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 2026

ABERDEEN BOAT CLUB LIMITED
香港仔遊艇會有限公司

CONTENTS

Notice of Annual General Meeting	1
Committee Structure	2
Commodore's Report	3-6
Honorary Treasurer's Report	7-8
Sailing and Marine Committee Report	9-10
House and Building Committee Report	11-12
Development Committee Report	13
General Committee Members	14
General Committee's Report	15-17
Independent Auditor's Report	18-20
Statement of Profit or Loss and Other Comprehensive Income	21
Statement of Financial Position	22
Statement of Changes in Equity	23
Statement of Cash Flow	24
Notes to the Financial Statements	25-43

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

Please take notice that the Annual General Meeting of the Aberdeen Boat Club Limited (the "Club"), will be held on Tuesday, 24th November 2026 at 7:00 pm at the Clubhouse, No. 20 Shum Wan Road, Aberdeen, Hong Kong.

The following business will be conducted to:-

1. Adopt the minutes of the previous Annual General Meeting held on 25th November 2025.
2. Receive the report of the General Committee covering the activities of the Club for the year ended 30th June 2026.
3. Adopt the accounts for the year ended 30th June 2026.
4. Elect General Committee Members in accordance with Articles 29 & 30 the Articles of Association of the Club.
5. Appoint the auditors for the ensuing year.
6. Address 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 17th November 2026.

BY ORDER OF THE GENERAL COMMITTEE

(Original Signed)

CHRISTOPHER TUNG
HONORARY GENERAL SECRETARY

ABERDEEN BOAT CLUB LIMITED
香港仔遊艇會有限公司
COMMITTEE STRUCTURE 2025-2026

Sailing and Marine Committee
Christopher Pooley (Chairman)
Stephen Perret
Ian Skeggs
Christopher Tung
Andrew Burgin
James Barker
Gideon Mowser
Daniel Tagliere
Charles Edwards (Co-opted)

Membership Committee
Nicholas Bodnar-Horvath (Chairman)
Stephen Perret
Christopher Pooley
John Berry
Jennifer Ganz (Advisory Member)

House and Building Committee
Graham Price (Chairman)
Stephen Perret
Christopher Pooley
Christopher Tung
George Doyle
James Smith
Martin Ganz
David Rees (Advisory Member)
James Ross (Advisory Member)

Staff Committee
Alan Child (Chairman)
Stephen Perret
Christopher Pooley
Nicholas Bodnar-Horvath
James Knott (Advisory Member)

Development Committee
John Berry (Chairman)
Stephen Perret
Alan Child
Christopher Pooley
Eric Tang
Paul Scroggie (Advisory Member)
John Binks (Advisory Member)
Iain Irvine (Advisory Member)

Balloting Committee
Nicholas Bodnar-Horvath (Chairman)

ABERDEEN BOAT CLUB LIMITED
香港仔遊艇會有限公司
COMMODORE'S REPORT YEAR ENDED 30TH JUNE 2026

The last year has seen a period of consolidation for ABC. Continued membership initiatives have kept us above budgeted levels and Hong Kong has enjoyed steady growth providing positive impacts on the Club's revenue generating activities. This has left ABC in good shape and thanks to prudent financial management, careful control of expenditure and, above all, the continuing enthusiasm and support of Members we are well positioned to embark on our upcoming major projects.

The Club's underlying financial position remains sound. Total revenue for the year was $ 58.1M, producing a surplus of $ 6.8M.

The figures, as always, are set out in detail in the Treasurer's Report, but the overall message is reassuring: ABC remains financially robust, although the demands placed upon a Club with a substantial floating fleet, ageing infrastructure, heavy-duty moorings, more than 70 staff and ambitious Development plans require continued vigilance and, importantly, continuing growth in our revenue base.

Membership
One of the most encouraging developments during the year has been the continuing growth in membership.

Following the successful Membership Promotions launched in 2025 and 2026, which was aimed particularly at attracting younger Members through substantially reduced entrance fees, the Club has continued to benefit from the resulting momentum. The Promotion demonstrated that there is a healthy appetite among a new generation for what ABC offers: sailing and watersports, social activities, a welcoming Club environment and, perhaps increasingly importantly, a community in which Members can participate rather than simply consume.

The response has also reinforced the value of the Member-get-Member initiative. Existing Members remain our best ambassadors and the most effective means of introducing friends, colleagues and younger family members to the Club.

The Clubhouse and House Committee
The continuing programme of refurbishment has remained a major feature of the year. The enhancement of the female changing rooms and female members bathroom expansion are underway and should finish towards year's end. The most significant undertaking is the installation of the lift which will commence in late 2026. This will facilitate access to the upper floors of the Club for our members who are unable to use the stairs.

Food & Beverage
The F&B operation remains an important part of the Club's offering, although the underlying market continues to be challenging.

The reduction in general Community expenditure on leisure activities, changing drinking habits and the continuing availability of an enormous range of commercial hospitality options have all had an impact. Nevertheless, ABC continues to offer something which commercial establishments cannot readily replicate: a familiar home, staffed by people who know our Members, combined with a unique setting and a community of shared interests.

Functions have remained an especially important opportunity. Members can materially assist the Club by holding private celebrations, business functions and other events at ABC rather than elsewhere.

The feedback from non-Members attending functions continues to be particularly encouraging. The quality of the food and, equally importantly, the cheerful and professional service provided by our staff remain among the Club's greatest assets.

Members should therefore continue to think of ABC not simply as somewhere to have a drink after sailing, but as their Club—a place for family occasions, business entertaining and celebrations of all kinds.

Sailing and Marine Activities
It is important, however, not to lose sight of the fact that the "B" in ABC stands for Boat.

ABC remains fundamentally a boating and watersports Club, with F&B being an important complement to that principal purpose.

The Sailing and Marine activities have once again been well supported. Dinghy training, racing and the regular keelboat series have continued to attract both Members and participants from the wider Hong Kong community.

Our sailing schools and ARA activities are particularly valuable in this respect. They introduce younger sailors and non-Members to the Club, generate revenue and demonstrate to the wider Community what ABC can offer.

ABC's young elite sailors have performed particularly well around the globe with podium finishes in numerous first class events. They deserve our congratulations for such outstanding results.

The Club's proximity to Hong Kong's Southern Islands remains a major asset, while the enthusiastic participation of Members and volunteers ensures that our sailing programme continues to punch well above its weight.

The Opening Regatta, Waglan and Summer Series and the unique ABC 4 Peaks Race have again provided a busy programme afloat and ashore, with strong support from sponsors and volunteers.

The 4 Peaks Race deserves particular mention. It remains one of the Club's most distinctive events and an excellent example of Members, staff and volunteers working together across both land and sea.

Marine Infrastructure and Moorings
The continuing programme of mooring maintenance has also required substantial expenditure.

The six-year refurbishment cycle, including work in Deep Water Bay and subsequently in the Typhoon Shelter, is unavoidable if the Club is to maintain the necessary standards of safety and reliability. The increased chain-strength requirements imposed by Mardep have added further cost.

These expenditures are largely recovered through periodic adjustments to mooring fees, although the timing of major works can result in a significant one-off impact on the accounts. We have created an account to set aside funds for the next mooring replacements which will commence in 5-7 years depending on the state of our current field of moorings.

Our floating assets and moorings are fundamental to the Club's operation and therefore represent an area where economy has to be balanced carefully against safety and long-term reliability.

MI Development
The most significant long-term project facing ABC remains the proposed development at Middle Island.

After many years of persistence, consultation and negotiation, the Development Committee's work has moved the project considerably closer to the formal planning stage.

The Section 16 pre-submission to the Town Planning Board produced constructive responses and useful requests for clarification. Consultation with neighbouring Clubs also resulted in adjustments to the proposed extension layout which addressed concerns without compromising the overall objectives of the project.

By 2026, the Development has therefore moved from being an aspiration to a realistic and increasingly tangible project.

Subject to the necessary planning approvals, the next phase will require the General Committee and Members to consider carefully the precise scope, financing and implementation of the works. That will inevitably involve substantial further work and, ultimately, decisions for Members at an EGM.

The potential benefits are considerable—not simply in terms of additional facilities and capacity, but in securing the long-term future of ABC as a leading watersports Club in Hong Kong.

The Development Committee, under the continuing leadership of John Berry and supported by its dedicated members, deserves particular recognition for maintaining momentum through what has at times been a labyrinth of planning and bureaucratic requirements.

The Lease and Land Premium
ABC's current Private Recreational Lease runs to mid-2027 and the Club has decided to renew its lease in the current format. The process will involve significant negotiations with the relevant Government departments in order to secure the most advantageous conditions for ABC. There is a working group chaired by Eric Tang working on this project and our thanks go to him and his team for their substantial contributions.

Thanks.

As always, none of the progress described in the AGM Reports could have been achieved without the commitment of ABC's Management and Staff and the voluntary contribution of Flag Officers and Members serving on the various Committees.

The amount of work undertaken quietly and without fuss by volunteers is considerable. From HouseCom and DevCom to SailCom, the various sub-committees, race management and the many Members who simply turn up when something needs doing, the Club continues to benefit enormously from that collective effort.

I would also like to record my particular appreciation for the Management team under Robin Sherchan. His steady, easy-going management style has kept the right balance in our Club, particularly amongst the staff.

It has been a pleasure and an honour to be part of the ABC team.

Steve Perret
Commodore

HONORARY TREASURER'S REPORT

Despite the adverse trading conditions that have continued to affect the restaurant and retail sectors in Hong Kong, your club had a very positive year seeing increased activity across all key service areas. The financial result for the year to 30 June 2026 was again highly satisfactory with an increased total surplus for the 12 months of HKD 6,898,000 compared to HKD 3,610,000 last year. Of this a net HKD 3,659,000 was allocated to the Middle Island Development Fund and the remaining surplus of HKD 3,239,000 to the General Fund.

Total revenue from operating activities increased by over 7.5 % to HKD 58,147,000; of this it was gratifying to note that subscriptions increased by 6% over last year on the back of the club continuing to attract new members. Notably combined food and beverage sales which had fallen in 2025 increased by over 8.6% in 2026. All outlets performed strongly with, in particular, the newly renovated Galley increasing sales by over 30%. The club's Dinghy School continues to be very popular with members and non-members alike generating a surplus of HKD 1,666,000 in the year, an increase of 16% over 2025. Notably adult courses reversed recent declines and showed a 40% increase.

Costs continued to be closely monitored throughout the period and total operating expenses increased by less than 1% when compared to the previous year. It should be noted that despite the significant wage pressures faced by the entire F&B sector in Hong Kong the club was able to reduce its total annual staff costs (including MPF) for the second year running, albeit only very slightly this year.

Even with the high numbers of people regularly travelling outside Hong Kong interest in joining our club remains high and the membership promotions focussed on younger and local people have been enthusiastically received. Income from Entrance Fees and Nominee Membership Sales and Transfer Fees generated income of HKD 5,200,000 an increase of 18.5% on the prior year.

As of 30 June 2026, the club's total Cash and Bank Balances were HKD77,162,000 an increase of HKD 1,395,000 on the prior year. The club continues to invest in its capital infrastructure which despite the strong operating performance seriously impacted upon the cash balances, particularly those designated as the General Fund. 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 71,582,000 (2025: HKD 67.924,000) and the General Fund had available cash of HKD 5,580,000 (2025: HKD 7,843,000).

As previously mentioned, the club continues to invest to improve the facilities available to members and capital expenditure this year amounted to HKD 10,834,000 (2025: HKD12,739,000). As highlighted in last year's report the major capital expenditure in 2026 was the continuation of the mooring renovation program at a further cost of HKD 7,751,000 this year. House and Building expenditures totalled HKD2,152,000 including HKD 1,067,000 of professional fees on planned renovation projects. A further HKD 802,000 was spent on progressing the Middle Island Development Project and HKD 129,000 on renewing the club's other marine assets, primarily the dinghy fleet. Significant capital expenditures are expected in 2027 as the club looks to make further improvements to the main club house.

HONORARY TREASURER'S REPORT

The first quarter of 26/27 has seen an improved operating performance over the same period last year driven by a 4.8% increase in total revenues; the improvement being seen across all areas of the club's operations. This has been partially offset by increased costs with notably higher utility, fuel and maintenance expenditures although the latter is expected to be due to timing of works rather than indicative of a major problem.

Traditionally the club has used New Members Entrance and Transfer Fees to fund the annual capital expenditure requirements, and these are anticipated to remain buoyant in the year ahead. That said, with the scale of the upcoming club house renovations, funds from these sources are not anticipated to be sufficient this coming year, and utilisation of cash reserves may be required.

James Smith
Honorary Treasurer

ABERDEEN BOAT CLUB LIMITED
香港仔遊艇會有限公司
SAILING AND MARINE COMMITTEE REPORT

Last year's report was solidly founded on a steady year of consolidation which continued beyond 1st July. The well-subscribed Summer Series continued its progress through to the final end-August Race and prize-giving party.

The Dinghy Racing Academy ARA flowed through strongly into the new ABC year as the return to normal life reported on in the previous year continued to attract new members: young, youth and adult. This strength continued unabated throughout the year.

That progress is of course all down to the continuing enthusiastic participation of members, both long-standing and new many of them having joined under the May 2025 Membership Promotion which focused on the young and experienced and 'would-be' sailors by offering reduced Entrance fees in return for committed participation in sailing events. Plus much welcome participation by the local and nearby Community whose support we encourage and rely on in order to conform to the HAB requirements while bringing in incremental revenue.

This strong support was reflected in the annual December Southside Series which attracted 122 dinghies and 139 sailors the extra number coming from the 2 crew 29'ers.

The two regular Tong Po Chau dinghy races attracted an average 15 dinghies per race while the Powerboat school saw a healthy productive year.

ABC's members not only have fun in local races, but they also participate in regattas internationally in Asia and further afield, with considerable success: in the June Optimist World Championship in Morocco Margaux Nguyen-Minh came 2nd in a field of 70 and 14th overall amongst 284 making her the world's second-best female Optimist sailor. Her younger sister Alix finished 144th overall. A tremendous achievement bringing well deserved credit to the girls and a nod to the quality of ABC's training regimen.

On the keel boat front another strong start to the Sailing 'year' as the Opening Regatta---delayed by a week thanks to super typhoon Ragassa----saw an entry of 20 comprising as usual ABC and non-member boats as it is an Open event.

That event lead smoothly into the Waglan series of 14 races with 29 yachts in total entered. All went well with the occasional weather-inflicted changes of start or intended course, none of which impaired sailor's enjoyment of the Southern waters and islands within ABC's, 'bailiwick'.

There was the usual pause in the Waglan to make way for the Four Peaks race which saw 11 yachts racing in good conditions well supported by the ever-keen cohort of volunteers afloat, on mountain tops, or in the comfort of the control room on the graveyard watch the combination of which makes this an enviably unique ABC event.

The status of the annual Cruising event [scheduled dates increased to two this year] is not quite so sanguine. The annual May event has been in decline for some years now since its heyday principally due to changing demographics not helped by the Covid years. Despite Committee attempts to breathe new life by arranging outings to new areas support this year was well down. However, it is hoped this will prove to be its nadir as thanks to a renewed focus there are signs of increasing interest

and some new boat entries for the next event beyond the scope of this report.

That our Marine Dept and Committee *do* listen to members' inputs is evidenced by the reinstatement in March of the TYS sampan service during T3's and the introduction of earlier sampan services from 0830 from Friday to Sunday and on public holidays!

The organisation of all the sailing events benefits greatly from the support and enthusiasm of the Club's volunteers most notably the Southside Regatta and the two-day 4 Peaks Race but also regularly on the Committee boat. Without exception all find the experience interesting and enjoyable -----so if you haven't yet had that experience step up to the plate!

On the Marine side much replacement work was completed in the year to 30th June '25, yet the cyclical work continued until October interrupted by back-to-back Typhoons and storms making for a heavy workload on Marine Staff ---who coped well as ever. On completion all 168 TYS mooring chains and swivels and a large number of sinkers were replaced. In addition, all of the MI Pontoons sinkers, chains and shackles were re –positioned and replaced, along with two new pontoon riser bars.

Much routine work was continually carried out on our very busy fleet and as vessels age so those related costs rise. The interface of sun, temperature changes, air, salt and water takes its toll on anything afloat and places constant demands on staff to maintain the high standards the Club requires ----and members expect. While operational services run smoothly without interruption almost all of each 24-hour day occasionally a 'wheel does fall off' and we ask that members understand and accept that rare inconvenience.

On that note I record my thanks and great appreciation for the support hard work and dedication of ABC's superb Marine Crew.

It has indeed been a pleasure and an honour to return to my former role with the Marine Team under Alex Johnston after 10 years in 'another role' and I look forward with much confidence to the continuing growth and dedicated operational excellence of this core section of Aberdeen **BOAT** Club.

Chris Pooley
Rear Commodore Sailing and Marine

ABERDEEN BOAT CLUB LIMITED
香港仔遊艇會有限公司
HOUSE AND BUILDING COMMITTEE REPORT

ABC has a great team looking after House and Building:

Housecom comprises myself (Graham Price), Christopher Pooley, Christopher Tung, James Smith, Martin Ganz, George Doyle. James Ross, Dave Rees and Anna Rees are co-opted members who provide invaluable professional advice.

In addition, Sunil Talwar and Tyron Truong advised on audio visual, while Natalie Berry, Debra Evans, Anna Har and Anne Skeggs have tirelessly worked to best display our pictures, trophies and artefacts throughout the club.

Works
Maintaining our venerable clubhouse required care and attention from in house tradesmen. When necessary, outside contractors were hired. A small selection of works is listed below:

- Harbour Room airconditioning upgraded
- Fresh-water main replaced at Middle Island:
- CCTV installation at Middle Island was completed,
- Waglan Bar New glass-washing equipment was installed
- Remaining lighting converted to low energy lights.
- Middle Island audio system improved:
- Safety improvements: AEDs were installed at the Main Club and Middle Island,

IT and Website
The club has invested in much improved internet security, and during the year substantial progress was made designing and rolling out a new website, planned to go live in Q4 2026.

The Refit Project
ABC has programme of improvements to our distinguished main clubhouse, and we call this the Refit Project. At the end of FY 2025-26 we have completed 3 years of what is likely to be a 7-year programme of work.

Notably in 2025/26 significant progress was made in initial planning studies, initial design and preparation for tendering for:

- Installation of a lift to the Waglan Bar, Four Peaks Restaurant, & the Function Rooms and Snooker Room on the top floor.
- Moving the staff uniforms and laundry room to the basement, in preparation for a new female staff changing room which is scheduled to be complete by Q4 of 2026.
- Projects to provide additional female toilets on the upper floor, and renovation of the GM Flat were being planned for work to be undertaken in Q4 2026 and Q1 2027.

Middle Island
Middle Island continues to be popular with members, and requires continued maintenance. Under Chef Aurelien Lagrange it has attained a reputation for great FnB and some fantastic functions.

ABERDEEN BOAT CLUB LIMITED
香港仔遊艇會有限公司
HOUSE AND BUILDING COMMITTEE REPORT

Staff
Aberdeen Boat Club is fortunate to have loyal and dedicated staff. We appointed 13 new staff members during the year, unfortunately we also lost some important members of the team.

Welcome to:

Angbuhang Rebika	Wang Hui	TjhaiO Nga Moi
Limbu Ujjwal	Fang Chi Ping	Jenesha Rai
Gurung Khatri Lakshmi	Lau Pui Shun Jeffrey	Rana Suhana
SapkotaArjun Prasad	Thapa Bhakti Maya	Chan Tsun Lok
Yeung Kam Wah		

Farewell to:

Ng Chun Wan	Wong Sai Kwan	Gauchan Shamine
Leung Kwan Yi Crystal	Thaman Kannika	Limbu Raju
Angbuhang Rebika	Thapa Anjjila	Gurung Khatri Lakshmi
Jenesha Rai	Ko Hon Yuan	Lau Pui Shun Jeffrey
Lau Wai Fu		

We thank them all for their service and wish those who left us all the best for the future.

Food & Beverage
ABC has an admirable reputation for great food, in pleasant surroundings, prepared by skilled chefs and served by dedicated friendly staff! Throughout the year functions ranging from family gatherings, to special Wine Dinners and Whisky Tastings both at the main club house and at Middle Island fill the calendar and are well supported.

My thanks to Henry and Lal, who managed the FOH areas. Supporting them are the waiters, chefs, kitchen staff, cleaning staff and tradesmen

In Conclusion
ABC enjoys a charming and welcoming club house, with some great staff who make us feel at home. We have plans to continue improving facilities and making the Club more appealing in years to come.

We should all express our grateful thanks to the all 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.

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

ABERDEEN BOAT CLUB LIMITED
香港仔遊艇會有限公司
DEVELOPMENT COMMITTEE REPORT

The Development Committee is primarily responsible for managing the further development of the Club's facilities at Middle Island. During the last twelve months the committee has continued to progress the application of the section 16 Planning Application – the approval of which is the next stage of the statutory approval process for the expansion of Middle Island.

The committee has also reviewed the maintenance of the water supply link from RHKYC, and will continue to keep this in safe working condition.

The main focus during this period has been the finalisation of the submission to Town Planning Board, led by Urbis, with support from engineering and environmental consultants where needed. This submission is intended to result in the granting of a land-use zoning for the intended development. The team preparing the submission is being led by our planning consultant Urbis. Submission inputs on environmental survey and assessment, engineering and marine traffic impact assessment reports have been submitted, and amendments were made after comments have been reviewed.

A Section 16 report will be made in late October/early November with a formal submission to Government following the receipt of comments.

It is noted that consultation with neighbouring interested parties including VRC and RHKYC has taken place and some minor adjustments in layout were made to accommodate comments made. Contacts with Southern District Council have taken place to illustrate the project and visits by have been made earlier. Water supply pipeline issues have been addressed promptly when they have arisen.

ABC has been supported by our planning consultant Urbis; our engineering consultant Asia Infrastructure Solutions, Cinotech (environmental and ecology) and Maritime Planning Solutions (MPS) in progressing the necessary submissions to Government work.

I would also like to thank the following members of the Development Committee who have all made substantial contributions to the process throughout the period: Christopher Pooley, Alan Child, Eric Tang, Paul Scroggie, and John Binks. I would like to recognise the strong support given by General Manager Robin Sherchan and his team who have all made significant contributions to the planning and design of the development.

John Berry
Chairman - Development Committee

ABERDEEN BOAT CLUB LIMITED
香港仔遊艇會有限公司
GENERAL COMMITTEE MEMBERS 2025-2026

Flag Officers

Stephen Perret – Commodore	General Committee – Chairman Sailing and Marine Committee House and Building Committee Development Committee Membership Committee Staff Committee
Alan Child – Vice Commodore	Staff Committee – Chairman Development Committee
Christopher Pooley – 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
David Hilling	
Daniel Tagliere	Sailing and Marine Committee
Eric Tang	Development Committee
Geroge Doyle	House and Building Committee
Gideon Mowser	Sailing and Marine Committee
Ian Skeggs	Sailing and Marine Committee
James Barker	Sailing and Marine Committee
John Berry	Development Committee – Chairman Membership Committee
Martin Ganz	House and Building Committee
Nicholas Bodnar–Horvath	Membership Committee – Chairman Balloting Committee – Chairman
Stein Olson	

The General Committee has pleasure in submitting the annual report together with the audited financial statements for the year ended 30 June 2026.

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 2026 were consistent with prior years with the provision of social facilities, and all forms of boating services for members and the Southern District community. Despite the adverse trading conditions that have continued to affect the restaurant and retail sectors in Hong Kong, the club had a very positive year seeing increased activity across all key service areas. The financial result for the year to 30 June 2026 was again highly satisfactory with an increased total surplus for the 12 months of HKD6,898,000 compared to HKD3,610,000 last year.

Total revenue from operating activities increased by over 7.5% to HKD58,147,000; of this it was gratifying to note that subscriptions increased by 6% over last year on the back of the Club continuing to attract new members. Notably combined food and beverage sales which had fallen in 2025 increased by over 8.7% in 2026. All outlets performed strongly with the newly renovated Galley increasing sales by over 30%. The Club's Dinghy School continues to be very popular with members and non-members alike generating a surplus of HKD1,666,000 in the year, an increase of 16% over 2025.

Interest in joining the Club remains high and the income from Entrance Fees and Nominee Membership Fees remain a significant source of revenue increasing by 18.5% during the reporting period as compared to the prior year.

For the year ahead the Club is again aiming to achieve an operating breakeven position. However further works on main clubhouse are planned which will possibly exceed expected new member Entrance Fees and may 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:

Stephen Perret, Commodore	
Alan Child, Vice Commodore	(Re-elected on 25 November 2025)
Christopher Julian Pooley, Rear Commodore	(Re-elected on 25 November 2025)
Graham Price, Rear Commodore	(Re-elected on 25 November 2025)
James Smith, Hon Treasurer	
Christopher Tung, Hon General Secretary	
Eric Shun Fun Tang	(Re-elected on 25 November 2025)
Ian Skeggs	(Re-elected on 25 November 2025)
John Berry	(Re-elected on 25 November 2025)
Martin Ganz	

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)

Nicholas Eugene Bodnar - Horvath	(Re-elected on 25 November 2025)
George Doyle	
Andrew Burgin	
David Hilling	
Gideon Mowser	(Re-elected on 25 November 2025)
James Barker	
Stein Scott Olson	(Elected on 30 September 2025 and re-elected on 25 November 2025)
Daniel Tagliere	(Elected on 25 November 2025)
James Brent Ross	(Resigned on 26 November 2025)
Terence O'Hoy	(Resigned on 14 September 2025)

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.

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

Stephen Perret
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 2026, 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 2026, and of its financial performance and cash flows for the year then ended in accordance with HKFRS Accounting Standards as 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 ("HKSAs") as 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.

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 HKFRS Accounting Standards as 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.

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 2026

(Expressed in Hong Kong dollars)

	Note	2026 HKD	2025 HKD
Revenue	3	58,147,059	54,055,220
Cost of sales and services		(13,929,695)	(13,363,905)
Gross profit		44,217,364	40,691,315
Other income, net	4	6,956,068	6,935,573
Operating expenses	5	(48,719,464)	(48,287,520)
Development income	6	4,460,256	4,304,016
Surplus from operations		6,914,224	3,643,384
Finance costs	7	(16,014)	(33,415)
Surplus and total comprehensive income for the year and transferred to accumulated fund		6,898,210	3,609,969

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 2026

(Expressed in Hong Kong dollars)

	Note	2026 HKD	2025 HKD
Non-current assets			
Property, plant and equipment	9	46,850,640	42,755,770
Right-of-use assets	10	299,444	361,081
		47,150,084	43,116,851
Current assets			
Inventories	11	1,162,612	906,150
Accounts receivable from members	12	5,214,447	5,184,912
Deposits, prepayments and other receivables		2,205,391	2,480,795
Fixed bank deposits	13	61,120,653	58,476,740
Cash and cash equivalents	13	16,041,317	17,289,937
		85,744,420	84,338,534
Current liabilities			
Accounts payable and accrued charges		4,622,387	6,381,739
Mooring income in advance		412,960	443,849
Contract liabilities	14	2,928,472	2,519,202
Lease liabilities	15	239,807	225,921
		8,203,626	9,570,711
Net current assets		77,540,794	74,767,823
Total assets less current liabilities		124,690,878	117,884,674
Non-current liabilities			
Lease liabilities	15	77,677	169,683
NET ASSETS		124,613,201	117,714,991
FUNDS EMPLOYED	16		
Accumulated fund		124,613,201	117,714,991

Approved and authorised for issue by the General Committee on

_____	_____
Stephen Perret	James Smith
Commodore	Honorary Treasurer
On behalf of the General Committee	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 2026

(Expressed in Hong Kong dollars)

	2026 HKD	2025 HKD
Accumulated fund at 1 July	117,714,991	114,105,022
Surplus and total comprehensive income for the year	6,898,210	3,609,969
Accumulated fund at 30 June	124,613,201	117,714,991

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 2026

(Expressed in Hong Kong dollars)

	Note	2026 HKD	2025 HKD
Operating activities			
Surplus for the year		6,898,210	3,609,969
Adjustments for:			
- Interest income	4	(1,756,527)	(2,450,279)
- Depreciation of property, plant and equipment	5	6,739,373	5,060,024
- Depreciation of right-of-use assets	5	214,403	229,604
- Finance costs	7	16,014	33,415
- Provision for impairment loss on accounts receivables	5	2,305	9,892
Operating surplus before changes in working capital		12,113,778	6,492,625
(Increase)/decrease in inventories		(256,462)	2,315
(Increase)/decrease in accounts receivable from members		(31,840)	89,678
Decrease/(increase) in deposits, prepayments and other receivables		275,404	(290,017)
(Decrease)/increase in accounts payable and accrued charges		(1,759,352)	674,663
Decrease in mooring income in advance		(30,889)	(6,181)
Increase/(decrease) in contract liabilities		409,270	(660,402)
Net cash generated from operating activities		10,719,909	6,302,681
Investing activities			
Payment for purchase of property, plant and equipment		(10,834,243)	(12,739,060)
(Increase)/decrease in fixed bank deposits		(2,643,913)	1,688,024
Interest received		1,756,527	2,450,279
Net cash used in investing activities		(11,721,629)	(8,600,757)
Financing activities			
Capital element of lease rentals paid	17	(230,886)	(229,384)
Interest element of lease rentals paid	17	(16,014)	(33,415)
Net cash used in financing activities		(246,900)	(262,799)
Net decrease in cash and cash equivalents		(1,248,620)	(2,560,875)
Cash and cash equivalents at 1 July		17,289,937	19,850,812
Cash and cash equivalents at 30 June	13	16,041,317	17,289,937

The notes on pages 25 to 43 form part of these financial statements.

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 HKFRS Accounting Standards, 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 HKFRS Accounting Standards 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 HKFRS Accounting Standards 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 HKFRS Accounting Standards 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.

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.

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).

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.

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).

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)).

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.

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.

(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.

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.

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:

	2026 HKD	2025 HKD
Subscriptions	28,558,532	26,903,864
Bar sales	5,085,158	4,623,399
Restaurant sales	13,679,131	12,639,811
Mooring rental income	5,196,439	5,155,075
Club boat and dinghy course income	1,665,813	1,434,104
Car park label income	3,482,985	2,822,150
Miscellaneous income	479,001	476,817
	58,147,059	54,055,220

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, net

	2026 HKD	2025 HKD
Entrance fees	4,821,556	3,969,387
Government grant (note)	-	98,507
Interest income	1,756,527	2,450,279
Nominee membership transfer fees	378,400	417,400
Others	(415)	-
	6,956,068	6,935,573

Note:

At the year ended 30 June 2025, the Club received government grants from the Ex-gratia Payment Scheme for Phasing out Euro IV Diesel Commercial Vehicles from the Hong Kong Environmental Protection Department.

5 Operating expenses

	2026 HKD	2025 HKD
Auditor's remuneration	75,000	75,000
Bank charges	60,580	50,561
Cleaning and consumable stores	199,796	205,874
Depreciation of property, plant and equipment	6,739,373	5,060,024
Depreciation of right-of-use assets	214,403	229,604
Electricity, gas and water	2,495,854	2,500,982
Entertainment	196,441	133,654
HKSF subscriptions	102,879	102,388
Insurance	2,256,704	2,373,578
Legal and professional fees	-	966,790
Local travelling and transportation	11,986	28,851
Magazines and newspapers	116,751	77,355
Postage, printing and stationery	770,062	823,434
Provident fund contributions	2,040,364	2,163,524
Provision for impairment losses on accounts receivable	2,305	9,892
Rent, rates and licences	443,604	443,007
Repairs and maintenance	1,571,939	1,810,726
Salaries, wages and staff welfare	27,815,933	27,843,672
Sundry expenses	3,092,480	2,833,095
Swimming pool expenses	23,204	49,103
Uniforms and laundry	489,806	506,406
	48,719,464	48,287,520

6 Development income

	2026 HKD	2025 HKD
Building levies	4,460,256	4,304,016

7 Finance costs

	2026 HKD	2025 HKD
Interest on lease liabilities	16,014	33,415

8 General Committee members' remuneration

No General Committee members received, or will receive, any fees or emoluments (2025: HKDnil) in respect of services to the Club during the year.

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 2024	21,379,941	-	43,020,993	11,285,624	17,983,437	93,669,995
Transfers	(12,268,919)	-	9,979,545	2,145,303	144,071	-
Additions	12,739,060	-	-	-	-	12,739,060
Disposals	-	-	-	-	(200,137)	(200,137)
At 1 July 2025	21,850,082	-	53,000,538	13,430,927	17,927,371	106,208,918
Transfers	(18,338,663)	-	10,458,293	7,812,790	67,580	-
Additions	10,834,243	-	-	-	-	10,834,243
At 30 June 2026	14,345,662	-	63,458,831	21,243,717	17,994,951	117,043,161
Accumulated depreciation:						
At 1 July 2024	-	-	37,565,867	9,028,691	11,998,703	58,593,261
Charge for the year	-	-	2,684,983	781,214	1,593,827	5,060,024
Eliminated on disposals	-	-	-	-	(200,137)	(200,137)
At 1 July 2025	-	-	40,250,850	9,809,905	13,392,393	63,453,148
Charge for the year	-	-	3,396,346	1,919,183	1,423,844	6,739,373
At 30 June 2026	-	-	43,647,196	11,729,088	14,816,237	70,192,521
Carrying value:						
At 30 June 2026	14,345,662	-	19,811,635	9,514,629	3,178,714	46,850,640
At 30 June 2025	21,850,082	-	12,749,688	3,621,022	4,534,978	42,755,770

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.

10 Right-of-use assets

	HKD
Cost:	
At 1 July 2024, 30 June 2025 and 1 July 2025	1,498,778
Lease modification	157,000
Lease remeasurement	(4,234)
At 30 June 2026	1,651,544
Accumulated depreciation:	
At 1 July 2024	908,093
Charge for the year	229,604
At 30 June 2025 and 1 July 2025	1,137,697
Charge for the year	214,403
At 30 June 2026	1,352,100
Carrying value:	
At 30 June 2026	299,444
At 30 June 2025	361,081

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 (2025: same). The leases run for an initial period of 2 to 5.5 years (2025: 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 2026, 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

	2026 HKD	2025 HKD
Club shop stock	42,944	53,037
Bar stock	486,551	355,878
Restaurant stock	633,117	497,235

12 Accounts receivable from members

	2026 HKD	2025 HKD
Accounts receivable	5,277,174	5,261,301
Less: Loss allowance (note 18(a))	(62,727)	(76,389)
	5,214,447	5,184,912

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

13 Cash and bank balances

	2026 HKD	2025 HKD
Bank deposits with original maturity within 3 months	5,195,626	7,146,062
Cash at bank and in hand	10,845,691	10,143,875
Cash and cash equivalents	16,041,317	17,289,937
Bank deposits with original maturity over 3 months	61,120,653	58,476,740
	77,161,970	75,766,677

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:

	2026 HKD	2025 HKD
Balance at 1 July	2,519,202	3,179,604
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	(2,519,202)	(3,179,604)
Increase in contract liabilities as a result of billing in advance of performance	2,928,472	2,519,202
Balance at 30 June	2,928,472	2,519,202

15 Lease liabilities

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

	2026		2025	
	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	239,807	259,200	225,921	240,300
After 1 year but within 2 years	77,677	82,500	169,683	172,800
	317,484	341,700	395,604	413,100
Less: Total future interest expenses		(24,216)		(17,496)
Present value of lease liabilities		317,484		395,604

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.

17 Cash flow information

Reconciliation of liabilities arising from financing activities:

	Lease liabilities HKD
At 1 July 2024	624,988
Cash flows:	
- Capital element of lease rentals paid	(229,384)
- Interest element of lease rentals paid	(33,415)
Total changes from financing cash flows	(262,799)
Other changes:	
- Interest on lease liabilities	33,415
	33,415
At 30 June and 1 July 2025	395,604
Cash flows:	
- Capital element of lease rentals paid	(230,886)
- Interest element of lease rentals paid	(16,014)
Total changes from financing cash flows	(246,900)
Other changes:	
- Interest on lease liabilities	16,014
- Increase in lease liabilities due to lease modification	157,000
- Decrease in lease liabilities due to lease remeasurement	(4,234)
At 30 June 2026	317,484

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 2026, the Club had a certain concentration of credit risk as 86% (2025: 87%) 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 2026 and 2025:

	2026 HKD	2025 HKD
Not yet due	4,855,981	4,702,359
Less than 1 month past due	336,766	447,216
1 to 3 months past due	21,700	35,337
	5,214,447	5,184,912

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:

	2026 HKD	2025 HKD
At 1 July	76,389	87,964
Provision for impairment loss	2,305	9,892
Uncollectible amounts write-off	(15,967)	(21,467)
At 30 June	62,727	76,389

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 deposits 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 2026 and 2025.

19 Commitments

Capital commitments outstanding at 30 June 2026 and 2025 not provided for in the financial statements were as follows:

	2026 HKD	2025 HKD
Property, plant and equipment		
Contracted but not provided for	5,444,271	5,559,629

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". On 3 March 2025, the Court dismissed the claim. The member subsequently applied for leave to appeal, which was refused by the District Court on 21 May 2025. The member has filed appeal to the Court of Appeal in the High Court on 3 June 2025. 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 2026

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 30 June 2026 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.