

Colombo Swimming Club
Annual General Meeting held at the Club premises on Saturday, 29th March 2025

The Attendance list has been attached to these Minutes

1. Agenda Item 1, 2 and 3

The quorum was established and the President called the meeting to order at 11.10 am and thanked all members present. He informed that the Notice convening the meeting was circulated to members and that the same may be taken as read.

2. Agenda Item 4 - Obituaries

Whilst notifying the members that only the names of members who passed away that have been notified to the Club have been listed, and requesting that the GC be excused if any names have been missed, the following names were read out and the President mentioned that their contribution to the Club will always be cherished:

Mr.Peter M. Janson
Mr.Yohan Wijesinghe
Mrs.Shirlene C De Silva
Mr.Richmond R F Saudey
Mrs.Minu M Melvany
Mr.Ken Balandran
Mr.I.A.Akbarally

All members rose and observed a minute of silence.

3. Agenda Item 5 - Adoption of the Minutes of the AGM held on 30th March 2024

The Minutes of the AGM held on 30th March 2024 were noted as accepted by the Members. Mr. Chula Ariyaratne proposed the minutes and Mr.Kishin Butani seconded the minutes. There being no objections, the Minutes were duly adopted as a true record of the proceedings held on 30th March 2024.

The following were noted as pending action points from the last AGM and that the next GC will carry forward the same:

- Page 2, Item 5 – complete overhaul of the Club’s Constitution
- Page 4, Resolution 8 – Swimming Pool - a subcommittee to be appointed to inquire into the compensation received from the UDA
- Page 4, Resolution 9 – Restriction of membership due to outstanding membership dues.

4. Agenda Item 6 – Adoption of the Minutes of the SGM held on 31st January 2025

The Minutes of the SGM held on 31st January 2025 were noted as accepted by the Members. Mr. Chula Ariyaratne proposed the minutes and Mr.Hasan Sinhawansa seconded the minutes. There being no objections, the Minutes were duly adopted as a true record of the proceedings of the SGM held on 31st January 2025.

5. Agenda Item 7 - President’s Report and adoption of Annual Report for the year 2024

The President, Mr.Himantha Devendre presented the President’s Report. The following were noted as salient points:

1. There were certain alarming points to addressed including a company incorporation without house approval, an incomplete audit, a tax scare and a surge of members admitted to the Club without following the due process. The sitting committee had to salvage the sinking Colombo Swimming Club and the committee has been successful in doing so. The Audit is complete, the tax threat once projected at Rs.85m was clarified with the Inland Revenue Department and there is now no further liability due. The strike-off of the unauthorised company incorporation has been expedited.
2. Repaired key facilities – ventilation systems, gym, pool table, washrooms etc.

3. Improved cleanliness.
4. Extended hours for the children's play area.
5. Reinstated the procurement and investment policy.
6. Conducted meetings with Julius & Creasy to update all legal documentation. Leading from this, a land surveyor will conduct a land survey to update the boundaries of the Club as there had not been one done after the RDA acquisition.
7. From an F&B perspective, rolled back the unfair quarterly cover charge and menu price reductions will follow.
8. Thanked the supportive GC, staff and the members. Mentioned that with the continuous support, he is ready to lead the journey further for the Club.

Mr.Rohan Paulus (Member No.10457) congratulated the President and the new GC and hoped it would be a success for the Club. He raised the following points:

1. He noted that there have been repeated comments that the Club is in a precarious situation and that there has been poor financial management. He opined that its important to be specific what had happened so that there is an understanding amongst the members as to the situation – for example, how much cash is with the bank, what is the situation in terms of the first 3 months of the year, projections for the rest of the year.
2. Regarding the strike-off of the Company, he noted that the process was started in October 2024 to ensure that the oversight was corrected.
3. Regarding the Rs.85m tax burden, he noted that it was always to be between Rs.3m and Rs.85m.
4. All members do an unpaid honorary job and it's not easy, so it must be borne in mind that everyone steps in with a view to do well.

The President responded stating that his report was based on facts available with him. He stated that the tax matter was raised right before Mr.Paulas' committee stepped down. Rs.5m was paid based on an email from the then President.

Dr.Leone Solomonsz intervened at this point and referring to the tax matter, stated that it's not just a case of looking into this but that it needs to be investigated. She opined that questions need to be asked as to why are we paying Rs.5m for a tax consultant. At this point, the President stated that these are questions which need to be posed to the previous committee. However, Ms.Solomonsz stated that these matters are inherited to the future committees too, so there needs to be an investigation.

Mr.Rajiv Bhutani (Member No.9269) raised that the question posed by Dr.Solomonsz should have been covered under the forensic audit which Dr.Solomonsz was supposed to conduct but that the said report did not cover this, and that this was an unfair topic to raise at this point. Dr.Solomonsz replied to this stating that she concluded that the matter needed more investigation as the scope of the audit was inadequate. She stated that the Club was not getting to the core issues. She requested for 2-way communication rather than a once a year review after the horse had bolted.

Mr.Hasan Sinhawansa (Member No.8605) proposed and Ms.Chula Ariyaratne seconded the adoption of the Annual Report. Accordingly, the Annual Report was duly adopted.

6. Agenda Item 8 – Adoption of the Audited Financial Statements for the financial period ending December 31, 2024

It was noted that the Audited Financial Statements for the financial period ending December 31, 2024 was available for the Members' review on the Club website. Mr.Brian Selvanayagam was invited to brief the members in relation to this. Mr.Selvanayagam commenced by addressing the questions which had been raised so far by members.

The following salient pointed were noted:

1. In 2022, the Club received compensation for the road widening and Marine Drive extension. At the time, a tax consultant was engaged to review tax matters. Upon conclusion of the review a

payment of Rs.5M (in 2 tranches of Rs.2.5M each) was made to the tax consultant. This was to settle off the tax liability. Thereafter, by the end of Mr.Paulas' tenure, the Tax Commissioner had changed and the 2022 Tax Clearance was not received. At this point there was an issue that what was received in 2022 could not be set-off against the liability in 2018 but can be set off against the liability for 2022. By 2022, the tax rates had changed. Therefore, the range of the liability remained between Rs.3M – Rs.85M. Subsequently, the lower of the range – Rs.3M was paid off in 2025 by the Additional Trustees to clear off the liability for 2022 and to obtain a Tax Clearance Certificate. The Tax Clearance Certificate was required urgently as this was required to obtain the liquor license.

2. Mr.Lakruwan (Finance Manager) clarified that the Tax Clearance Certificate was for 2022. Mr.Lakruwan clarified that there were 2 payments made – one was a self-assessment payment (for 2024/2025) of Rs.3M and the other was to clear the 2022 tax concern (Rs.2.7M + interest amounting to Rs.3M). Mr.Lucille Wijewardena echoed this.
3. Regarding the Strike-off of the Company Limited by Guarantee, the interim GC escalated the matter a little further and ensured that the outstanding documents which J&A (Company Secretaries of the Company Limited by Guarantee) was yet to submit were actually submitted without delay. The Membership was also informed that the Registry of Companies has now written to the Inland Revenue Department to ensure there is no-objection for the strike-off.

Mr.Rohan Paulas stated that the tax issue was raised to the attention of the previous GC on 17th December 2024 and that they did engage in conversations to resolve this but that they did not have adequate time. In light of the clarifications provide by Mr.Lakruwan and the Additional Trustees, Mr.Rohan Paulas clarified that the 2022 tax liability was cleared by 31st January 2025, before the sitting GC commenced duties on 1st February 2025.

Mr.Shivendra Lawrence suggested that the incoming GC prepare a paper, consult the new Audit Committee too and issue a report to the Membership.

In response to a comment by Mr.Kishin Butani (Member No.6504) in relation to the formation of the Company Limited by Guarantee, Mr.Rohan Paulas noted that the formation was a requirement by the Club's Senior Management and that proceeding without Membership approval was an oversight on the part of the previous GC, but that there was no bad intention in doing so. Further, that the previous GC took immediate steps to strike-off the Company as soon as the oversight was pointed out.

Mr.Hasan Sinhawansa suggested to the GC that a separate independent committee be appointed to conduct a forensic audit since 2011, to look into all issues of the Club including the tax matter etcetera.

Mr.Chula Ariyaratne (Member No. 8544) opined that the sitting committee carries the legacy of the Club so should address anything that has not been addressed.

Mr.Rizan Jiffrey (Member No.9832) raised a few points and sought a few clarifications with reference to the financial statements:

1. Regarding the cashflow statement there are two minor typographical errors:
 - a) the interest receivable in the cashflow is shown as Rs.87M whereas in the P&L it is Rs.54M.
 - b) increase in the fixed deposits.He stated that the errors have been reflected in the same category and so there is no significant issue. Just note it for future comparative purposes.
2. Since the Club has a Rs.582M fixed deposit, for purposes of good governance – as this is one of the key assets of the Club, it was suggested that the GC considers providing details of the fixed deposits in the next Annual Report – for example, the number of fixed deposits, the bank, the maturity rates etcetera – just for the members to know.

3. In relation to administrative costs, it was suggested that the GC considers showing the breakdown.
4. Sought a clarification as to why an overdraft of Rs.7M was necessary. A question was raised as to whether this was to resolve a cashflow issue.
5. In relation to the members' receivables, there is a provision of Rs.30M. A question was posed as to provisional surcharge income and whether it made sense to charge almost the entire surcharge income as a provision.
6. Noted that the accrued income has gone up by Rs.15M and whilst stating that this is probably routine but that if there is anything important, it can be explained to the Membership.

Regarding the overdraft, Mr.Selvanayagam clarified that it was only a book entry. Mr.Selvanayagam undertook to confirm with Mr.Lakruwan as well. Regarding the surcharge income, Mr.Selvanayagam explained that there is a policy to provide for the members' outstanding in full. So, if such member later makes the payment, the income is recognised as surcharge income. Mr.Selvanayagam acknowledged that this process does need to be reviewed again and at some point will need to come to the house for approval before changing the process as well.

Mr.Rajiv Bhutani (Member No.9269) made a follow-up comment in relation to the overdraft facility referred to, as he noted that there was a Rs.4.4M interest on overdraft accrued, so the Club had incurred an interest on that. Mr.Lakruwan was asked to clarify to the Membership and he confirmed that there was no overdraft facility obtained. It was concluded that the amounts shown as interest accrued could have been a result of a book entry for some accounting purpose.

Dr.Leone Solomonsz requested the GC to provide a forum to educate the Membership important Club matters, including on how new members will be handled, profitability on certain aspects etcetera.

Mr.Brian Selvanayagam clarified that the sitting GC had not been in office for more than 2 months. He explained that the priority of the sitting GC was to keep the Club running and to complete the statutory audit.

In terms of membership, it was noted that the sitting GC has not onboarded any new members. Currently, the sitting GC is taking stock of figures to start the process on onboarding new members as there is a backlog of applications not attended to since 2018. To this, Mr.Paulas added that there is an approximate 200-250 members who account for a significant portion of the F&B income. He noted that the annual subscription at approximately Rs.36,000/- per year is one of the lowest for a premium club of this nature. The Club needs to recognise that this is not sustainable to go on. This Club is not viable without fixed deposit income and new member subscriptions. This was noted by the office bearers.

Mr.Suresh (Member No.9254) noted that there should be zero tolerance for misappropriation and that wastage must be curbed too.

Mr.Shantha Kurumbulapitiya (Member No.10525) stated that there is a lot of finger pointing at AGMs of the Club. He noted that members volunteer to be appointed to the GC at a risk and that incompetent members should not be appointed. He further noted that these points raised by fellow members could be judgmental errors or acts of fraudulent. He urged the new committee to come in and address issues and appraise the membership. Once an investigation has been conducted, call for an SGM to address all questions.

Mr.Harthim Rajabdeen (Member No. 9400) opined that if only 10% of the current members are using the Club, onboarding new members will not solve the problem. In deciding whether to increase annual subscription or not, the Club needs to decide whether it needs members who

cannot afford to pay a very minimal subscription fee.

Mr.Chula Ariyaratne (Member No.8544) add that if the Club can't survive without new members subscriptions and fixed deposits, its dangerous. He opined that the management needs to decide how to revive the Club. The President added that there were instances where members started going to 5-star hotels instead of coming to the Club.

Mr.Rizan Jiffrey stated that in terms of good financial management, advised that the GC make sure that the individual cost centers are worked on and should aim at making it zero. If this is achieved, the Club should be able to manage along with other sources of income.

Mr.Terrance Fernando (Member No.10815) introduced himself as the F&B Member of the previous GC. He addressed the gathering on food costs. He mentioned that the previous GC did think that the food should be subsidized as members pay a subscription. To manage this, the number of items on the menu was reduced so that lots of stock need not be held. However, he assured the members that the food is not more expensive than 5-star hotels because a comparison on pricing has always been done with DBU, Golf-Club, etcetera.

The financial statements were proposed by Mr.Hassan Sinhawansa and seconded by Mr.Rizan Jiffrey. Accordingly, the financial statements were taken as duly adopted.

7. Agenda Item 9 – Appointment of Auditors

The current Auditors, M/S Kreston, Chartered Accountants were recommended by the GC to be appointed for the next financial year. Mr.Hassan Sinhawansa proposed and Mr.Kishin Butani seconded the appointment of Auditors and accordingly, M/S Kreston, Chartered Accountants were unanimously re-appointed as the Club's Auditors for the ensuing year.

8. Agenda Item 10 - Resolutions for which due notice has been given

The President noted that in terms of Clause 28(a)(ii) of the Club's Constitution, any resolutions which are to be raised must be sent to the General Secretary within 20 working days before the meeting. The President noted that there were no notices to be brought to order.

Dr.Solomonsz stated that the lack of resolutions raised by Members could be due to the fact that the reminders to do so was only communicated once. Mr.Shivendra Lawrence also clarified that there was a misunderstanding and some including himself thought that resolutions had to be notified within 14 days but acknowledged that the dates were clear in the notice sent out by the GC, and the dates are clear in the Constitution as well.

President thanked the committee that served during the interim period.

9. Items added due to oversight on Agenda

a. Consulting Julius & Creasy (J&C):

The President briefed the Membership that the GC has been consulting J&C for legal guidance on regularizing the Club's property's legal status. Based on this, J&C had issued a guidance note on how to get about this, which the President tabled for the Membership's consideration. It was noted that the GC invited a representative from J&C to attend the AGM and brief the membership but that all representatives were unavailable. However, it was further noted that a separate meeting will be arranged with the J&C team and the President invited members to register themselves for a date in May to meet with J&C.

b. Internal Audit Report by BDO Partners

The President tabled this for information of the members. It was noted that this report was circulated to all members previously.

10. Agenda Item 11 - Election of office bearers and Committee members for 2025/2026.

The President invited Mr. Shivendra Lawrence to take the lead as Pro Tem Chair for the election of office bearers and committee members for 2025/2026. Mr. Lawrence stated that the last committee was a formal committee appointed at the last SGM to address any concerns. He opined that this committee has done what they can and appreciated their efforts.

Mr. Lawrence explained that there is only one position (position of Vice President) which is being contested. Accordingly, the President for the upcoming year was called on to re-take his seat. Mr. Himantha Dewendre was pronounced as the uncontested President for 2025/2026. His appointment was proposed by Mr. Suresh Kumar Shah and seconded by Mr. Channa Wickremasekera.

With regard to the position of Vice President (who would also be the Finance Member and a Trustee of the Club), it was noted that the 2 nominations are as follows:

1. Dr. Leone Solomonsz (Member No. 10248) who had been proposed by Mr. R. Rajan (Member No. 8905) and seconded by Mr. Ali Akbar Saifudeen Jeewanji (Member No. 8526);
2. Mr. Ana Punchihewa (Member No. 8719) who had been proposed by Mr. Mr. Wyvill Scharenguivel (Member No. 7884) and seconded by Rajiv Butani (Member No. 9269)

Mr. Lawrence confirmed that the legitimacy of both applications were reviewed and he confirms they are in order. Each candidate was given an opportunity to present themselves. It was noted that their profile was circulated and they were invited to the podium to make a speech of no more than 5 minutes. Both candidates made a brief speech.

Thereafter, the Pro Tem Chair explained the process for voting and the meeting adjourned for voting.

When the meeting reconvened, the President announced the results. It was noted that the total for Mr. Punchihewa was 90 votes and 49 votes for Dr. Leone Solomonsz. Accordingly, the Mr. Ana Punchihewa was pronounced as the new Vice President. The President invited the new Vice President and the new uncontested General Secretary, Ms. Nishanthi Ratwatte-Abeysekera to join him upfront.

Ms. Nishanthi Ratwatte-Abeysekera addressed the gathering and invited the following persons who remain uncontested to serve on the Committee for the upcoming year to join the office-bearers:

1. F&B Member – Mr. Nadeeka Abeysekera
2. Assistant F&B Member – Mr. Asitha Peter Jayasinghe
3. Club Captain – Mr. Channe Wijemanne
4. Entertainment Member – Mr. Don Susil Rohan Ramanayake
5. House & Works Member – Mr. A Rajenthiran
6. General Member – Mr. Brian Selvanayagam

11. Agenda Item 12 - Appointment of new Audit Committee

The General Secretary announced that the following persons shall be appointed to the Audit Committee:

1. Mr. Pradeep Mathil Cheruvari
2. Mr. Shankar W Somasunderam
3. Lt. Col. Anura Gamini Kumara Ganakabadarachchi

12. Agenda Item 13 - Any other business for which due notice has been given.

It was noted that no prior notice had been given for any other business.

13. Agenda Item 13 - Vote of thanks by General Secretary

The new General Secretary was invited to make the vote of thanks. She thanked everyone present who attended the 89th Annual General Meeting. She vowed to do her best and thanked the Additional Trustees and appreciated their guidance. She also thanked Mr.Nandi Anthony, Ms.Shamalie Fonseka and Mr.Ravi Vidyalankara were thanked and appreciated for their services. She thanked everyone and wished everyone for an exciting year ahead.

There being no other matters to be discussed, the meeting concluded.

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PRESIDENT

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GENERAL SECRETARY