balances	11	7,443,866	7,214,030
Total Current Assets		<u>8,707,381</u>	<u>8,507,711</u>
CURRENT LIABILITIES			
Other payables and accrued expenses	12	<u>1,893,603</u>	<u>2,173,738</u>
Net Current Assets		<u>6,813,778</u>	<u>6,333,973</u>
TOTAL ASSETS NET OF CURRENT LIABILITIES		<u><u>28,340,911</u></u>	<u><u>28,440,373</u></u>
FINANCED BY :			
Capital fund		443,031	443,031
Accumulated general fund		10,656,980	10,740,376
Revaluation reserve		15,234,450	15,234,450
Development fund	13	1,632,273	1,632,273
Scholarship fund	14	125,272	121,870
Staff retirement fund	15	201,512	220,980
Staff medical and welfare fund	16	47,393	47,393
TOTAL FUNDS		<u><u>28,340,911</u></u>	<u><u>28,440,373</u></u>

See accompanying notes to the financial statements.

PENANG CLUB
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**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED AUGUST 31, 2021**

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
OPERATING INCOME			
Entrance fee :-			
Club Membership		89,750	29,000
Membership transfer fee		100,000	95,000
Miscellaneous income	4	37,254	35,354
Net income from chamber rent		21,844	181,813
Net income from mess sales		88,630	143,534
Net income from slot machines	5	929,926	1,050,918
Profit from bar sales	6	148,831	179,788
Subscription		1,415,007	1,405,754
Club special discount		(20,414)	-
Total Operating Income		<u>2,810,828</u>	<u>3,121,161</u>
NON-OPERATING INCOME			
Gain on disposal of property, plant and equipment		-	2
Insurance claimed received		-	4,400
Interest received :-			
Fixed deposits		149,446	237,971
Saving account		2,522	2,653
Other payables written off		139,944	139,944
Subsidy from government		115,200	224,400
Total Non-Operating Income		<u>407,112</u>	<u>609,370</u>
Total Income		<u>3,217,940</u>	<u>3,730,531</u>
EXPENDITURE			
Advertisement		218	-
Astro subscriptions		22,968	34,714
Audit fee		8,000	8,000
Bad debts written off		-	860
Amount Carried Forward		31,186	43,574

See accompanying notes to the financial statements.

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	<u>2021</u>	<u>2020</u>
	RM	RM
Amount Brought Forward	31,186	43,574
Bank charges	1,510	1,614
Billiard and darts expenses	5,531	21,792
Bonus	70,493	167,607
Bridge games	56	1,341
Club accessories expenses	15,042	10,329
Contract worker	1,920	82,252
Credit card charges	21,886	28,998
Decorations	364	801
Depreciation of property, plant and equipment :-		
Current year	756,919	757,789
Over provision	(2,050)	(2,925)
Donation	100	1,300
Electrical maintenance	7,329	12,349
Electricity and power	234,300	282,439
Employees' Provident Fund	144,152	144,711
Employment Insurance System	1,586	1,368
Entertainer meals expenses	1,016	3,496
Events and activities	23,410	69,359
Executive duty meals expenses	16,673	15,146
General expenses - Annexe premise	27,784	29,258
Hardware and software expenses	32,927	24,318
Human resource development fund	12,516	6,183
Insurance, quit rent and assessment	113,762	112,429
Laundry expenses	14,357	26,828
Library expenses	5,710	6,875
License fee	1,204	8,657
Medical expenses	17,716	10,860
Meeting and house members' expenses	34,181	28,051
Newspapers and periodicals	8,749	13,434
Non-operating general expenses	91,428	86,274
Operating general expenses	2,741	4,636
Amount Carried Forward	1,694,498	2,001,143

See accompanying notes to the financial statements.

PENANG CLUB
(Established in 1868)

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
Amount Brought Forward		1,694,498	2,001,143
Overtime		70,937	99,304
Parking and travelling expenses		5,521	7,847
Printing and stationery		22,866	37,802
Professional and legal fee		3,180	-
Rental of storage and others		2,892	2,190
Repairs and renewals expenses		44,777	38,759
Salaries and wages		1,437,752	1,376,163
Sales and services tax expenses		676	1,390
Social Security Contribution		20,370	20,191
Squash and golf expenses		1,241	42
Staff reward and other benefits		27,429	30,614
Stocks written off	8	1,568	227
Telephone		7,511	23,151
Transport allowance		12,163	25,733
Uniform		19,454	22,249
Upkeep of compound and swimming pool		103,120	143,387
Water		5,381	6,879
Total Expenditure		3,481,336	3,837,071
DEFICIT BEFORE TAXATION		(263,396)	(106,540)
TAXATION	17	180,000	130,000
NET SURPLUS(DEFICIT) FOR THE YEAR	18	(83,396)	23,460
Accumulated general fund at beginning of year		10,740,376	10,719,262
Transfer to development fund	13	-	(2,346)
ACCUMULATED GENERAL FUND AT END OF YEAR		10,656,980	10,740,376

See accompanying notes to the financial statements.

PENANG CLUB
(Established in 1868)

CASH FLOW STATEMENT
FOR THE YEAR ENDED AUGUST 31, 2021

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operation		<u>3,027,624</u>	<u>2,923,249</u>
Payments for operating activities :			
Operating expenditure		<u>(2,936,579)</u>	<u>(3,332,276)</u>
Net cash in(out)flow from operating activities	18	<u>91,045</u>	<u>(409,027)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(179,702)	(424,366)
Proceeds from disposal of property, plant and equipment		-	2
Subsidy from government		115,200	224,400
Insurance claimed received		-	4,400
Interest received from saving account and fixed deposits		<u>203,293</u>	<u>283,562</u>
Net cash inflow from investing activities		<u>138,791</u>	<u>87,998</u>
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS		229,836	(321,029)
Cash and cash equivalents at beginning of year		<u>7,154,030</u>	<u>7,475,059</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>7,383,866</u>	<u>7,154,030</u>
REPRESENTED BY :			
Cash and bank balances	11	7,443,866	7,214,030
Less: Fixed deposit pledged to licensed bank	11	<u>(60,000)</u>	<u>(60,000)</u>
		<u>7,383,866</u>	<u>7,154,030</u>

See accompanying notes to the financial statements.

PENANG CLUB
(Established in 1868)

NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2021

1. PRINCIPAL ACTIVITIES

The principal activities of the Club are to maintain club premises and to provide recreational facilities and social activities to its members. There have been no significant changes in the nature of these activities during the year.

2. DATE OF AUTHORISATION OF ISSUE

The financial statements were authorised for issue by the committee members on October 11, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Club financial statements are prepared under the historical cost convention, modified to include the valuation of a piece of freehold land and in accordance with the Club significant accounting policies as set out below. These financial statements are prepared solely for the information of the members of the Club.

Membership Subscription

Membership subscription is charged one month in advance. Only that subscription which is attributable to the current financial year is recognised as income. Subscription relating to periods beyond the current financial year is taken up in the Balance Sheet as subscription in advance under other payables.

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Depreciation of Property, Plant and Equipment

Property, plant and equipment are initially stated at cost. Land are subsequently shown at market value, based on triennial valuations by external valuers, less subsequent accumulated impairment losses. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Depreciation is computed on the straight-line method over their estimated useful lives. The annual rates used are:

	<u>Rate</u>
	%
Building	2-10
Furniture, fixture and fittings	20
Lift	6.67
Kitchen equipment and other utensils	20
Office equipment	20
Slot machines	10
Swimming pool and ancillary facilities	10
Video and audio system	20
Air-conditioner	33.33
Computer	33.33
Other club equipment and fittings	33.33
Office accessories and appliances	33.33

No provision for depreciation are made in the financial statements in respect of freehold land and renovation under construction.

Impairment of Assets

At each balance sheet date, the Club review the carrying amount of all its assets, to determine whether there is any indication that those assets have suffered impairment loss. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any available previously recognised revaluation surplus for the same asset.

Inventories

Inventories which consist wholly of merchandise are stated at the lower of cost and net realisable value. Cost is assigned generally by using specific identification of their individual cost, the first-in, first-out cost formula.

Members' Accounts

Members' accounts are carried at anticipated realisable value.

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Receivables

Receivables are recognised and carried at original invoiced amount less allowance for any uncollectible amounts. Allowance for doubtful debts is made when collection of the full amount is no longer probable. Debts considered not recoverable are written off.

Payables

Payables are stated at cost which is the fair value of the consideration to be paid in future for goods and services received.

Provision for Liabilities

Provisions for liabilities are recognised when the Club has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Revaluation Reserve

Revaluation reserve represents the excess amount of revalued fair value less cost on the Club freehold land. Any deficits arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to account of income and expenditure.

Development Fund

Development fund consist of entrance fees, conversion fees and transfer fees received from Club members until the year 2008. With effect from year 2009, these receipts were recognised to account of income and expenditure.

Property, plant and equipment incurred has been utilised from development fund and credited to accumulated general fund in the year incurred. During the year 2012, the Committee of the Club resolved to maintain the development fund for future development of the Club.

Financial Instruments

(i) Description

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

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

(ii) Financial instruments recognised on the balance sheet

The particular recognition method adopted for financial instruments recognised on the balance sheet is disclosed in the individual policy statements associated with each item.

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(iii) Fair value estimation for disclosure purpose

The face values, less any estimated credit adjustments, for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

The fair values for financial assets and liabilities with a maturity of more than one year, if applicable, are estimated using a variety of methods and assumptions that are based on market conditions existing at each balance sheet date including estimated discounted value of future cash flows, quoted market prices or dealer quotes.

Income

Income is recognised when it is probable that the economic benefits associated with the transaction will flow to the Club and the amount of the income can be measured reliably.

(i) **Subscription**

Subscription net of rebate are recognised on the accrual basis.

(ii) **Income from Club Operation**

Profit from bar, restaurant and slot machine operations are recognised on the accrual basis.

(iii) **Interest Income**

Interest income are recognised on the accrual basis.

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Taxation

The Club is defined as a "body of person" under Section 2 of the Income Tax Act, 1967. Based on the principle of mutuality, the net surplus of the Club is not taxable except income derived from transaction with non-voting members and external source income such as interest income which is taxable at scale rates.

Deferred taxation is not provided.

Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents include cash and bank balances, deposits and other short term, highly liquid investment and short term funds with maturity of less than three months which have an insignificant risk of changes in value.

Employee Cost

(i) Short term employee benefits

Wages, salaries, annual leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Club.

(ii) Retirement benefits

Defined contribution plan

Employers in Malaysia contribute to the Employees' Provident Fund, the national defined contribution plan. The Club contributions to the defined contribution plan are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Club has no further payment obligation.

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4. MISCELLANEOUS INCOME

	<u>2021</u>	<u>2020</u>
	RM	RM
Billiards	402	270
Miscellaneous	30,054	31,640
Rental of conference room	460	900
Rental of steam room lockers	6,260	2,310
Squash	78	30
Swimming	-	204
	<u>37,254</u>	<u>35,354</u>

5. NET INCOME FROM SLOT MACHINES

	<u>2021</u>	<u>2020</u>
	RM	RM
Slot machines collection	1,494,149	2,012,426
Slot machines payment	(56,701)	(72,170)
Slot machines duties and sales and services tax	(504,760)	(674,195)
Management fees	<u>(2,762)</u>	<u>(215,143)</u>
Net income	<u>929,926</u>	<u>1,050,918</u>

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6. PROFIT FROM BAR SALES

	<u>2021</u>	<u>2020</u>
	RM	RM
Sales :-		
Bottle beer	93,120	126,751
Cigar and cigarretes	8,300	16,565
Fresh juices	29,808	43,374
Liqueur	126,839	163,257
Others	127,510	153,949
Wine	<u>82,236</u>	<u>122,868</u>
Total net sales	<u>467,813</u>	<u>626,764</u>
Cost :-		
Bar stocks at beginning of year	<u>149,434</u>	<u>113,299</u>
Add : Purchases		
Bottle beer	70,343	110,532
Cigar and cigarretes	4,730	17,229
Fruits	13,291	20,476
Liqueur	118,738	161,821
Others	45,902	77,779
Stocks utilized in events and activities	-	(8,980)
Stocks written off	(1,568)	(227)
Wine	<u>68,715</u>	<u>104,481</u>
Total net purchases	320,151	483,111
Less : Bar stocks at end of year (Note 8)	<u>(150,603)</u>	<u>(149,434)</u>
Total cost of goods sold	<u>318,982</u>	<u>446,976</u>
Profit	<u><u>148,831</u></u>	<u><u>179,788</u></u>

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7. PROPERTY, PLANT AND EQUIPMENT

	COST			NBV
	Balance as at September 01, 2020	Additions	Disposal/ Over stated	Balance as at August 31, 2021
	RM	RM	RM	RM
Freehold land :-				
At cost	265,550	-	-	265,550
At revaluation	15,234,450	-	-	15,234,450
Building	6,638,306	120,040	-	6,758,346
Furniture, fixture and fittings	1,230,767	46,264	-	1,277,031
Kitchen equipment and other utensils	742,307	5,398	-	747,705
Lift	116,960	-	-	116,960
Office equipment	677,329	-	-	677,329
Slot machines	1,001,093	-	-	1,001,093
Swimming pool and ancillary facilities	215,091	-	-	215,091
Video and audio system	203,675	-	-	203,675
Air-conditioner	505,449	-	4,100	501,349
Computer	160,846	8,000	-	168,846
Other club equipment and fittings	101,303	-	-	101,303
Office accessories and appliances	4,551	-	-	4,551
	<u>27,097,677</u>	<u>179,702</u>	<u>4,100</u>	<u>27,273,279</u>
				<u>21,527,133</u>

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ACCUMULATED DEPRECIATION					
	Balance as at September 01, 2020	Depreciation for the current year	Disposal/ Over stated	Balance as at August 31, 2021	Depreciation for the previous year
	RM	RM	RM	RM	RM
Building	1,429,421	339,422	-	1,768,843	321,581
Furniture, fixture and fittings	1,183,670	31,467	-	1,215,137	37,492
Kitchen equipment and other utensils	531,240	76,983	-	608,223	80,964
Lift	35,095	7,797	-	42,892	7,797
Office equipment	676,786	-	-	676,786	706
Slot machines	400,791	100,109	-	500,900	100,109
Swimming pool and ancillary facilities	102,049	14,897	-	116,946	14,897
Video and audio system	179,135	11,532	-	190,667	20,060
Air-conditioner	216,550	154,411	2,050	368,911	150,708
Computer	156,945	5,059	-	162,004	8,810
Other club equipment and fittings	75,046	15,242	-	90,288	14,064
Office accessories and appliances	4,549	-	-	4,549	601
	4,991,277	756,919	2,050	5,746,146	757,789

The total net book value (NBV) of the property, plant and equipment of the Club represents cost and revaluation less accumulated depreciation as at August 31, 2021 is RM21,527,133 (RM22,106,400 in 2020).

The freehold land is registered under the name of trustees of the Club. The freehold land was first revalued in February 1965 and revalued again to RM15,500,000 in July 2011 based on a independent professional valuer by using the comparison method.

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8. INVENTORIES

	<u>2021</u>	<u>2020</u>
	RM	RM
Bar stocks	152,171	158,641
Less : Stocks utilized in events and activities	-	(8,980)
Stocks written off	<u>(1,568)</u>	<u>(227)</u>
	150,603	149,434
Utilities stocks	<u>20,574</u>	<u>21,623</u>
	<u><u>171,177</u></u>	<u><u>171,057</u></u>

9. MEMBERS' ACCOUNTS

	<u>2021</u>	<u>2020</u>
	RM	RM
Amount owing by members	606,837	613,379
Less : Provision for doubtful debts	<u>(67,794)</u>	<u>(67,794)</u>
	<u><u>539,043</u></u>	<u><u>545,585</u></u>

10. OTHER CURRENT ASSETS

	<u>2021</u>	<u>2020</u>
	RM	RM
Other receivables	70,552	228,467
Fixed deposits interest receivable	70,555	118,478
Prepayments	37,123	36,529
Deposits	<u>66,691</u>	<u>65,191</u>
	<u><u>244,921</u></u>	<u><u>448,665</u></u>

Other receivables are unsecured, interest free and repayable on demand.

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11. CASH AND BANK BALANCES

	<u>2021</u>	<u>2020</u>
	RM	RM
Cash in hand	2,800	2,800
Cash at bank :-		
Current accounts	239,640	253,014
Fixed deposits	7,007,103	6,699,615
Saving account	194,323	258,601
	<u>7,443,866</u>	<u>7,214,030</u>

Included in the fixed deposits are the fixed deposit of the Scholarship Fund amounting to RM125,272 (RM121,870 in 2020). Interest earned is credited directly to the said fund.

Fixed deposits as at the balance sheet date amounting to RM60,000 (RM60,000 in 2020) is pledged to secure bankers' guarantee with licensed bank in favor of Tenaga National Berhad.

12. OTHER PAYABLES AND ACCRUED EXPENSES

	<u>2021</u>	<u>2020</u>
	RM	RM
Other payables	918,067	1,286,156
Accrued expenses	164,250	173,289
Refundable deposit	387,500	385,700
Members' deposits :-		
Entrance fee	197,865	95,745
Transfer fee	35,775	39,750
Subscription billing in advance	190,146	193,098
	<u>1,893,603</u>	<u>2,173,738</u>

The currency exposure profile of other payables and accrued expenses are all denominated in Ringgit Malaysia.

Other payables and members' account are unsecured, interest free and repayable on demand.

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13. DEVELOPMENT FUND

	<u>2021</u> RM	<u>2020</u> RM
Balance at beginning of year	1,632,273	1,629,927
Add : Transfer from general fund	<u>-</u>	<u>2,346</u>
Balance at end of year	<u><u>1,632,273</u></u>	<u><u>1,632,273</u></u>

14. SCHOLARSHIP FUND

	<u>2021</u> RM	<u>2020</u> RM
Balance at beginning of year	121,870	118,003
Add : Fixed deposits interest earned	3,402	3,867
Amount owing to Penang Club	<u>500</u>	<u>1,650</u>
	125,772	123,520
Less : Amount paid out during the year	<u>(500)</u>	<u>(1,650)</u>
Balance at end of year	<u><u>125,272</u></u>	<u><u>121,870</u></u>

As at balance sheet date, the Scholarship Fund placed in license financial institution as fixed deposits to earn interest was RM125,272 (RM121,870 in 2020).

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15. STAFF RETIREMENT FUND

	<u>2021</u>	<u>2020</u>
	RM	RM
Balance at beginning of year	220,980	191,028
Add : Contribution by Club members	<u>30,315</u>	<u>29,952</u>
	251,295	220,980
Less : Amount paid out during the year	<u>(49,783)</u>	<u>-</u>
Balance at end of year	<u><u>201,512</u></u>	<u><u>220,980</u></u>

16. STAFF MEDICAL AND WELFARE FUND

	<u>2021</u>	<u>2020</u>
	RM	RM
Balance at beginning and end of year	<u><u>47,393</u></u>	<u><u>47,393</u></u>

17. TAXATION

	<u>2021</u>	<u>2020</u>
	RM	RM
Current taxation		
Current year	-	-
Overprovision in prior year	<u>180,000</u>	<u>130,000</u>
	<u><u>180,000</u></u>	<u><u>130,000</u></u>

The provision of the tax is based on the tax computation of the tax agent of the Club and is subject to the agreement with the Inland Revenue Board.

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18. CASH FLOW FROM OPERATING ACTIVITIES

	<u>2021</u>	<u>2020</u>
	RM	RM
Net surplus(deficit) for the year	(83,396)	23,460
Adjustment for :-		
Bad debt written off	-	860
Contribution from members to Staff Retirement Fund	30,315	29,952
Depreciation of property, plant and equipment	754,869	754,864
Gain from disposal of property, plant and equipment	-	(2)
Insurance claim received	-	(4,400)
Interest received :-		
Fixed deposits	(149,446)	(237,971)
Saving account	(5,924)	(6,520)
Payment from Staff Retirement Fund	(49,783)	-
Property, plant and equipment overprovision		
in prior year	4,100	-
Stock written off	1,568	227
Subsidy from government	(115,200)	(224,400)
Taxation credit:-		
Overprovision in prior year	(180,000)	(130,000)
Changes in working capital :-		
Increase in inventories	(1,688)	(31,864)
Decrease(Increase) in members' account		
and other current assets	165,765	(293,059)
Decrease in other payables	(280,135)	(290,174)
Net cash in(out)flow from operating activities	<u>91,045</u>	<u>(409,027)</u>

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19. EMPLOYEE COST

	<u>2021</u>	<u>2020</u>
	RM	RM
Salary, wages, allowance and bonus	1,579,182	1,643,074
Defined contribution plan	144,152	144,711
Other employee benefit	<u>100,638</u>	<u>193,267</u>
	<u>1,823,972</u>	<u>1,981,052</u>

The number of employees of the Club as at the balance sheet date was 50 (52 in 2020).

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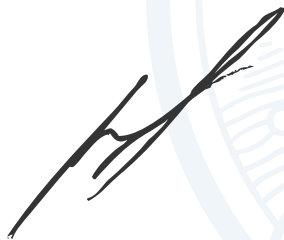
STATEMENT BY THE COMMITTEE

We, **LIM HUN BENG** and **MELVIN LIM HWA AIK** on behalf of the Committee of **PENANG CLUB (Established in 1868)**, state that in the opinion of the office bearers, the accompanying financial statements are properly drawn up in accordance with the Club's significant accounting policies so as to give a true and fair view of the financial position of the Club as at August 31, 2021 and of its financial performance and cash flow for the year then ended on that date.

On behalf of the Committee,



LIM HUN BENG
PRESIDENT



MELVIN LIM HWA AIK
FINANCE CONVENOR

Penang,
October 11, 2021