



ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

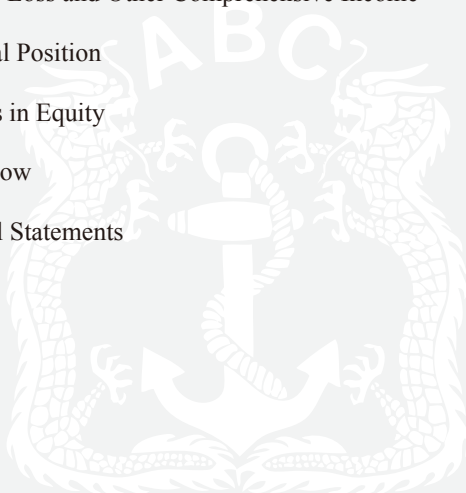
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

**REPORTS AND
FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2023**



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ABERDEEN BOAT CLUB LIMITED
香港仔遊艇會有限公司
NOTICE OF ANNUAL GENERAL MEETING



Notice is hereby given that the Annual General Meeting of the Aberdeen Boat Club Limited, will be held at 7:00 pm on Tuesday, 28 November 2023 at the Clubhouse, 20 Shum Wan Road, Aberdeen, Hong Kong.

The following business will be conducted:

1. To adopt the minutes of the previous Annual General Meeting held on 29 November 2022.
2. To receive the report of the Committee covering the activities of the Club for the year ended 30 June 2023.
3. To adopt the accounts for the year ended 30 June 2023.
4. To elect General Committee Members in accordance with Articles 29 & 30.
5. To appoint the auditors for the ensuing year.
6. Any Other Business, of which notice in writing has been given to the Honorary General Secretary not less than seven days prior to the date of the meeting.

BY ORDER OF THE GENERAL COMMITTEE

(Original Signed)

CHRISTOPHER TUNG
HONORARY GENERAL SECRETARY

ABERDEEN BOAT CLUB LIMITED

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COMMITTEE STRUCTURE 2022-2023



Sailing and Marine Committee

Graeme Brechin (Chairman)

Christopher Tung

Christopher Pooley

Ian Skeggs

John Berry

John Currie

Stephen Perret

Andrew Burgin - (co-opted)

Gideon Mowser (co-opted)

Bob Aylsworth - Resigned

House and Building Committee

Graham Price (Chairman)

Christopher Tung

Christopher Pooley

George Doyle

James Smith

James Ross

Martin Ganz

Terence O'Hoy

David Rees (co-opted)

Jon Zinke - Resigned

Sam Cheng - Resigned

Development Committee

Barry Hill (Chairman)

Alan Child

Christopher Pooley

Eric Tang

John Berry

Paul Scroggie (co-opted)

Membership Committee

Nicholas Bodnar-Horvath (Chairman)

Christopher Pooley

John Berry

Staff Committee

James Ross (Chairman)

Christopher Pooley

Nicholas Bodnar-Horvath

Balloting Committee

Nicholas Bodnar-Horvath (Chairman)

Co-opted in rotation

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COMMODORE'S REPORT YEAR ENDED 30TH JUNE 2023



It is pleasing to be able to report that after 3 years of Covid-induced volatility and sporadic ups and downs in support and revenue, this year [2022-2023] settled into a more stable pattern. Which is not to say that nothing of note happened as the detail within Flag Officer Reports readily reveals. Underlying the various episodes, the year was one of further continued growth in the Club's fortunes---that is to say in general, not simply in terms of funds and cash though the improvement there is notable.

With regard to funds and cash [the vital life-blood of any organisation] the financial result for the year was, to quote the Treasurer, "highly satisfactory" with a healthy surplus of \$5.9m. A result thanks, in part, to the Treasurer's and the Club's standing policy of a prudent approach to expenditure and fund management. The end-year position shows a robust total cash balance of \$83.6m. Of course, this is not to be frittered away and most of that total has been ear-marked for MI Development [\$ 61.2m] and the Main Club House "refit" [\$ 12.7m] which leaves the General Fund with \$ 9.6m available for planned Capex and unexpected contingencies. It is worth noting that the reserved funds are now yielding a useful cashflow from deposits courtesy of the prevailing high interest rates.

The increase in the fund balance is the net position after a number of fixed asset purchases and ongoing expenditure on Moorings, MI and the Main Building refit, amounting to \$10.3m during the year. A reminder on Moorings: the Government provides only the seabed lease. The Club is responsible for the purchase and maintenance of all the mooring equipment, from the sinker and chain upwards to the buoy [boat owners being responsible for the connecting tackle]. This is an onerous and costly responsibility, hence the mooring rental fees to boat owners, which even then are modest compared to commercial rates. During the year the balance of buoys pending in the current renewal programme were replaced [\$ 2.3m]. Mooring equipment is subject to a rolling budget of phased maintenance and replacements. Members should be reassured that Capex expenditure is only approved after strict scrutiny.

During the year the Club took delivery of the two Croatian 'Tiger' Cats, which have greatly improved the service to and from MI and so far have proven to be a most worthwhile and popular investment, with the bonus of a saving on fuel consumption. As the year drew to a close an order was placed in UK [that once great ship-building nation!] for two sampan equivalent 7 pax Orkney Boat workhorses intended as replacements for the ageing ABC 5 to enhance services in the Typhoon shelter. The price being reasonable while the specifications, not least stability, are acceptable to Mardep. Delivery is scheduled for Jan 2024.

The Club's new second Development Project ---the Main Clubhouse 'Refit' ----got underway during the year with enthusiastic support from Housecom and its newly co-opted members. The rationale is simple: the building is ageing and because of the prevailing design techniques at the time was constructed with much of the pipework 'built-in' inaccessibly. Thus, when leakages occur the cost of repairs is excessive. This calls for complete replacements of modern material with easy access. There was a simultaneous need to replace chillers and air-con plants to gain cost efficiencies.



That is all 'behind-the-scenes'. In addition, the intention is to enhance regularly-used facilities practically and visibly, for the direct benefit of members. The first phase, planning for which commenced at the end of the year, is the renovation of the 1st and 2nd Floor Toilets. There is more detail in the Houscom AGM report, and any member will be glad to tell you more in particular concerning the next phases which will come into play progressively next year.

Revenue flows from both F&B, Functions especially, and Dinghy Sail Training and Membership applications were boosted significantly by the lingering Travel restrictions forcing residents to focus on all that HK has to offer ---exemplified by ABC's attractions. See the Treasurer's and Marine Reports for numbers. That benefit has subsequently waned with the resumption of air travel and re-opening of borders ---but that is for next year's Report! Costs also benefitted from the freezing of the Insurance Premium from October and the lack of damage claims.

Development Committee spent a busy year responding to numerous questions from EPD related to the submission of the Draft EIA Report and its consequent updates. Although a lot of work was generated EPD were in fact trying to be helpful in kneading our report into acceptable shape, with the intention of granting formal Approval to what will plainly be enhanced facilities for the benefit of all members and the Community at large. In the end, as reported by Devcom, this proved to be a futile aim as the change in the Ordinance exempted ABC's project from the need for an EIA! This was confirmed formally after the year-end. Even so all the EIA work done lays the groundwork for the next phase, Section 12 A and the Town Planning Board Application. Our Consultants are confident that our Application will go through----let's hope so and see. So, the patient work of Devcom plods on.

None of the events and progress detailed in the several Reports could have happened without the enthusiastic support and work by ABC's dedicated Management and Staff and the Voluntary constructive guidance by the Committees led by my diligent Flag Officer colleagues, all of whom merit and receive my heartfelt thanks and appreciation.

Thus, the Club can once more look ahead from a solid well-funded base with a strong ethos and a growing membership numbers. There is one looming shadow: namely the pending Land Premium charge to be levied against PRL Clubs. At present a decision appears to be lying in the 'too difficult' box [rightly so!]. We can but hope it stays there. If not, ABC is well positioned to respond in a reasoned manner and deal with the challenges it would present.

Chris Pooley
Commodore

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HONORARY TREASURER'S REPORT



Following on from the strong performance of last year the financial result for the year to 30 June 2023 was again highly satisfactory with a total surplus for the 12 months of HKD 5,907,000. Of this HKD 4,384,000 was allocated to the Middle Island Development Fund and HKD1,523,000 transferred to the General Fund.

It should be noted the headline surplus of HKD 16,991,000 last year included an exceptional one-off HKD10,000,000 from the sale of Nominee memberships to the American Club. As highlighted in last year's report this has been set aside this year to be the initial seed capital for the Fund to renovate the Main Club House.

The ongoing travel restrictions for much of the year appear to have benefitted the Clubs Revenue from operating activities which increased by a healthy 4.8 % to HKD55,837,000; of this it was gratifying to note a 6% increase in combined restaurant sales. Notably, much of the increased catering sales came from additional usage of the Coffee Shop and the popularity of the Club's Functions where revenues increased by 29% over the prior year. The Clubs Dinghy School continues to be very popular with members and non-members alike and driven by a 17% increase in Revenue the contribution increased by an impressive 50% over the prior year.

Costs were closely monitored throughout the period, despite this, operating expenses increased by 4.4% over the previous year. In line with the whole F&B sector in Hong Kong the club has been faced with significant wage pressures in 2023 coupled with a 27% increase in its utility costs and an exceptionally large bill for repairs and maintenance to maintain the club's fabric.

Even with the numbers of people leaving Hong Kong interest in joining our club remains gratifyingly high and Income from Entrance Fees and Nominee Membership Sales and Transfer Fees generated income of HKD 7,874,000, this was a slight increase on the figure last year, excluding the exceptional HKD 10,000,000 from Nominee membership sales that year.

As at 30 June 2023 the Club's total Cash and Bank Balances were HKD 83,625,000 an increase of HKD 5,966,000 on the prior year. Although not shown separately in these financial statements the Club has for many years allocated a specific portion of its income to the long-term redevelopment of Middle Island and at the year end the Middle Island Redevelopment Fund contained HKD61,220,000 (2022: HKD57,575,000). In addition to the HKD 10,000,000 of initial seed monies a further HKD 3,668,000 was transferred from the General Fund to the House "Renovation" Fund aimed at funding the initial portion of the capital works required to develop and repair the main club house. As at 30 June this Fund had a cash balance, after expenditures, of HKD 12,723,000 and the General Fund had available cash of HKD9,682,000.

A prudent approach was again taken towards Capital Expenditure, limiting it to only that seen as vitally necessary, nevertheless there has been a major increase in Capital Expenditure during 2023. During the year the Club accounted for expenditures of approximately HKD10,362,000 on fixed assets; this includes the HKD 3,668,000 transferred to the House "Renovation" Fund of which HKD 917,000 was spent and HKD 2,750,000 committed to be spent soon after the year end. A further HKD 2,573,000 related to House and Buildings with HKD 580,000 spent replacing Chiller Units,

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HONORARY TREASURER'S REPORT



HKD 400,000 installing a new POS system and HKD 190,000 replacing a water tank at Middle Island. A further HKD 739,000 was spent on progressing the Middle Island Development Project and HKD3,382,000 on renewing the club's marine assets. This included HKD 2,342,000 replacing Moorings, HKD 316,000 on RIBs and a final payment of HKD 540,000 on the new Taxi Cats purchased at the end of last year.

Looking at finances after 30 June 2023 the club has in the coming year again budgeted to achieve an operating break-even position; utilising new member Entrance Fees to fund requisite capital expenditure. Since the year end, with people now travelling more, there has been an adverse impact on the Club's F&B revenues as compared to the same time last year, nevertheless total revenues are in line with both budget and 2023. We are still facing pronounced inflationary pressures both in staff and other underlying costs and there will need to be continued emphasis on cost control throughout the current year.

James Smith
Honorary Treasurer

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SAILING AND MARINE COMMITTEE REPORT



It does strike me from time to time how far we have moved on with the Sailing and Marine Department of The Aberdeen Boat Club over the past few years. A big indicator was a recent issue of our Wavelength Newsletter sent out to our full membership mid-September where, just after the completion and prize giving of our popular and fun Summer Restaurant Series, it casually listed out one after the other our activities for the coming two months. The Opening Regatta, The Waglan Series, The Autumn Fun Cruise, The Beneteau Cup, dates for the Four Peaks Race, Powerboat Classes and of course the huge amount of adult and junior dinghy sailing at Middle Island, this all topped off by our elite Aberdeen Racing Academy (ARA) where we continue to nurture our future stars and provide the current racing stars for our national Hong Kong China Team. Fifteen of whom have moved up in the past three years. Quite an achievement and quite an incredible list of activities. No indication was given, of course, of the huge amount of work behind the scenes carried out by our dedicated Marine staff headed by Alex, Jennifer and Howie at Middle Island and not forgetting your tireless and fearless Marine Committee. A bit like the movie, 'Field of Dreams,' "if you build it, they will come." So, as Members of our great club, all you must do now, is sign up and take part!

Overall, another busy year for Sailing and Marine. All our activities have been well attended and continue to expand to meet demand. We are constantly looking at ways to improve and provide better service and interest to both our members and at the same time the general Hong Kong public all under the auspices of our important and valued Recreational Lease with our SAR Government. Under better service and improvement, we quietly go about our business without many noticing, this could be the constant work and improvement to our Pontoons or perhaps the new dinghy fleet and its never-ending maintenance, new RIB's, two new ferries to Middle Island or further still over the past four years all our moorings' including buoys, chains and blocks have been replaced as new in the Aberdeen Typhoon Shelter and Deep Water Bay.

Over to sailing, it is hard to say, but if we did have a 'focus' for adults it would probably be the Waglan Series and the Four Peaks Race. Both certainly are for the 'grown-up's' and aspiring 'grown-ups.' These annual events grow from strength to strength for those seeking a more challenging and adventurous sailing experience. Held in the waters generally to the south of HK Island both attract seasoned sailors from Hong Kong and beyond, testing sailing skills resilience and strategic thinking as they navigate through the unpredictable winds and currents of the open sea. These races are a true testament to the dedication and passion that sailors possess.

Not all for the grown-ups though and this is testimony to the size and variety of dinghy courses and levels which we run at Middle Island. Aberdeen Boat Club takes pride in our adult beginner to experienced courses but also takes great pride in our junior courses nurturing young sailors and providing them with opportunities to take part for fun or competition which ultimately, if they wish, competing on an international stage. This experience allows young sailors to represent their club and country, fostering a sense of pride and instilling in them the values of teamwork, determination, and sportsmanship. This year two of our ex-ARA sailors who made the jump to the National Team, Cameron Law and Christopher Lam came in first place in Warnemunder Woche National 29er games held in Germany. A wonderful achievement. Overall, the club's sailing programs enables and encourages both newcomers and enthusiasts to develop their skills and gain invaluable experience.

On the Corporate front we are also solid providers and this year no different as we continue to provide a home for The Beneteau Cup which is a prestigious event hosted by Aberdeen Boat Club

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SAILING AND MARINE COMMITTEE REPORT



alongside long time sponsors, Simpson Marine. This event specifically catering to owners of Beneteau yachts. This Regatta celebrates the elegance and performance of Beneteau sailboats, attracting sailing enthusiasts from all over the region. The Beneteau Cup provides a platform for sailors to showcase their skills and compete against fellow Beneteau owners in a friendly yet competitive environment. It is a celebration of the sailing culture and the craftsmanship of these exceptional vessels. However, it must be said that certainly not all work and no play, Simpson Marine and Beneteau also lay on what could be considered 'Probably' the best annual sailing party in Hong Kong. This however is another story best told by our friends and colleagues in our extremely busy F&B and House Committee!

Graeme Brechin
Rear Commodore
Chairman – Sailing & Marine Committee

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HOUSE AND BUILDING COMMITTEE REPORT



House Committee has wide ranging list of responsibilities in addition to the operation of both our clubhouses and Food and Beverage (FnB) outlets.

The Refit Project

As you will have heard our main clubhouse is in urgent need of repair and upgrading. We have called the upgrading of the main clubhouse the “Refit Project” as our club looks like a ship from the harbour, and ships undergo a refit to upgrade them and keep them working for the foreseeable future.

The Refit Project team achieved several milestones during the reporting period:

- A composite plan for upgrading the club house was agreed
- An architectural firm was engaged to prepare a “design and Style Guide” for our club – and this will be followed in all future works.
- A tender document was prepared for the replacement of the services spine and upgrade of toilets, and the start of works was anticipated in Q3 of 2023
- Future planning of subsequent stages of Refit continues

The philosophy followed was that for every improvement or rectification of the infrastructure and back of house, there would be a visible improvement to the areas of the club used by members.

Works

During the year many small projects were completed by in house staff as well as essential maintenance or emergency repairs. When necessary outside contractors were hired. A small selection of works is listed below:

What you see:	What you don't see:
Main Pontoon Repainting and Club Signage Middle Island Ceiling Repair Trees planted on MI Playground Safety Tiles Audio & Visual equipment Installation of USB charging ports TV sets 75” x 2 Reciprocal club burgee plaques in Waglan Bar	Replacement of water tanks, boilers New air conditioning chiller Inspection/repair of concrete and surfaces Electrical work Planning of routine maintenance Planning and execution of Refit Project Fire Services equipment replacement IT, POS upgrade,

Staff

Aberdeen Boat Club is fortunate to have loyal and dedicated staff. We appointed 12 new staff members during the year, including a new technical and facilities manager Steve NG who is managing our many projects and procurements,

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HOUSE AND BUILDING COMMITTEE REPORT



We welcomed the following staff members who joined during the year:

Ou, Meimei	Makowski Szymon	Ng Siu Hin Steve
Pang Wing Shing	Thapa Anjila	Maden Nisum
Wong Mak Ngo	Magar Dipa	Limbu Sitadevi
Wong Kai Wo	Hong Xiaoping	Limbu Rishika

We also said goodbye to 16 members of staff:

Wong Kai Wo	Wong, Kam Choi	Gurung Mausam
Chen Xiao Ling	Tam Wai Hang	Sze Ching Ling
Kumar, Alok	Fung Yuk Lin	Yau Man Chun
Nembang Januka	Cheung Sheung Loi Anthony	Wong Ming
Chan Yu Ting	Cheng, Siu Man	Chung Yat Fan
Leung King		

We thank them all for their service and wish them the best for the future.

In Conclusion

The Food and Beverage and House Departments play a critical role in facilitating ongoing service and making improvements at the club. They work magic for our major functions throughout the year. My thanks to Robin Sherchan who managed these areas. We should all express our grateful thanks to the dedicated ABC staff who work so hard to keep our Club operating (many of them behind the scenes) and always with a cheery smile.

There is a lot of work for the Committee, comprising myself (Graham Price), Christopher Pooley, Christopher Tung, James Smith, James Ross, Jon Zinke, Martin Ganz, Terrence Hoy and George Doyle. Dave Rees and Anna Rees are co-opted members who provide invaluable professional advice. My thanks to all “Housecom” for their contribution through the year.

Please contact me or the General Manager if you have ideas for improvements at the Club. Alternatively, if you would like to be more involved with running our Club please consider joining our Committee.

Graham Price
Rear Commodore
Chairman – House and Building Committee

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DEVELOPMENT COMMITTEE REPORT



The Development Committee is primarily responsible for managing the development of the Club's facilities at Middle Island. During the last twelve months the committee have continued to progress the statutory approval process that is mandatory for all major works in Hong Kong.

The main focus during this period has been the finalisation and submission of an Environmental Impact Assessment Report (EIA). This is a very significant piece of work which addresses all of the technical implications of the proposed development with respect to many environmental criteria as specified by the Government including visual impact, air quality, water quality, coral, fauna and ecology. The work has necessitated conducting seabed surveys, regular liaison with Government Departments and arranging public consultations with various local interest groups.

Progress on the EIA report was significantly prolonged by 18 months following the discovery of the protected species, amphioxus, within the seabed area of the work site in late 2019. This resulted in major rework of the design to replace the modest amount of reclamation for the enlarged storage deck with a piled deck arrangement. It also required undertaking additional sampling of the seabed to collect more data on the amphioxus in both wet and dry seasons and investigating the presence of possible sunken artefacts for the Antiquities and Monuments Department.

The second draft of the EIA report, comprising over 600 pages and including a comprehensive analysis of all aspects of the scheme was submitted to EPD for their review in May 2021. During the last 12 months it has been necessary to liaise extensively with EPD and make further changes to the design in order to satisfy the particular requirements of EPD in respect of the piled deck arrangement and the sewage disposal system. This allowed the preparation of the final submission which was then made available to submit to EPD.

In the second half of 2022 it became apparent that the Government was reconsidering the criteria used to classify those Designated projects which are subject to the preparation of an EIA report for review and approval by EPD. This new legislation was significant and in January 2023 it was formally introduced. It had major implications on the approval process for our M.I. development because the requirement for an EIA was now unnecessary.

Notwithstanding the revised requirements, the EIA report, comprising over 600 pages and including a comprehensive analysis of all aspects of the scheme was subsequently submitted to EPD for their review. Following proactive engagement with EPD to respond to the formal queries and clarifications which they had raised, the final copy of the report was made available for EPD review in July 2022.

The project will still be subject to a review of the design features and construction processes included to protect the environment, but they will be assessed at a lower level of scrutiny within the context of the overall scheme rather than a formal EIA. The work already done for the EIA will be used to prepare the new documentation for project approval.

It is disappointing and frustrating that the cost and time to prepare the EIA has been unnecessary and we have considered the action available to the Club for compensation from Government but decided it would not be appropriate to pursue at this time.

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DEVELOPMENT COMMITTEE REPORT



Following approval of the EIA it will be necessary to prepare the Section 12A submission to Town Planning Board which will give consent for rezoning of the land to allow the development to proceed. We are now working on this stage of the approval process and considering the options available to optimise the programme.

We have been supported by our three major consultants; Asia Infrastructure Solutions, Cinotech and Urbis in progressing this work. I would also like to thank the following members of the Development Committee who have all made contributions to the process throughout the period: Chris Pooley, Paul Scroggie and Eric Tang. In particular, I would recognize the efforts of former Commodore John Berry and General Manager Philippe de Manny who have made significant contributions to resolve the difficult issues which have arisen.

Barry Hill
Vice Commodore
Chairman - Development Committee

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GENERAL COMMITTEE MEMBERS 2022-2023



Flag Officers

Christopher Pooley – Commodore	General Committee - Chairman Sailing and Marine Committee House and Building Committee Development Committee Membership Committee Staff Committee
Barry Hill – Vice Commodore	Development Committee - Chairman
Graeme Brechin – Rear Commodore	Sailing and Marine Committee – Chairman
Graham Price – Rear Commodore	House and Building Committee – Chairman
James Smith – Honorary Treasurer	House and Building Committee
Christopher Tung – Honorary General Secretary	Sailing and Marine Committee House and Building Committee

General Committee Members

Alan Child	Development Committee
Bob Aylsworth – Resigned	Sailing and Marine Committee
Eric Tang	Development Committee
Felix Mak	Sailing and Marine Committee
Geroge Doyle	House and Building Committee
Ian Skeggs	Sailing and Marine Committee
Jon Zinke – Resigned	House and Building Committee Membership Committee
James Ross	Staff Committee – Chairman House and Building Committee
John Berry	Membership Committee Development Committee Sailing and Marine Committee
John Currie	Sailing and Marine Committee
Martin Ganz	House and Building Committee
Nicholas Bodnar-Horvath	Membership Committee – Chairman Balloting Committee - Chairman Staff Committee
Stephen Perret	Sailing and Marine Committee
Sam Cheng – Resigned	House and Building Committee
Terence O’Hoy	House and Building Committee

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GENERAL COMMITTEE'S REPORT



The General Committee has pleasure in submitting the annual report together with the audited financial statements for the year ended 30 June 2023.

Principal activities

The principal activities of Aberdeen Boat Club Limited (the “Club”) are the provision of recreational, boating and social facilities for members.

Business Review

The Club’s operations for the year ended 30 June 2023 were consistent with prior years with the provision of social facilities, and all forms of boating services for members and the Southern District community. The easing of the domestic COVID restrictions in the prior year helped the club to grow its revenues for the current year by 4.8% notably seeing growth in restaurant sales and income from the Club’s highly rated Boat and Dinghy courses, available to members and non-members.

Interest in joining the Club remains high and despite some members continuing to depart Hong Kong the income from Entrance Fees and Nominee Membership Fees during the reporting period remain a significant source of revenue. The year to June 2022 benefitted from several one-off items not least HKD10 million from the sale of nominee memberships to the American Club, if this item is excluded, the Entrance Fee and Nominee Fee Income showed a 13% increase on the prior year.

Even without the additional one-off income streams available last year the Club has finished the year satisfactorily with a surplus from operations of HKD5.9 million.

For the year ahead the Club has again budgeted to achieve an operating breakeven position and for new member Entrance Fees to cover ongoing major repairs and fixed asset purchases. There have been no major changes to the Club’s operations from the end of the reporting period to the date of this report.

General Committee members

The General Committee members during the financial year and up to the date of this report were:

Christopher Pooley, Commodore	
Barry Hill, Vice Commodore	(Re-elected on 29 November 2022)
Graeme Brechin, Rear Commodore	
Graham Price, Rear Commodore	
James Smith, Hon Treasurer	(Re-elected on 29 November 2022)
Christopher Tung, Hon General Secretary	(Re-elected on 29 November 2022)
Alan Child	
Eric Tang	
Ian Skeggs	
James Ross	

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GENERAL COMMITTEE'S REPORT (CONTINUED)



General Committee members (continued)

The General Committee members during the financial year and up to the date of this report were:
(continued)

John Berry	
Martin Ganz	(Re-elected on 29 November 2022)
Nicholas Bodnar - Horvath	
Stephen Perret	(Re-elected on 29 November 2022)
George Doyle	(Elected on 29 November 2022)
Felix Mak	(Elected on 29 November 2022)
Terence O' Hoy	(Elected on 29 November 2022)
Sam Cheng	(Resigned on 27 September 2022)
Bob Aylsworth	(Resigned on 10 May 2023)
Jon Zinke	(Resigned on 29 November 2022)

In accordance with Articles 29(b) and 29(c) of the Club's Articles of Association, the officers of the Club who have held office for two consecutive years and half of the members of the General Committee who have been longest in office since their last election shall retire at the forthcoming Annual General Meeting. Retiring officers and members of the General Committee shall be eligible for re-election.

General Committee members' rights to acquire shares and debentures

At no time during the year was the Club a party to any arrangement to enable the General Committee members of the Club to acquire benefits by means of the acquisition of shares in or debentures of the Club or any other body corporate.

General Committee members' interests in transactions, arrangements or contracts

No transactions, arrangements and contracts of significance in relation to the Club's business to which the Club was a party and in which a General Committee member of the Club had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Permitted indemnity provision

At no time during the year and up to date of this report, there was or is, any permitted indemnity provision being in force for the benefit of the General Committee members of the Club, whether made by the Club or otherwise.

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GENERAL COMMITTEE'S REPORT (CONTINUED)



Auditor

Baker Tilly Hong Kong Limited retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Baker Tilly Hong Kong Limited as auditor of the Club is to be proposed at the forthcoming Annual General Meeting.

By order of the General Committee

Christopher Pooley
Commodore
Hong Kong,

**Independent auditor’s report to the members of
ABERDEEN BOAT CLUB LIMITED
香港仔遊艇會有限公司**

(Incorporated in Hong Kong with liability limited by guarantee)



Opinion

We have audited the financial statements of Aberdeen Boat Club Limited (the “Club”) set out on pages 24 to 42, which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Club as at 30 June 2023, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the financial statements” section of our report. We are independent of the Club in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The General Committee members are responsible for the other information. The other information comprises the information included in the General Committee’s report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report to the members of ABERDEEN BOAT CLUB LIMITED (CONTINUED)

香港仔遊艇會有限公司

(Incorporated in Hong Kong with liability limited by guarantee)



Responsibilities of General Committee members and those charged with governance for the financial statements

The General Committee members are responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the General Committee members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the General Committee members are responsible for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the General Committee members either intend to liquidate the Club or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Club's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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.

**Independent auditor's report to the members of
ABERDEEN BOAT CLUB LIMITED (CONTINUED)**

香港仔遊艇會有限公司

(Incorporated in Hong Kong with liability limited by guarantee)



Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Committee members.
- Conclude on the appropriateness of the General 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong,

Ng Tsz Man

Practising certificate number P07892

ABERDEEN BOAT CLUB LIMITED
香港仔遊艇會有限公司

**STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

(Expressed in Hong Kong dollars)

	Note	2023 HKD	2022 HKD
Revenue	3	55,837,547	53,276,352
Cost of sales and services		<u>(15,009,395)</u>	<u>(13,805,936)</u>
Gross profit		40,828,152	39,470,416
Other income	4	10,149,852	20,364,441
Operating expenses	5	(49,429,806)	(47,364,566)
Development income	6	4,383,648	4,394,736
Gain on disposal of property, plant and equipment		<u>18,000</u>	<u>148,613</u>
Surplus from operations		5,949,846	17,013,640
Finance costs	7	<u>(43,228)</u>	<u>(22,306)</u>
Surplus and total comprehensive income for the year and transferred to accumulated fund		<u>5,906,618</u>	<u>16,991,334</u>

The notes on pages 24 to 42 form part of these financial statements.

ABERDEEN BOAT CLUB LIMITED**香港仔遊艇會有限公司****STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023**

(Expressed in Hong Kong dollars)

	Note	2023 HKD	2022 HKD
Non-current assets			
Property, plant and equipment	9	31,834,017	29,309,357
Right-of-use assets	10	<u>623,171</u>	<u>793,683</u>
		<u>32,457,188</u>	<u>30,103,040</u>
Current assets			
Inventories	11	788,389	808,366
Accounts receivable from members	12	5,469,200	5,315,370
Deposits, prepayments and other receivables		2,231,556	2,376,147
Fixed bank deposits	13	58,032,179	37,458,520
Cash and cash equivalents	13	<u>25,592,840</u>	<u>40,199,944</u>
		<u>92,114,164</u>	<u>86,158,347</u>
Current liabilities			
Accounts payable and accrued charges		7,986,865	5,545,652
Mooring income in advance		417,250	410,757
Contract liabilities	14	3,483,902	3,328,939
Lease liabilities	15	<u>187,897</u>	<u>196,172</u>
		<u>12,075,914</u>	<u>9,481,520</u>
Net current assets		<u>80,038,250</u>	<u>76,676,827</u>
Total assets less current liabilities		<u>112,495,438</u>	<u>106,779,867</u>
Non-current liabilities			
Lease liabilities	15	<u>419,490</u>	<u>610,537</u>
NET ASSETS		<u>112,075,948</u>	<u>106,169,330</u>
FUNDS EMPLOYED	16		
Accumulated fund		<u>112,075,948</u>	<u>106,169,330</u>

Approved and authorised for issue by the General Committee on

Christopher Pooley
Commodore
On behalf of the General Committee

James Smith
Honorary Treasurer
On behalf of the General Committee

The notes on pages 24 to 42 form part of these financial statements.

ABERDEEN BOAT CLUB LIMITED**香港仔遊艇會有限公司****STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

(Expressed in Hong Kong dollars)

	2023 HKD	2022 HKD
Accumulated fund at 1 July	106,169,330	89,177,996
Surplus and total comprehensive income for the year	<u>5,906,618</u>	<u>16,991,334</u>
Accumulated fund at 30 June	<u>112,075,948</u>	<u>106,169,330</u>

The notes on pages 24 to 42 form part of these financial statements.

ABERDEEN BOAT CLUB LIMITED
香港仔遊艇會有限公司

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

(Expressed in Hong Kong dollars)

	Note	2023 HKD	2022 HKD
Operating activities			
Surplus for the year		5,906,618	16,991,334
Adjustments for:			
- Interest income	4	(650,185)	(93,792)
- Depreciation of property, plant and equipment	5	7,837,820	7,825,091
- Depreciation of right-of-use assets	5	170,512	161,950
- Finance costs	7	43,228	22,306
- Gain on disposal of property, plant and equipment		(18,000)	(148,613)
- Provision for impairment loss on accounts receivables	5	<u>30,556</u>	<u>27,740</u>
Operating surplus before changes in working capital		13,320,549	24,786,016
Decrease in inventories		19,977	83,097
(Increase)/decrease in accounts receivable from members		(184,386)	200,369
Decrease/(increase) in deposits, prepayments and other receivables		144,591	(214,722)
Increase in accounts payable and accrued charges		2,441,213	810,525
Increase in mooring income in advance		6,493	4,626
Increase/(decrease) in contract liabilities		<u>154,963</u>	<u>(194,565)</u>
Net cash generated from operating activities		<u>15,903,400</u>	<u>25,475,346</u>
Investing activities			
Payment for purchase of property, plant and equipment		(10,362,480)	(4,472,747)
Proceeds from disposal of property, plant and equipment		18,000	160,000
Increase in fixed bank deposits		(20,573,659)	(89,316)
Interest received		<u>650,185</u>	<u>93,792</u>
Net cash used in investing activities		<u>(30,267,954)</u>	<u>(4,308,271)</u>
Financing activities			
Capital element of lease rentals paid	17	(199,322)	(151,843)
Interest element of lease rentals paid	17	<u>(43,228)</u>	<u>(22,306)</u>
Net cash used in financing activities		<u>(242,550)</u>	<u>(174,149)</u>
Net (decrease)/increase in cash and cash equivalents		(14,607,104)	20,992,926
Cash and cash equivalents at 1 July		<u>40,199,944</u>	<u>19,207,018</u>
Cash and cash equivalents at 30 June	13	<u>25,592,840</u>	<u>40,199,944</u>

The notes on pages 24 to 42 form part of these financial statements.

ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

1 Club information

Aberdeen Boat Club Limited (the “Club”) is incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 20 Shum Wan Road, Aberdeen, Hong Kong.

The Club is limited by guarantee with no share capital. In accordance with current Hong Kong tax legislation, the Club is not subject to profits tax on any operating surpluses if more than 50% of the gross receipts are derived from voting members of the Club.

2 Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. A summary of the significant accounting policies adopted by the Club is set out below.

The HKICPA has issued certain new or revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Club. There has been no significant impact on the Club’s financial statements for the years presented as a result of these developments.

The Club has not applied any new or revised HKFRSs that is not yet effective for the current accounting period (see note 22).

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

2 Significant accounting policies (continued)

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(e)(ii)).

The cost of construction-in-progress includes the cost of machinery, construction expenditures, materials and other costs directly attributable to bringing the assets to a working condition for its intended use.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

- Furniture and fixtures, kitchen equipment and computers	5 years
- Boat storage equipment	5 years
- Motor vehicles, motor boats and sailing dinghies	5 years

The useful life of an asset and its residual value, if any, are reviewed annually.

Construction-in-progress is not depreciated until it is completed and ready for its intended use.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

(d) Leased assets

At inception of a contract, the Club assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

At the lease commencement date, the Club recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Club enters into a lease in respect of a low-value asset, the Club decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a straight-line basis over the lease term.

ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

2 Significant accounting policies (continued)

(d) Leased assets (continued)

(i) As a lessee (continued)

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Club's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Club will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see note 2(e)(ii)). Depreciation is calculated to write off the cost of right-of-use assets using the straight-line method over the lease term.

(ii) As a lessor

When the Club acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying asset to the lessee. If this is not the case, the lease is classified as an operating lease. When a contract contains lease and non-lease components, the Club allocates the consideration in the contract to each component in a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 2(m)(iv).

ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

2 Significant accounting policies (continued)

(e) Credit losses and impairment of assets

(i) Credit losses from financial assets

The Club recognises a loss allowance for expected credit losses (“ECLs”) on the financial assets measured at amortised cost (including accounts receivable from members, deposits and other receivables, fixed bank deposits, and cash and cash equivalents).

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Club in accordance with the contract and the cash flows that the Club expects to receive), discounted at the original effective interest rate, where the effect of discounting is material.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Club is exposed to credit risk. In measuring ECLs, the Club takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

Loss allowances for accounts receivable from members are always measured at an amount equal to lifetime ECLs which result from all possible default events over the expected lives of these financial assets. ECLs on these financial assets are estimated using a provision matrix based on the Club’s historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the end of the reporting period.

For all other financial assets measured at amortised cost, the Club recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial asset since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs. The 12-month ECLs are losses that are expected to result from possible default events within the 12 months after the end of the reporting period.

In assessing whether the credit risk of a financial asset has increased significantly since initial recognition, the Club compares the risk of default occurring on the financial asset assessed at the end of the reporting period with that assessed at the date of initial recognition. In making this reassessment, the Club considers that a default event occurs when the borrower is unlikely to pay its credit obligations to the Club in full, without recourse by the Club to actions such as realising security (if any is held). The Club considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

2 Significant accounting policies (continued)

(e) Credit losses and impairment of assets (continued)

(i) Credit losses from financial assets (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in the financial asset's external or internal credit rating (if any);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Club.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Club recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that property, plant and equipment, and right-of-use assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased.

If any such indication exists, the asset's recoverable amount is estimated.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

2 Significant accounting policies (continued)

(e) Credit losses and impairment of assets (continued)

(ii) Impairment of other non-current assets (continued)

- Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

- Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(f) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out basis and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(g) Receivables

A receivable is recognised when the Club has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. Receivables are stated at amortised cost using the effective interest method less allowance for ECLs (see note 2(e)(i)).

ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

2 Significant accounting policies (continued)

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECLs (see note 2(e)(i)).

(i) Payables

Payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(j) Contract liabilities

A contract liability is recognised when the customer pays consideration before the Club recognises the related revenue (see note 2(m)). A contract liability is also recognised if the Club has an unconditional right to receive consideration before the Club recognises the related revenue. In such cases, a corresponding receivable is also recognised.

(k) Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans, benefits accessed through the Staff Assistance Program and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(l) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Club has a legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

2 Significant accounting policies (continued)

(m) Revenue and other income

Income is classified by the Club as revenue when it arises from membership renewal, bar and restaurant sales and usage of other club facilities, including hiring of club moorings and dinghies and the registration of various courses.

Revenue is recognised when the lessee has the right to use the Club's assets under operating leases, and when control over a product or service is transferred to the customer at the amount of promised consideration to which the Club is expected to be entitled, excluding those amounts collected on behalf of third parties.

Further details of the Club's revenue and other income recognition policies are as follows:

- (i) Subscriptions and building levies are recognised in profit or loss over time, i.e. over the subscription period.
- (ii) Entrance fees and income from sale of nominee membership are recognised in profit or loss at a point in time when the candidate is admitted as a member of the Club.
- (iii) Food and bar revenues are recognised in profit or loss at a point in time when food and beverages and the related services are provided to customers.
- (iv) Mooring rental income, club boat income and car park label income are recognised over time, i.e. over the lease period.
- (v) Dinghy course income is recognised over time, i.e. over the period of training courses.
- (vi) Income from transfer of nominee membership is recognised at a point in time when the related services are rendered.
- (vii) Government grants are recognised at their fair value when there is reasonable assurance that the grants will be received and that the Club will comply with all attached conditions. Grants that compensate the Club for expenses incurred are recognised as income in profit and loss on a systematic basis in the same period in which the expenses are incurred.
- (viii) Interest income is recognised as it accrues using the effective interest method.

(n) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates.

ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

2 Significant accounting policies (continued)

(o) Related parties

- (a) A person, or a close member of that person's family, is related to the Club if that person:
- (i) has control or joint control of the Club;
 - (ii) has significant influence over the Club; or
 - (iii) is a member of the key management personnel of the Club.
- (b) An entity is related to the Club if any of the following conditions applies:
- (i) The entity and the Club are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Club or an entity related to the Club.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Club.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

3 Revenue

The principal activities of the Club are the provision of recreational, boating and social facilities for members. The amount of each significant category of revenue recognised during the year is as follow:

	2023 HKD	2022 HKD
Subscriptions	25,119,675	23,999,890
Bar sales	5,273,453	5,519,139
Restaurant sales	14,818,649	13,977,129
Mooring rental income	4,850,478	4,804,125
Club boat and dinghy course income	2,645,074	1,753,973
Car park label income	2,556,230	2,657,365
Miscellaneous income	<u>573,988</u>	<u>564,731</u>
	<u>55,837,547</u>	<u>53,276,352</u>

The Club has applied the practical expedient in paragraph 121 of HKFRS 15 to its sales contracts such that it does not include information about revenue that the Club will be entitled to when it satisfies the remaining performance obligations under the contracts that had an original expected duration of one year or less.

4 Other income

	2023 HKD	2022 HKD
Entrance fees	5,770,760	6,113,340
Government grants (note)	541,600	1,476,780
Interest income	650,185	93,792
Insurance claim	-	870,000
Nominee membership transfer fees	774,000	1,326,000
Sale of nominee memberships	1,330,000	10,330,000
Sundry income	<u>1,083,307</u>	<u>154,529</u>
	<u>10,149,852</u>	<u>20,364,441</u>

Note:

The Government of the Hong Kong Special Administrative Region established the Anti-epidemic Fund (the "Fund") to provide financial support to individuals and businesses. The Club successfully applied for wage subsidies under the Employment Support Scheme. Under the terms of the grant, the Club is required to undertake not to make redundancies during the subsidy period of May to July 2022 and to spend all the funding on paying wages to its employees. During the year ended 30 June 2022, the Club was also granted an one-off subsidy from the D-Biz Programme under the Fund, and, being a holder of a certificate of compliance issued under the Clubs (Safety of Premises) Ordinance, an one-off subsidy under the Clubhouse Subsidy Scheme.

ABERDEEN BOAT CLUB LIMITED**香港仔遊艇會有限公司****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

(Expressed in Hong Kong dollars)

5	Operating expenses	2023 HKD	2022 HKD
	Auditor's remuneration	72,000	67,000
	Bank charges	117,739	115,536
	Cleaning and consumable stores	240,266	223,451
	Depreciation of property, plant and equipment	7,837,820	7,825,091
	Depreciation of right-of-use assets	170,512	161,950
	Electricity, gas and water	2,638,492	2,074,433
	Entertainment	150,280	175,692
	HKSF subscriptions	93,979	90,699
	Insurance	2,436,985	2,407,624
	Legal and professional fees	203,200	253,653
	Local travelling and transportation	29,552	17,488
	Magazines and newspapers	64,933	68,260
	Postage, printing and stationery	718,935	663,596
	Provident fund contributions	2,150,946	2,089,161
	Provision for impairment losses on accounts receivable	30,556	27,740
	Rent, rates and licences	294,211	262,621
	Repairs and maintenance	2,023,390	1,674,738
	Salaries, wages and staff welfare	26,587,443	25,465,841
	Sundry expenses	3,243,406	3,434,399
	Swimming pool expenses	10,900	4,610
	Uniforms and laundry	<u>314,261</u>	<u>260,983</u>
		<u>49,429,806</u>	<u>47,364,566</u>
6	Development income	2023 HKD	2022 HKD
	Building levies	<u>4,383,648</u>	<u>4,394,736</u>
7	Finance costs	2023 HKD	2022 HKD
	Interest on lease liabilities	<u>43,228</u>	<u>22,306</u>
8	General Committee members' remuneration		

No General Committee members received, or will receive, any fees or emoluments (2022: HKDnil) in respect of services to the Club during the year.

ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

9 Property, plant and equipment

	Assets under construction HKD	Leasehold land and buildings HKD	Furniture and fixtures, kitchen equipment and computers HKD	Boat storage equipment HKD	Motor vehicles, motor boats and sailing dinghies HKD	Total HKD
Cost:						
At 1 July 2021	9,801,463	-	38,048,011	8,656,183	13,155,802	69,661,459
Transfers	(242,769)	-	-	-	242,769	-
Additions	3,582,952	-	507,757	-	382,038	4,472,747
Disposals	-	-	-	-	(625,073)	(625,073)
At 1 July 2022	13,141,646	-	38,555,768	8,656,183	13,155,536	73,509,133
Transfers	(3,215,052)	-	541,500	-	2,673,552	-
Additions	5,392,538	-	1,729,816	2,365,941	874,185	10,362,480
Disposals	-	-	-	-	(228,077)	(228,077)
At 30 June 2023	<u>15,319,132</u>	-	<u>40,827,084</u>	<u>11,022,124</u>	<u>16,475,196</u>	<u>83,643,536</u>
Accumulated depreciation:						
At 1 July 2021	-	-	22,931,277	4,899,891	9,157,203	36,988,371
Charge for the year	-	-	5,145,281	1,673,786	1,006,024	7,825,091
Eliminated on disposals	-	-	-	-	(613,686)	(613,686)
At 1 July 2022	-	-	28,076,558	6,573,677	9,549,541	44,199,776
Charge for the year	-	-	5,247,901	1,520,763	1,069,156	7,837,820
Eliminated on disposals	-	-	-	-	(228,077)	(228,077)
At 30 June 2023	-	-	<u>33,324,459</u>	<u>8,094,440</u>	<u>10,390,620</u>	<u>51,809,519</u>
Carrying value:						
At 30 June 2023	<u>15,319,132</u>	-	<u>7,502,625</u>	<u>2,927,684</u>	<u>6,084,576</u>	<u>31,834,017</u>
At 30 June 2022	<u>13,141,646</u>	-	<u>10,479,210</u>	<u>2,082,506</u>	<u>3,605,995</u>	<u>29,309,357</u>

The Club has previously taken advantage of the exemption under Statement of Standard Accounting Practice No. 17 "Property, Plant and Equipment" such that the cost of leasehold land and buildings was written off to the accumulated fund in the year it was incurred. Upon the adoption of the transitional provisions of HKAS 16 "Property, Plant and Equipment", leasehold land and buildings are accounted for as property, plant and equipment at the deemed cost and depreciation on the deemed cost commenced from 1 July 2005. The deemed cost, being the carrying amount of the leasehold land and buildings as at 1 July 2005, is HKDnil.

ABERDEEN BOAT CLUB LIMITED**香港仔遊艇會有限公司****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

(Expressed in Hong Kong dollars)

10	Right-of-use assets		2022 HKD
	Cost:		
	At 1 July 2021		383,473
	Additions		157,000
	Lease modification		<u>721,938</u>
	At 30 June 2022, 1 July 2022 and 30 June 2023		<u>1,262,411</u>
	Accumulated depreciation:		
	At 1 July 2021		306,778
	Charge for the year		<u>161,950</u>
	At 30 June 2022 and 1 July 2022		468,728
	Charge for the year		<u>170,512</u>
	At 30 June 2023		<u>639,240</u>
	Carrying value:		
	At 30 June 2023		<u>623,171</u>
	At 30 June 2022		<u>793,683</u>

The Club has obtained the right to use a land lot leased from the Government of the Hong Kong Special Administrative Region for the operation of a clubhouse and properties for warehouse through lease agreements (2022: same). The leases run for an initial period of 2 to 5.5 years (2022: 2 to 5.5 years) and the lease of the land lot contains variable lease payment terms that are based on rateable value of the land lot from time to time.

At 30 June 2023, it is estimated that an increase in rateable value of the land lot by 5% would have increased the lease payments by 5%.

11	Inventories	2023 HKD	2022 HKD
	Club shop stock	69,715	70,750
	Bar stock	241,301	222,588
	Restaurant stock	<u>477,373</u>	<u>515,028</u>
		<u>788,389</u>	<u>808,366</u>

ABERDEEN BOAT CLUB LIMITED**香港仔遊艇會有限公司****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

(Expressed in Hong Kong dollars)

12 Accounts receivable from members

	2023 HKD	2022 HKD
Accounts receivable	5,547,338	5,407,915
Less: Loss allowance (note 18(a))	(78,138)	(92,545)
	<u>5,469,200</u>	<u>5,315,370</u>

All accounts receivable is expected to be recovered within one year.

13 Cash and bank balances

	2023 HKD	2022 HKD
Bank deposits with original maturity within 3 months	3,654,814	3,578,314
Cash at bank and in hand	<u>21,938,026</u>	<u>36,621,630</u>
Cash and cash equivalents	25,592,840	40,199,944
Bank deposits with original maturity over 3 months	<u>58,032,179</u>	<u>37,458,520</u>
	<u>83,625,019</u>	<u>77,658,464</u>

14 Contract liabilities

These represent billings for subscriptions and course fees in advance of performance under the service contracts with members. Movements in contract liabilities during the year are as follows:

	2023 HKD	2022 HKD
Balance at 1 July	3,328,939	3,523,504
Decrease in contract liabilities as a result of recognising revenue during the year that was included in contract liabilities at the beginning of the year	(3,328,939)	(3,523,504)
Increase in contract liabilities as a result of billing in advance of performance	<u>3,483,902</u>	<u>3,328,939</u>
Balance at 30 June	<u>3,483,902</u>	<u>3,328,939</u>

ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

15 Lease liabilities

The following table shows the remaining contractual maturities of the Club's lease liabilities:

	2023		2022	
	Present value of the lease payments HKD	Total lease payments HKD	Present value of the lease payments HKD	Total lease payments HKD
Within 1 year	<u>187,897</u>	<u>213,750</u>	<u>196,172</u>	<u>239,400</u>
After 1 year but within 2 years	133,066	149,400	191,047	216,900
After 2 years but within 5 years	<u>286,424</u>	<u>298,800</u>	<u>419,490</u>	<u>448,200</u>
	<u>419,490</u>	<u>448,200</u>	<u>610,537</u>	<u>665,100</u>
	<u>607,387</u>	661,950	<u>806,709</u>	904,500
Less: Total future interest expenses		(54,563)		(97,791)
Present value of lease liabilities		<u>607,387</u>		<u>806,709</u>

16 Capital management

Capital represents the accumulated fund as stated in the statement of financial position. The Club's objective when managing capital is to safeguard its ability to continue as a going concern. The Club manages capital by regularly monitoring its current and expected liquidity requirements.

The Club is not subject to either internally or externally imposed capital requirements.

ABERDEEN BOAT CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

17 Cash flow information

Reconciliation of liabilities arising from financing activities:

	Lease liabilities HKD
At 1 July 2021	<u>79,614</u>
Cash flows:	
- Capital element of lease rentals paid	(151,843)
- Interest element of lease rentals paid	<u>(22,306)</u>
Total changes from financing cash flows	<u>(174,149)</u>
Other changes:	
- Increase in lease liabilities due to lease modification	721,938
- Increase in lease liabilities from entering into a new lease during the year	157,000
- Interest on lease liabilities	<u>22,306</u>
Total other changes	<u>901,244</u>
At 30 June and 1 July 2022	<u>806,709</u>
Cash flows:	
- Capital element of lease rentals paid	(199,322)
- Interest element of lease rentals paid	<u>(43,228)</u>
Total changes from financing cash flows	<u>(242,550)</u>
Other changes:	
- Interest on lease liabilities	<u>43,228</u>
At 30 June 2023	<u>607,387</u>

ABERDEEN BOAT CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

18 Financial risk management and fair values

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Club's operations. These risks are limited by the Club's financial risk management policies and practices described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Club. The Club's credit risk is primarily attributable to accounts receivable from members. The Club's exposures to credit risks arising from fixed bank deposits and cash and cash equivalents are limited because the counterparties are financial institutions that have sound credit ratings.

At 30 June 2023, the Club had a certain concentration of credit risk as 74% (2022: 53%) of cash and bank balances was held by a financial institution.

In respect of accounts receivable from members, individual credit evaluations are performed on all members requiring credit over a certain amount. Accounts receivable are due within 30 days from the date of billing. Debtors with balances that are more than 2 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Club does not obtain collateral from members

The Club measures loss allowance for accounts receivable from members at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Club's historical credit loss experience does not indicate significantly different loss patterns for different member segments, the loss allowance based on past due status is not further distinguished between the Club's different member bases.

The table below provides information about the Club's exposure to credit risk as at 30 June 2023 and 2022:

	2023 HKD	2022 HKD
Not yet due	4,998,181	4,847,822
Less than 1 month past due	409,754	417,669
1 to 3 months past due	<u>61,265</u>	<u>49,879</u>
	<u>5,469,200</u>	<u>5,315,370</u>

ABERDEEN BOAT CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

18 Financial risk management and fair values (continued)

(a) Credit risk (continued)

Movements in the loss allowance in respect of accounts receivable during the year are as follows:

	2023 HKD	2022 HKD
At 1 July	92,545	64,805
Provision for impairment loss	30,556	27,740
Uncollectible amounts write-off	<u>(44,963)</u>	<u>-</u>
At 30 June	<u>78,138</u>	<u>92,545</u>

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

(b) Liquidity risk

The Club's policy is to regularly monitor its current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet such requirements in the short and longer term.

(c) Interest rate risk

The club's interest rate risk arises primarily from bank deposit and lease liabilities, which are at fixed rates and expose the Club to fair value interest rate risk. The Club does not use financial derivatives to hedge against interest rate risk.

(d) Foreign currency risk

The Club is not exposed to significant foreign currency risk as most of its revenue and expenses are denominated in the functional currency of the Club.

(e) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 30 June 2023 and 2022.

ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

19 Commitments

Capital commitments outstanding at 30 June 2023 not provided for in the financial statements were as follows:

	2023 HKD	2022 HKD
Property, plant and equipment Contracted but not provided for	<u>12,271,793</u>	<u>5,460,336</u>

20 Information for members

The Club is not authorised to issue share capital and is limited by guarantee. The liability of members is limited, in the event of the Club being wound up, to HKD 100 per member.

21 Contingent liabilities

During the year ended 30 June 2022, a member of the Club had filed a lawsuit against the Club, seeking for a compensation of HKD1,800,000 for the loss of his boat “Christine Lorraine”. The dispute is still in process up to the date of this report.

The General Committee considers that the claim has no merits and no liabilities will finally crystallise. Accordingly, no provision for the claim has been made in the financial statements.

22 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 30 June 2023

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and a new standard which are not yet effective for the year ended 30 June 2023 and which have not been adopted in these financial statements.

The Club is assessing what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them will not have a significant impact on the Club’s financial statements.

23 Comparative figures

Certain comparative figures have been reclassified to conform with the current year’s presentation.

