



Summary of the Annual General Meeting
The Royal Bangkok Sports Club
held on Tuesday, 27th October 2020 at 6:30 p.m.
at the Henri Dunant Hall

1. Confirmation of the Minutes

The Minutes of the Annual General Meeting held on Thursday, 24th October 2019 were confirmed by a majority vote.

2. The General Committee's Report

The Chairman reported that the Club had developed a number of communication channels for Members to access the Club news, activities, announcements, and Members' privileges, via Club's Official Line Account, Club's Official Facebook Page, Instagram, Website, and Electronic Direct Mail apart from the RBSC Magazine.

For sports activities, the General Committee organized the Youth Programme to encourage more children of members to use the Club's facilities.

In order to encourage more members to use the Club's facilities, the General Committee had developed the following projects:

- The Physical Fitness Room Expansion Projects at both Clubs
- Co-Working Space Project
- RBSC Privileges for members from hotels, hospitals, spa, restaurants, etc.

3. The Audit Committee's Report

The key highlights and the key audit findings from the internal audit review were as follows:

- The Club should consider establishing a long-term master plan for the Club's operational continuity, especially regarding the upcoming lease expiration, as well as human resources strategic planning and financial planning to support the latest Tax Act.



- As there were outstanding member applications pending for more than 3 years, the Club might consider establishing a time limit and revise the application documents to cover clauses related to the application due date.
- The software selection process for the new ERP implementation should be improved due to the absence of an evaluation criteria and inadequate system demonstration evaluation.

4. Approval of the Audited Statement of Financial Position and Statement of Income & Expenditure for the Fiscal Year Ended 31st July 2020

The following statement of financial position as at 31st July 2020 was presented to the meeting:

Million Baht

Consolidated Statement of Income & Expenditure for the Year Ended 31st July 2020	2020*	2019	% Change	
Racing	551	566	-2.7%	
Food & Beverage	70	95	-26.3%	
Monthly Subscriptions Fee	334	334	-	
Interest Income	73	73	-	
Other Income	44	48	-8.3%	
Operating Income	1,072	1,116	-3.9%	
Cost of Racing	581	603 / 679	3.6%	14.4%
Cost of Food & Beverage	91	104	12.5%	
Cost of General Activities	525	535	1.9%	
Total Expenditure	1,197	1,242 / 1,318	3.6%	9.2%
Racing	-29	-38 / -114	23.7%	74.6%
Food & Beverage	-22	-9	-144.4%	
General Activities	-74	-79	6.3%	
Operating Surplus / (Shortfall)	-125	-126 / -202	0.8%	38.1%

Note * This year has been affected by the COVID-19 outbreak. Racing operations was suspended from 2nd March 2020 until now.

Below were financial impacts from COVID-19:

- Guests of members were not allowed to enter the Club from 6th March 2020 to 30th June 2020 (117 days). The F&B operation was temporarily closed from 21st March 2020 (service only food on delivery) and the Club fully closed from 26th March 2020 to 2nd May 2020 (38 days).
- The racing operations were suspended from 2nd March 2020 until now.



- The revenue from F&B sales, racing, souvenir shop, concessionaires, and horse riding were decreased.
- The costs increase during COVID-19 situation were the extra costs of the RBSC at Baht 1.95 million and the extra costs of the RBSC Polo Club at Baht 0.47 million, i.e. financial support to low income dependents, expenses from COVID-19 screening and preventive measures, alcohol gel, staff lunch boxes for special assignments, hiring nurses, automatic alcohol dispensers (40 units).
- For General Activities, the total expenses for the year 2020 were the same as last year. In the past, the Club's operating expenses were understated because some fixed assets had been depreciated beyond the Club's lease agreement. This year, the depreciation of any fixed asset which useful life was beyond the lease agreement had been adjusted to be in line with the lease agreement. It affected this year at approx. Baht 5 million. The net operating shortfall for the year 2020 at Baht 125 million had included this adjustment.

Statement of Financial Position as at 31st July 2020:

Million Baht

Assets	2020	2019	Variance	
			Amount	%
Current Assets				
Cash and cash equivalents	99	51	48	94.1%
Trade receivables	35	42	(7)	-16.7%
Current investments	1,629	1,974	(345)	-17.5%
Other current assets	50	49	1	2.0%
Non-Current Assets				
Long-term investments	1,885	1,523	362	23.8%
Premises, equipment and horses and ponies	529	538	(9)	-1.7%
Intangible assets	376	401	(25)	-6.2%
Dedicated funds' assets	67	64	3	4.7%
Other non-current assets	1	1	-	-
Total Assets	4,671	4,644	27	0.6%

The long-term investment was higher than the short-term investment because the interest rate declined significantly. To create more return on investment, the Club decided to invest long-term for keeping the interest revenue for the year 2020 close to the year 2019. The intangible assets had been amortized as usual.



Million Baht

Assets	2020	2019	Variance	
			Amount	%
Current Liabilities				
Trade and other payables	72	79	(7)	-8.9%
Income tax payable	14	21	(7)	-33.3%
Members prepaid fees	140	200	(60)	-30.0%
Other current liabilities	8	12	(4)	-33.3%
Non-Current Liabilities				
Employee benefit obligations	108	109	(1)	-0.9%
Deposits received from members	152	151	1	0.7%
Dedicated fund liabilities	67	64	3	4.7%
Other non-current liability	3	3	-	-
Total Liabilities	563	640	(77)	-12.0%
Fund Balance				
Accumulated member entrance contributions	4,881	4,652	229	4.9%
Accumulated excess of expenditure over income	(773)	(648)	(125)	19.3%
Total Fund Balance	4,108	4,004	104	2.6%
Total Liabilities and Fund Balance	4,671	4,644	27	0.6%

Members' prepaid fees of the year 2020 were higher than the year 2019 at Baht 60 million because the Club received more new members during COVID-19 and children of members could not go overseas. As the Club did not recognize the entrance fee to be the revenue, it showed at the fund balance account in the Club's balance sheet. This was the long-term strategy. This fund should be for the capex purpose, but not to absorb the Club's operating losses. Currently, the Club showed negative accumulated excess of expenditure over income at Baht 773 million which occurred from the operating loss.

In conclusion, the motion to approve the audited Statement of Financial Position and Statement of Income & Expenditure for the year ended 31st July 2020 was carried unanimously.

5. Motion to Appoint the Club's External Auditors and Fix the Auditor's Remuneration

The motion to appoint the Club's external auditors (PricewaterhouseCoopers ABAS Ltd.) for the fiscal year 2020/2021 from 1st August 2020 to 31st July 2021 for the RBSC and the RBSC Polo Club at a fee of Baht 300,000.- (Baht three hundred thousand only) was carried unanimously.

6. Motion Proposed by the General Committee for Renovation of Old Clubhouse Project

Referring to the result of the floor load test at the old Clubhouse by STS Engineering Consultants Company Limited, the structural integrity assessment revealed the service



live load capability to be 91 kg/sq.m. in the service area which was substantially below acceptable standard.

As the level of structural damage accumulated over time was considered moderate to severe, the building's stability status was below the legally required criteria for modern structures and buildings. Aside from the decreasing strength of the general structural integrity, there were visible problem signs that include extensive concrete cracks throughout the ceiling and support columns, advanced erosion of reinforced steel framework sections, among others.

In conclusion, the old Clubhouse was classified in "Moderate-Severe" degree of damage. In this category, the current overall structure stability was lower than the standard requirement of Ministerial Regulation.



Moreover, the Club had consulted with an engineering expert for the second opinion. The recommendations were as follows:

1. To limit the usage at the old Clubhouse and install the protection equipment at dangerous zones
2. To construct new Clubhouse to replace the old one, or
3. To repair the whole structure of the old Clubhouse before resuming usage if the Club continues to use the old Clubhouse as usual



Based on alarming evidence in such reports, the Club had limited the usage of the entire second floor area since 15th June 2020.

Currently, the General Committee was preparing the relocation plan and timeframe for relocating all the facilities at the old Clubhouse to the proposed locations.

Following the General Committee's discussion, there were three alternative solutions of the project as follows:

1. Minor Repair of the Old Clubhouse

Repairing the damaged structure to restore live load capability to 250 kg/sq.m. for the required usage.

2. Major Repair Old Clubhouse

Repairing and strengthening the structure to achieve live load capability of 400 kg/sq.m. as required by law.

3. Construction of New Clubhouse

In order to construct a new Clubhouse, the Club has to study and prepare the design and scope of work to assess the construction cost for further consideration.

Viewing that this matter was vital to the Club and as the number of Members turned up for the meeting was quite low, the General Committee requested Members to provide their feedback on this matter through the Club's communication channels, e.g. email, Line, Facebook.

For safety reason, the old Clubhouse would be closed and all facilities would be relocated to other venues. The General Committee would inform Members for more details (including budget) and direction for this project by calling for an EGM for Members' further consideration.



7. Matter for Information – Land & Building Tax Act B.E. 2562

The General Committee reported the Club’s Land & Building Tax Act B.E. 2562 for Members’ information as follows:

- According to the Club’s lease agreement with the Crown Property Bureau (CPB), it is the Club’s responsibility to pay the land & building tax to the CPB. The Club normally pays such tax according to the current Act at approx. Baht 12-15 million per year. With the new Act, the Club should pay tax at Baht 370 million per year. Due to COVID-19 impact, the Government had announced to give a 90% discount for the land and building tax to all entrepreneurs to alleviate their tax burden. As a result, the Club has paid the land & building tax at Baht 16.9 million for the RBSC, and at Baht 3.07 million for the RBSC Polo Club for the year 2020 which the CPB had already paid them to the Pathumwan District Office (PDO).
- According to the new Act, the Club would be entitled to a 90% discount for the land and building tax provided that the Club qualifies as “sports venue” and “public area”. In case the Club does not qualify for such conditions, the assessment of the land and building tax that the RBSC and the RBSC Polo Club have to pay each year will be as follows:

Year	% of Additional Tax	Total (Baht)
2020	25% (with 90% discount)	19,976,555.-
2021	50%	192,607,539.-
2022	75%	281,598,404.-
2023	100%	370,589,269.-

- To oppose such tax appraisal, the Club submitted an appeal against the assessment to the PDO via the CPB. If the PDO confirms that the Club does not qualify for the 90% tax reduction, the Club has the right to file an appeal against the PDO’s decision to the Commission of Appeal within 30 days from the date the CPB received the decision.
- If the Commission of Appeal still confirms that the Club does not qualify for the 90% tax reduction, the Club has the right to submit an appeal against the assessment to the Central Tax Court within 30 days from the receipt date of the Commission of Appeal’s assessment.