



ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

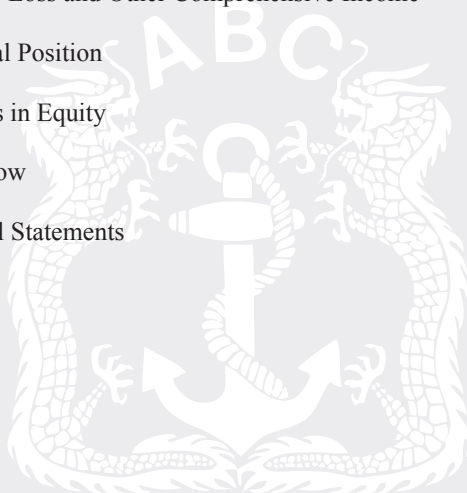
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

**REPORTS AND
FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2024**



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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, 26 November 2024 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 28 November 2023.
2. To receive the report of the Committee covering the activities of the Club for the year ended 30 June 2024.
3. To adopt the accounts for the year ended 30 June 2024.
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 2023-2024



Sailing and Marine Committee

Stephen Perret (Chairman)
Andrew Burgin
Christopher Tung
Christopher Pooley
Felix Mak
Ian Skeggs
John Berry
John Currie
James Barker - (Advisory Member)
Gideon Mowser (Advisory Member)
Graeme Brechin (Resigned on 18 Dec 2023)

House and Building Committee

Graham Price (Chairman)
Christopher Tung
Christopher Pooley
George Doyle
James Smith
James Ross
Martin Ganz
Terence O'Hoy
David Rees (Advisory Member)

Development Committee

John Berry (Chairman)
Alan Child
Christopher Pooley
Eric Tang
Paul Scroggie (Advisory Member)
Barry Hill (ex-Chairman - deceased on 27 Aug 2024)

Membership Committee

Nicholas Bodnar-Horvath (Chairman)
Christopher Pooley
John Berry
Felix Mak
Jennifer Ganz (Advisory Member)

Staff Committee

James Ross (Chairman)
Christopher Pooley
Nicholas Bodnar-Horvath
Terence O'Hoy

Balloting Committee

Nicholas Bodnar-Horvath (Chairman)

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COMMODORE'S REPORT YEAR ENDED 30TH JUNE 2024



The resumption of travel-----international and increasingly cross-border-----and the return of 'normal' life has had its impact on Club and hospitality revenues throughout HK, a trend which has not spared ABC as the Treasurers\'s Report outlines in detail. Thus, this year's result has waned somewhat from the "highly satisfactory" description of last year's overall outcome.

Despite the decline in general Community expenditure locally, the year's result can nevertheless be considered satisfactory as the following snapshot illustrates:-

- Total Revenue \$ 54.0 m. yielding a surplus of \$ 2.0m
- Interest earned \$ 2.5m, yes **\$ 2.5m!** Thanks to the prevailing high rates and the \$ 80.0m or so held in several funds, MI being the largest.
- The R Fund [being held for the Main Club Renovation projects] fell by \$ 6.4 m as work proceeded as intended. The House report gives full details and rightly highlights the enthusiasm of all in the team for the task---actually tasks, so many of them. One set completed during the year was the opening of the re-fitted toilets on the 2nd and 3rd floors, a smart improvement. Beyond the scope of this report Members will benefit later in 2024 from the completion of a wholesale renovation which will transform the Galley

As is to be expected with a Community-wide reduction in leisure expenditure the F&B sales were down about 9% on the prior year. Although Functions did show a healthy increase of 19% over the prior year. Members can help boost this sector by holding special occasions, private or corporate, in 'their' Club rather than in expensive Commercial Hostelryes. At those functions I have been fortunate to attend non-members all spoke very highly of the quality of the Club's fare and the diligence and cheerful nature of our staff -----something for which ABC is rightly renowned. One other unhelpful trend for the Hospitality industry is a generational decline in alcohol consumption----possibly to the benefit of Community health!

Though justly proud of the F&B side of our activities the 'B' in ABC actually stands for Boat! We are primarily a Boating ----in fact an all water-sport Club----- with decent F&B as a bisque. A busy year once again afloat with a healthy sailing school result, albeit down a little on prior year thanks to the resumption of travel impact. The success of our Dinghy School and ARA in attracting the wider community to the Club not only brings in much needed revenue but also aids our cause in promoting the Club and the MI Development Project. As testament to the high standard of the ARA training two former 'stars' Akira Sakai and Russell Aylsworth were selected to represent HK in the 29'er category at the Paris Olympics. A huge honour for them which reflects very well on ABC.

The regular Racing Series of Waglan and Summer, plus the Opening Regatta and the unique to ABC 4 Peaks Race were all very well supported and loyally sponsored---details in the Sailing and Marine Report.



Three Marine matters of note:-

- the two new Orkney Sampan boats arrived from UK and entered service after the naming ceremony on 29th June.
- the opportunity was taken to purchase two new 29'ers on special offer, while 8 old Optimists were retired.
- One new mooring was acquired and installed after Mardep responded to the request lodged 16 years earlier! Planning is proceeding apace on the major periodic mooring maintenance scheduled for 2025, while routine R&M takes place as needed.

Development Committee continued patiently to navigate through or around the various bureaucratic hurdles acquiring during the year some very encouraging letters of Support from other Clubs and Govt Depts; one particularly enthusiastic message was sent by HK's Olympic Committee which should prove invaluable. At the time of writing one important Support letter is awaited on receipt of which all should be ready for submission to Town Planning Board. If approval is granted, which is expected with reasonable confidence, then in a year or so's time the General Committee will need to set the stage for an EGM to decide exactly how, and how far, to proceed.

Other notable events:-

- Most sadly after a long illness which had kept Vice-Commodore and Chairman of Devcom Barry Hill from HK and the Club, Barry Hill passed away in August. A well-attended memorial reception was held which highlighted the enormous contributions he had selflessly made to the Club since the late 90's. Subsequently John Berry, another Devcom stalwart, took over as Chairman in his stead, while Alan Child was appointed Vice-Commodore.
- On the 30th June after a number of years' grooming and planning Philippe de Manny's chosen successor Robin Sherchan took over as General Manger and Philippe stepped down after 21 most successful years in charge, during which the Club was transformed, and is now a multiple of its former self.
- He has stepped down but is still with us in a new role, as we take advantage of his long experience and HK connections to promote and drive Membership and Debenture Sales. Entrance fees currently form a valuable 'brick' in the revenue foundation [see Treasurer's Report] but the momentum must be maintained in changing times, while the demands from the ageing Main Clubhouse continue unabated.
- We all wish them both every success in their new roles.



What next?

- Well, we still face the unrealised threat of the undefined Land Premium charge which could well cast a shadow over MI Development Plans and the Main lease which expires in 2027. When the time comes we will join forces with other PRL Clubs to address the challenge in a reasoned manner from a strong foundation.
- Costs: Running a Club with a lot of floating assets, Capital demands, with ageing infrastructure, new Development ambitions and 70 staff in inflationary times plainly requires a continual, reliable stream of revenue, potentially from new sources. But the good ship ABC is built of stern material, crewed by dedicated staff and enthusiastic members and is thus well positioned to weather the headwinds.

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 participation of Flag Officers and members on the various Committees each one of whom merits and receives my heartfelt thanks and appreciation. It is indeed a pleasure and an honour to be part of this collective team, and I look forward to the future with confidence.

Chris Pooley
Commodore

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HONORARY TREASURER'S REPORT



As projected in last year's Treasurers Report, in common with other clubs, restaurants and shops in Hong Kong, the increased trend for people to travel to Mainland China and overseas over the past year has adversely affected the latest results, particularly when compared to the very strong performance the year before, which benefitted from the lifting of the COVID restrictions. Nevertheless, in the circumstances the financial result for the year to 30 June 2024 was again highly satisfactory with a total surplus for the 12 months of HKD 2,029,000. Of this a net HKD 3,160,000 was allocated to the Middle Island Development Fund with a deficit in the General Fund in the year of HKD 1,131,000.

Total Revenue from operating activities fell by 2.0 % to HK 54,685,000; of this it was gratifying to note that subscriptions held up increasing by 6.8% over last year. Notably, and as expected, the greatest impact of people travelling outside Hong Kong was on the combined food and beverage sales which fell by 9% compared to last year. Particularly adversely affected were the Coffee Shop and Middle Island, however the Club's Functions remain popular with Function revenues increasing by 19% over the prior year. The Club's Dinghy School continues to be very popular with members and non-members alike and generated a surplus of HKD 1,929,000 in the year, although a reduction on last year. In the circumstances this had been anticipated and budgeted.

Costs continued to be closely monitored throughout the period and total operating expenses increased by less than 1% over the previous year. It should be noted this is despite a 6% increase in staff costs as in line with the whole F&B sector in Hong Kong the club continues to be faced with significant wage pressures.

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 4,034,000 albeit this is a reduction on the abnormally high figure of HKD 7,874,000 in the prior year.

As of 30 June 2024 the Club's total Cash and Bank Balances were HKD 80,016,000 a decrease of HKD 3,609,000 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 HKD 64,380,000 (2023: HKD 61,220,000). As members will have noted, the Club is committed to a major renovation of parts of the main club house and during the year relevant payments of HKD 6,490,000 were made from the House "Renovation" Fund that had previously been set aside for this purpose. As at 30 June 2024, this Fund had a cash balance, after expenditures of HKD 6,233,000 (2023: HKD 12,723,000) and the General Fund had available cash of HKD 9,403,000 (2023: HKD 9,682,000).

Other than the renovation program a prudent approach was again taken towards Capital Expenditure, limiting it to only that seen as vitally necessary. Consequently, there has been a slight decrease in total Capital Expenditure during 2024 to HKD 10,026,000. In addition to the HKD 5,777,000 of new club house renovation expenditure, a further HKD 1,397,000 related to House and Buildings with HKD 280,000 spent renovating the swimming pool, HKD 230,000 upgrading

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HONORARY TREASURER'S REPORT



the Fire safety equipment and HKD 170,000 replacing Chiller Units. A further HKD 1,222,000 was spent on progressing the Middle Island Development Project and HKD 1,630,000 on renewing the club's marine assets, primarily replacing ABC 5 and some dinghies.

Since the year end, the impact of people travelling more has continued to adversely impact the Club's revenues and we are still facing inflationary pressures both in staff and other underlying costs. Accordingly, there will need to be continued emphasis on cost control throughout the current year. Nevertheless, both total revenues and operating costs for the three months to September 2024 are in line with the same period last year. Traditionally the club has used New Members Entrance and Transfer Fees to fund the annual Capital expenditure requirements, with the scale of the current renovations this is not anticipated to be sufficient this coming year and utilisation of cash reserves may be required.

James Smith
Honorary Treasurer

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SAILING AND MARINE COMMITTEE REPORT



2024 has been a steady year of consolidation for the Sailing and Marine Department of The Aberdeen Boat Club. The department has been subject to the ongoing stringent fiscal conditions and has found innovative ways of improving the service delivered while controlling costs by applying the club's assets in more efficient ways. The Club was successful in attracting sponsors for our various events specifically Sailing Committee members, John Curries, Barry Hill and Gideon Mowser and the Marine and Sailing Management team. A big thank you to Solaris Yachts, Sky International, Hepworth Brewery, Zurich Watch and Fuegy for their valuable contributions throughout the year.

Sailing

The dinghy school has had a busy year under the guidance of the new Watersports Training Manager, Howie Suen. The school's junior classes were heavily subscribed with over 50% of student numbers coming from outside the club. This is testament to the Club's proactive approach to engaging and encouraging the local community. Adult classes were slightly down though there was increased participation in the second half of the year.

The Aberdeen Racing Academy (ARA) has had particular success this year with a number of students participating in the World and European Dinghy Championships. The years of dedicated and elite coaching of the best of our young students resulted in a Bronze Medal at the European Championships. The ARA was also where one of the Hong Kong entrants to this year's 49er competition at the Paris Olympics spent his formative years. All involved in the ARA's formulation and long-term management should be proud of its achievements.

The 'big boat' sailing calendar this year saw strong participation from not only ABC but also RHKYC and HHYC. The Four Peaks Race was professionally managed by our dedicated team and for the first time, we had foreign runners enter. They were impressed with the race and plan to return next year. Both the Waglan and Summer series were well subscribed with healthy competition under the expert race management of ABC's marine team.

Marine

ABC has taken delivery of two new, efficient tenders and retired two old, maintenance intensive boats. The new boats, "Beaufort" and "Sung Kong" entered service on the 29th of June after a traditional boat naming ceremony. While not traditional to thank boats for their service, tribute should be paid to ABC 5 which was taken out of service after 38 years of loyal service.

During the year, the club added 2 new 29ers to our dinghy fleet and retired 8 optimists which had reached the end of their service life.

ABC added one more Government mooring dedicated to our flagship, Shun Fung. The ongoing mooring service and replacement plan is progressing on schedule with significant works coming up during the next two years.

On the distant horizon is the re-development of Middle Island. The Marine team has begun formulating plans with the aim of developing a world class sailing centre. There is no fixed date for the start of the project but recent communications with various government departments yielded indications that the proposed timeline could be shortened.

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SAILING AND MARINE COMMITTEE REPORT



The Teams

The most important part of this report is to not only thank but also praise the efforts of the various teams that put the 'B' into ABC. To the marine staff who always present with a smile and a helping hand – please accept the gratitude of all members. To the coaching staff of the dinghy school and the ARA, please accept thanks not only from the members but also from the parents and friends of the Club's most valuable asset – our young sailors. To the management team of Alex Johnston, Jennifer Li and Howie Suen; thank you for your dedicated and professional efforts throughout the year. Your willingness to go beyond the call is greatly appreciated.

Stephen Perret

Rear Commodore

Chairman – Sailing & Marine Committee



House Committee has wide ranging list of responsibilities in addition to the operation of our Main Clubhouse and Middle Island, and all Food and Beverage services.

The Refit Project

In Q3 of 2023 the replacement of the Services Spine (Pipes!) was completed and with that work the new ladies and gents toilets on 2 & 3 floor. These were very well received by members.

As these words are being written Phase 1 of the Refit Project is underway. 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.

Although this work is outside the reporting period of July 2023-June 2024 it is hard not to mention the stunning new entrance, refurbished staircase, reception and completely new Galley Restaurant.

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:

- Introduction of Health and Safety Policy
- Middle Island Ceiling Repair
- Main pontoon re-painting and club signage
- New Playground Safety Mat
- Sewerage Pipes on MI
- New AV equipment including new TV & Projectors
- AC Split Units for Kitchen on MI
- Renovation of the Bridge
- New Swimming Pool surround covering & décor.
- Introduction of energy monitor
- New Gym equipment - Leg Press, Dumbbell, Rowing machine
- Health & Wellness workshop for club staff
- Refit Phase 0 - 2/F & 3/F Toilet Renovation Work - Completed
- Refit Phase 1 - Design & Contract for Improvements to the Main Entrance, Staircase, Reception & The Galley at Main Clubhouse.
- Stephen Davies commemorative wall
- Waterproofing and tiles replacement on the Patio
- Security system upgrade– CCTV Installation
- Redesign of Club’s Website (in progress)
- Introduction of the Curation/Artefact Plan

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HOUSE AND BUILDING COMMITTEE REPORT



Staff

Aberdeen Boat Club is fortunate to have loyal and dedicated staff. We appointed 16 new staff members during the year, unfortunately we also lost some important members of the team.

Welcome to:

Hong Xiaoqing, Maden Nisum, Sitadevi Limbu, Crystal Leung Kwan Yi, Raju Limbu, Jonathan Slattery, Tsang Lui Ming, Wu Qiyu, Muniyandi, Rajagopalan
Ng Siu Hin Steve, Rishika Limbu, Cai Youqun, Cheng Yuet Wa, Jamie Boag

Farewell to:

Yadav, Ramakant, Mausam Gurung, Abdul Kadir, Wong Ming, Daniel Dolega
Yau Man Chun, Sabina Limbu, Chung Yat Fan, Mak Man Kit, Sze Ching Ling, Magar Dipa,
Ng Siu Hin Steve, Rishika Limbu, Cai Youqun, Cheng Yuet Wa, Jamie Boag

We thank them all for their service and wish those who left us all 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, 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 main task of the Development Committee is managing the planning and development of ABC's Middle Island facility. The Club has come a long way at Middle Island since the 1980s when it set up a pontoon barge, with a storage shed housing around eight training dinghies, with a viewing deck above, tethered to a mooring buoy off an old repair yard and boat ramp. Training was conducted by members. When the repair yard ceased operations the Club was able to take over the tenancy, and transferred the club boats ashore, which enabled room for additional private dinghies as well as club trainers. As usage grew the club area was able to be extended and the present clubhouse constructed.

Concepts and plans began to be developed for a larger facility to provide for the club's continuing growth of usage of the sailing, racing and clubhouse facilities to serve the growth in members' needs and the substantial public demand for sail training.

Concepts were developed and submissions made to Government. As part of statutory approval process some modifications of the plan have been necessary and advantageous in pursuit of a buildable and efficient expansion of our Middle Island centre.

After the demanding environmental hurdles were overcome, the Club is now on the process of making a 'Section 12A' submission to Town Planning Board for establishment of town planning zoning which is needed for a lease of land/seabed can be given. During the last year the committee have continued to progress that that phase of the approval process, after which updated costing, phasing, followed by detailed design and construction can proceed.

A neighbour's support is needed in this part of the planning process, and dialogue with RHKYC continues via with several get-togethers and contacts between flag officers and Devcom, Some modifications to the layout were made to in response to RHKYC's comments, and a summary of ABC's revised plan has been passed to them.

Letter of support received will be submitted with the Town Planning submission, including from Sports Federation and Olympic Committee, Hong Kong Sailing Federation, Outward Bound, and Sailability, and other parties have been approached.

After the planning process is complete we will be able to move into the development phase. We have been well supported by our consultants in our submissions: Urbis is lead in this planning phase, with inputs from Asia Infrastructure Solutions (engineering), Cinotech,(environmental) and MPS (marine traffic impact assessment).

I would also like to thank the following members of the Development Committee who have all made contributions to the process throughout the past year: Chris Pooley, Alan Child, Paul Scroggie and Eric Tang, In matters regarding land leases for our property we are also fortunate to have the support of Alan Child.

Very sadly our Development Committee Chairman Barry Hill has passed away recently after a period of illness. Barry enthusiastically guided the Middle Island Development project over the past decade or so, and added strong project management and communication skills to guide and drive the process of development together with land and related matters.

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DEVELOPMENT COMMITTEE REPORT



I would also thank previous General Manager Philippe de Manny and now the current General Manager Robin Sherchan and club staff for their support and advice in various matters related to the development which have arisen from time to time.

John Berry
Chairman - Development Committee

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GENERAL COMMITTEE MEMBERS 2023-2024



Flag Officers

Christopher Pooley – Commodore	General Committee – Chairman Sailing and Marine Committee House and Building Committee Development Committee Membership Committee Staff Committee
Alan Child – Vice Commodore	Development Committee
Stephen Perret – 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

Andrew Burgin	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
John Berry	Development Committee – Chairman Membership Committee Sailing and Marine Committee
James Ross	Staff Committee – Chairman House and Building Committee
John Currie	Sailing and Marine Committee
Martin Ganz	House and Building Committee
Nicholas Bodnar-Horvath	Membership Committee – Chairman Balloting Committee – Chairman Staff Committee
Terence O’Hoy	House and Building Committee
Barry Hill – ex Vice Commodore (Barry Hill deceased on 27 Aug 2024)	Development Committee –ex Chairman

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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 2024.

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 2024 were consistent with prior years with the provision of social facilities, and all forms of boating services for members and the Southern District community. Following easing of the domestic COVID restrictions there has been an upsurge in Hong Kong residents travelling both to mainland China and elsewhere; in common with the local restaurant industry generally this has had an adverse impact upon the club's Bar and Restaurant sales. However, subscription income has held up and overall revenue was only down by 2% on the prior year which with the abnormal circumstances of that year is felt to be satisfactory.

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, albeit at reduced level from the abnormally high 2023 levels.

Despite the more difficult environment the Club has finished the year satisfactorily with a surplus from operations of HKD2 million.

For the year ahead the Club is again aiming to achieve an operating breakeven position. However extensive renovations of the Club's main clubhouse are currently being undertaken which will exceed expected new member Entrance Fees and will require usage of cash reserves built up in prior years. 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	(Re-elected on 28 November 2023)
Barry Hill, Vice Commodore	
Graham Price, Rear Commodore	(Re-elected on 28 November 2023)
Stephen Perret, Rear Commodore	
James Smith, Hon Treasurer	
Christopher Tung, Hon General Secretary	
Alan Child	(Re-elected on 28 November 2023)
Eric Tang	(Re-elected on 28 November 2023)
Ian Skeggs	(Re-elected on 28 November 2023)
James Ross	(Re-elected on 28 November 2023)

**General Committee members (continued)**

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

John Berry	(Re-elected on 28 November 2023)
Martin Ganz	
Nicholas Bodnar - Horvath	(Re-elected on 28 November 2023)
George Doyle	
Felix Mak	
Terence O' Hoy	
John Currie	(Re-elected on 28 November 2023)
Andrew Burgin	(Elected on 30 January 2024)
Graeme Brechin	(Re-elected on 28 November 2023 and resigned on 18 December 2023)

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 25 to 43, which comprise the statement of financial position as at 30 June 2024, 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, comprising material accounting policy information and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Club as at 30 June 2024, 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 2024**

(Expressed in Hong Kong dollars)

	Note	2024 HKD	2023 HKD
Revenue	3	54,685,394	55,837,547
Cost of sales and services		<u>(14,023,150)</u>	<u>(15,009,395)</u>
Gross profit		40,662,244	40,828,152
Other income	4	6,915,283	10,149,852
Operating expenses	5	(49,895,357)	(49,429,806)
Development income	6	4,381,488	4,383,648
Gain on disposal of property, plant and equipment		<u>-</u>	<u>18,000</u>
Surplus from operations		2,063,658	5,949,846
Finance costs	7	<u>(34,584)</u>	<u>(43,228)</u>
Surplus and total comprehensive income for the year and transferred to accumulated fund		<u>2,029,074</u>	<u>5,906,618</u>

The notes on pages 25 to 43 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 2024**

(Expressed in Hong Kong dollars)

	Note	2024 HKD	2023 HKD
Non-current assets			
Property, plant and equipment	9	35,076,734	31,834,017
Right-of-use assets	10	<u>590,685</u>	<u>623,171</u>
		<u>35,667,419</u>	<u>32,457,188</u>
Current assets			
Inventories	11	908,465	788,389
Accounts receivable from members	12	5,284,482	5,469,200
Deposits, prepayments and other receivables		2,190,778	2,231,556
Fixed bank deposits	13	60,164,764	58,032,179
Cash and cash equivalents	13	<u>19,850,812</u>	<u>25,592,840</u>
		<u>88,399,301</u>	<u>92,114,164</u>
Current liabilities			
Accounts payable and accrued charges		5,707,076	7,986,865
Mooring income in advance		450,030	417,250
Contract liabilities	14	3,179,604	3,483,902
Lease liabilities	15	<u>229,384</u>	<u>187,897</u>
		<u>9,566,094</u>	<u>12,075,914</u>
Net current assets		<u>78,833,207</u>	<u>80,038,250</u>
Total assets less current liabilities		<u>114,500,626</u>	<u>112,495,438</u>
Non-current liabilities			
Lease liabilities	15	<u>395,604</u>	<u>419,490</u>
NET ASSETS		<u>114,105,022</u>	<u>112,075,948</u>
FUNDS EMPLOYED	16		
Accumulated fund		<u>114,105,022</u>	<u>112,075,948</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 25 to 43 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 2024**

(Expressed in Hong Kong dollars)

	2024 HKD	2023 HKD
Accumulated fund at 1 July	112,075,948	106,169,330
Surplus and total comprehensive income for the year	<u>2,029,074</u>	<u>5,906,618</u>
Accumulated fund at 30 June	<u>114,105,022</u>	<u>112,075,948</u>

The notes on pages 25 to 43 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 2024

(Expressed in Hong Kong dollars)

	Note	2024 HKD	2023 HKD
Operating activities			
Surplus for the year		2,029,074	5,906,618
Adjustments for:			
- Interest income	4	(2,555,516)	(650,185)
- Depreciation of property, plant and equipment	5	6,783,742	7,837,820
- Depreciation of right-of-use assets	5	268,853	170,512
- Finance costs	7	34,584	43,228
- Gain on disposal of property, plant and equipment		-	(18,000)
- Provision for impairment loss on accounts receivables	5	<u>28,432</u>	<u>30,556</u>
Operating surplus before changes in working capital		6,589,169	13,320,549
(Increase)/decrease in inventories		(120,076)	19,977
Decrease/(increase) in accounts receivable from members		156,286	(184,386)
Decrease in deposits, prepayments and other receivables		40,778	144,591
(Decrease)/increase in accounts payable and accrued charges		(2,279,789)	2,441,213
Increase in mooring income in advance		32,780	6,493
(Decrease)/increase in contract liabilities		<u>(304,298)</u>	<u>154,963</u>
Net cash generated from operating activities		<u>4,114,850</u>	<u>15,903,400</u>
Investing activities			
Payment for purchase of property, plant and equipment		(10,026,459)	(10,362,480)
Proceeds from disposal of property, plant and equipment		-	18,000
Increase in fixed bank deposits		(2,132,585)	(20,573,659)
Interest received		<u>2,555,516</u>	<u>650,185</u>
Net cash used in investing activities		<u>(9,603,528)</u>	<u>(30,267,954)</u>
Financing activities			
Capital element of lease rentals paid	17	(218,766)	(199,322)
Interest element of lease rentals paid	17	<u>(34,584)</u>	<u>(43,228)</u>
Net cash used in financing activities		<u>(253,350)</u>	<u>(242,550)</u>
Net decrease in cash and cash equivalents		(5,742,028)	(14,607,104)
Cash and cash equivalents at 1 July		<u>25,592,840</u>	<u>40,199,944</u>
Cash and cash equivalents at 30 June	13	<u>19,850,812</u>	<u>25,592,840</u>

The notes on pages 25 to 43 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 Material 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 material accounting policies adopted by the Club is set out below.

The HKICPA has issued certain new and 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 Material 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 Material 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 Material 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 Material 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 Material 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 Material 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 Material 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 Material 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:

	2024 HKD	2023 HKD
Subscriptions	26,381,177	25,119,675
Bar sales	4,811,552	5,273,453
Restaurant sales	13,449,176	14,818,649
Mooring rental income	4,934,336	4,850,478
Club boat and dinghy course income	1,929,184	2,645,074
Car park label income	2,744,431	2,556,230
Miscellaneous income	<u>435,538</u>	<u>573,988</u>
	<u>54,685,394</u>	<u>55,837,547</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

	2024 HKD	2023 HKD
Entrance fees	3,328,272	5,770,760
Government grants (note)	-	541,600
Interest income	2,555,516	650,185
Nominee membership transfer fees	705,600	774,000
Sale of nominee memberships	-	1,330,000
Sundry income	<u>325,895</u>	<u>1,083,307</u>
	<u>6,915,283</u>	<u>10,149,852</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 was 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

5	Operating expenses	2024	2023
		HKD	HKD
	Auditor's remuneration	72,000	72,000
	Bank charges	62,042	117,739
	Cleaning and consumable stores	198,964	240,266
	Depreciation of property, plant and equipment	6,783,742	7,837,820
	Depreciation of right-of-use assets	268,853	170,512
	Electricity, gas and water	2,590,881	2,638,492
	Entertainment	155,756	150,280
	HKSF subscriptions	98,125	93,979
	Insurance	2,473,717	2,436,985
	Legal and professional fees	114,700	203,200
	Local travelling and transportation	26,406	29,552
	Magazines and newspapers	70,030	64,933
	Postage, printing and stationery	728,877	718,935
	Provident fund contributions	2,826,574	2,150,946
	Provision for impairment losses on accounts receivable	28,432	30,556
	Rent, rates and licences	383,537	294,211
	Repairs and maintenance	1,841,631	2,023,390
	Salaries, wages and staff welfare	27,668,741	26,587,443
	Sundry expenses	3,040,164	3,243,406
	Swimming pool expenses	13,350	10,900
	Uniforms and laundry	<u>448,835</u>	<u>314,261</u>
		<u>49,895,357</u>	<u>49,429,806</u>
6	Development income		
		2024	2023
		HKD	HKD
	Building levies	<u>4,381,488</u>	<u>4,383,648</u>
7	Finance costs		
		2024	2023
		HKD	HKD
	Interest on lease liabilities	<u>34,584</u>	<u>43,228</u>
8	General Committee members' remuneration		

No General Committee members received, or will receive, any fees or emoluments (2023: HKDnil) in respect of services to the Club during the year.

ABERDEEN BOAT CLUB LIMITED

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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 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 1 July 2023	15,319,132	-	40,827,084	11,022,124	16,475,196	83,643,536
Transfers	(937,792)	-	796,271	-	141,521	-
Additions	<u>6,998,601</u>	-	<u>1,397,638</u>	<u>263,500</u>	<u>1,366,720</u>	<u>10,026,459</u>
At 30 June 2024	<u>21,379,941</u>	-	<u>43,020,993</u>	<u>11,285,624</u>	<u>17,983,437</u>	<u>93,669,995</u>
Accumulated depreciation:						
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 1 July 2023	-	-	33,324,459	8,094,440	10,390,620	51,809,519
Charge for the year	-	-	<u>4,241,408</u>	<u>934,251</u>	<u>1,608,083</u>	<u>6,783,742</u>
At 30 June 2024	-	-	<u>37,565,867</u>	<u>9,028,691</u>	<u>11,998,703</u>	<u>58,593,261</u>
Carrying value:						
At 30 June 2024	<u>21,379,941</u>	-	<u>5,455,126</u>	<u>2,256,933</u>	<u>5,984,734</u>	<u>35,076,734</u>
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>

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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

10 Right-of-use assets	2023 HKD
Cost:	
At 1 July 2022, 30 June 2023 and 1 July 2023	1,262,411
Lease modification	<u>236,367</u>
At 30 June 2024	<u>1,498,778</u>
Accumulated depreciation:	
At 1 July 2022	468,728
Charge for the year	<u>170,512</u>
At 30 June 2023 and 1 July 2023	639,240
Charge for the year	<u>268,853</u>
At 30 June 2024	<u>908,093</u>
Carrying value:	
At 30 June 2024	<u>590,685</u>
At 30 June 2023	<u>623,171</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 (2023: same). The leases run for an initial period of 2 to 5.5 years (2023: 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 2024, 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	2024 HKD	2023 HKD
Club shop stock	77,871	69,715
Bar stock	286,796	241,301
Restaurant stock	<u>543,798</u>	<u>477,373</u>
	<u>908,465</u>	<u>788,389</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

12 Accounts receivable from members

	2024 HKD	2023 HKD
Accounts receivable	5,372,446	5,547,338
Less: Loss allowance (note 18(a))	(87,964)	(78,138)
	<u>5,284,482</u>	<u>5,469,200</u>

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

13 Cash and bank balances

	2024 HKD	2023 HKD
Bank deposits with original maturity within 3 months	3,783,603	3,654,814
Cash at bank and in hand	<u>16,067,209</u>	<u>21,938,026</u>
Cash and cash equivalents	19,850,812	25,592,840
Bank deposits with original maturity over 3 months	<u>60,164,764</u>	<u>58,032,179</u>
	<u>80,015,576</u>	<u>83,625,019</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:

	2024 HKD	2023 HKD
Balance at 1 July	3,483,902	3,328,939
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	(3,483,902)	(3,328,939)
Increase in contract liabilities as a result of billing in advance of performance	<u>3,179,604</u>	<u>3,483,902</u>
Balance at 30 June	<u>3,179,604</u>	<u>3,483,902</u>

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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:

	2024		2023	
	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>229,384</u>	<u>262,800</u>	<u>187,897</u>	<u>213,750</u>
After 1 year but within 2 years	225,921	240,300	133,066	149,400
After 2 years but within 5 years	<u>169,683</u>	<u>172,800</u>	<u>286,424</u>	<u>298,800</u>
	<u>395,604</u>	<u>413,100</u>	<u>419,490</u>	<u>448,200</u>
	<u>624,988</u>	675,900	<u>607,387</u>	661,950
Less: Total future interest expenses		(50,912)		(54,563)
Present value of lease liabilities		<u>624,988</u>		<u>607,387</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.

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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 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 and 1 July 2023	<u>607,387</u>
Cash flows:	
- Capital element of lease rentals paid	(218,766)
- Interest element of lease rentals paid	<u>(34,584)</u>
Total changes from financing cash flows	<u>(253,350)</u>
Other changes:	
- Increase in lease liabilities due to lease modification	236,367
- Interest on lease liabilities	<u>34,584</u>
	<u>270,951</u>
At 30 June 2024	<u>624,988</u>

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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 2024, the Club had a certain concentration of credit risk as 93% (2023: 74%) 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 2024 and 2023:

	2024 HKD	2023 HKD
Not yet due	4,819,799	4,998,181
Less than 1 month past due	397,800	409,754
1 to 3 months past due	<u>66,883</u>	<u>61,265</u>
	<u>5,284,482</u>	<u>5,469,200</u>

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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:

	2024 HKD	2023 HKD
At 1 July	78,138	92,545
Provision for impairment loss	28,432	30,556
Uncollectible amounts write-off	<u>(18,606)</u>	<u>(44,963)</u>
At 30 June	<u>87,964</u>	<u>78,138</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 2024 and 2023.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

19 Commitments

Capital commitments outstanding at 30 June 2024 not provided for in the financial statements were as follows:

	2024 HKD	2023 HKD
Property, plant and equipment Contracted but not provided for	<u>5,673,073</u>	<u>12,271,793</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 2024

Up to the date of issue of these financial statements, the HKICPA has issued certain amendments to HKFRSs, which are not yet effective for the year ended 30 June 2024 and which have not been adopted in these financial statements.

The Club is in the process of making an assessment of 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.

