



ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

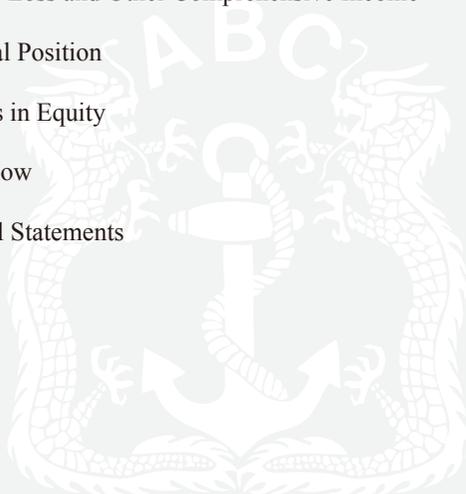
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

**REPORTS AND
FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021**



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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 7:00pm on Tuesday, 30 November 2021 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 25 November 2020.
2. To receive the report of the Committee covering the activities of the Club for the year ended 30 June 2021.
3. To adopt the accounts for the year ended 30 June 2021.
4. To elect General Committee Members in accordance with Article 29(a).
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)

NICHOLAS BODNAR-HORVATH
HONORARY GENERAL SECRETARY

ABERDEEN BOAT CLUB LIMITED

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COMMITTEE STRUCTURE 2020-2021



Sailing and Marine Committee

Graeme Brechin (Chairman)
Andrew Blank
Christopher Pooley
Christopher Tung
Ian Skeggs
John Berry
John Currie
Stephen Perret
Bob Aylsworth (co-opted)

House and Building Committee

Graham Price (Chairman)
Christopher Tung
Christopher Pooley
Jon Zinke
James Smith
James Ross
Martin Ganz
Sam Cheng
David Rees (co-opted)

Development Committee

Barry Hill (Chairman)
Christopher Pooley
Eric Tang
John Berry
Alan Child (co-opted)
Paul Scroggie (co-opted)
Sam Cheng (co-opted)
Matthew Johnson – Resigned

Membership Committee

Nicholas Bodnar-Horvath (Chairman)
Christopher Pooley
Jon Zinke
John Berry

Staff Committee

James Ross (Chairman)
Christopher Pooley
Nicholas Bodnar-Horvath

Balloting Committee

Nicholas Bodnar-Horvath (Chairman)
Co-opted in rotation



Relevant extract from last year's report:-

Come the false dawn of June things were beginning to look up. Bookings for children's, youth and Adult Sailing Courses for the summer and autumn hit a record high. That was the state of play at the end of Junethen came another dip, followed by a more encouraging trend, but that's for next year's Report.

That pattern of sporadic stop/starts characterised much of the year, afflicting both FnB outlets and, arguably more so, the Sailing and Dinghy calendars; yet the good ship ABC sailed on, resolutely. In fact, as if to affirm Nietzsche's famed aphorism, the Club emerged from each Covid – triggered regulatory setback, even stronger: to end the year with a relatively favourable financial result, thanks in part to the Government's ESS support, explained in detail in the Treasurer's Report. That support bolstered our resolve not to effect any redundancies, a target met in full, which helped keep the Club's 'head above water'.

As an example of the emergence of renewed strength the Dinghy Sail Training courses were fully booked after each 'dip' within days of Application Lists being reopened, which led the Committee to order 6 new Dinghies, a coaching RIB and additional staff to cope with the buoyant [*le mot juste!*] and relentless demands on children's, youth and adult courses Sadly one casualty with no countervailing benefit was the Four Peaks Race, cancelled for the first time in our history owing to the withdrawal of the required permits by the Authorities. By the end of the year the Dinghy and Powerboat courses were firing on all cylinders with no sign of waning interest, quite the contrary in fact.

The keel-boat series Autumn, Winter and Summer continued albeit with sporadic cancellations — again victims of Regulatory restrictions, along with the Prize-giving Ceremonies which, perforce, were held in abeyance until the late Summer in ABC's following year. All very frustrating for members of course but spare a thought for the Marine staff who carried on diligently without complaint, notwithstanding the strain and constant operational changes. All this and more can be found in the Sailing and Marine Report

The Tropical Island Paradise of To Pong Chau saw similar demand both from the sailors above and those more inclined to rest comfortably after enjoying the Chef's constantly varied Table *d'Hote*. Queues at the popular Wood-fired pizza ovens were a regular feature. Our Island resort was, like Sailing courses, the beneficiary of enforced stays in HK for much of the population. Given the wide-spread interest in outdoor activities triggered by Covid restrictions and concerns, demand for ABC's facilities looks set fair to continue.

That demand is reflected to a certain extent by the number of new membership Applications. As the normal interview sessions were ruled out by Regulatory restrictions on numbers, the Committee agreed to modify procedures to allow the backlog to join on a temporary basis pending formal interviews at later dates. Such was the demand that 62 Temporary members had been made permanent by the end of June. Despite normal attrition the number of full-paying members increased by 17 over the year; while reduced fee new members --- mainly Cadets and Young Associates ---

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COMMODORE'S REPORT YEAR ENDED 30TH JUNE 2021



brought the total membership increase to 42. Word of the attractions of ABC membership is obviously getting around---perhaps, perversely, with a little help from Covid!

The income from a healthy membership tally is very much needed to maintain all the Club's facilities afloat and shore-bound. The Main Building is beginning to show its 40 odd years as a glance at the list of repairs and replacements in the House report plainly illustrates---still more to come with needed improvements reflected in medium and long term Development plans now in train. Capital expenditure has, of necessity in these Covid-straightened times been constrained, but a way forward, and the means to do so have to be found.

The Middle Island Development team continued doggedly with their efforts to bring this project to fruition. Harking back to previous Reports, earlier forecasts for submission of the EIA----critical to the MI Development --- were repeatedly frustrated. The most serious impact came from the tiny vital element in the aquatic food chain, Amphioxus, which had to choose our MI foreshore as its selected domain. This led in total to an 18 month delay ---- however finally, in May, the 600 page EIA submission was presented to EPD who are expected to complete their scrutiny and make a decision by early 2022. Here's hoping..... For more detail please see the Development Committee Report.

So despite all the slings and arrows of an eventful year the Club remains in rude health and continues to provide both a sanctuary and active sporting environment for all members. For that achievement it is both an honour and a duty to voice my thanks to the GM and our loyal staff for all their willing and cheerful efforts; and for their unstinting, cooperative and harmonious support to the Club's Flag officers and General Committee members, without whom there would be no events to record or this report to write! It has been a pleasure to work alongside them all and I applaud them all for their unrelenting good will and cheerful adaptability to all the challenges that arose. Not least for their civic responsibility it responding to the Vaccination appeal: the tally being 77 full time staff and 23 regular part-timers for a total of 93% fully vaccinated, with 7% elderly backroom staff medically exempt. A creditable achievement by any standard.

Thus the Club is well positioned to meet, and overcome future challenges and indeed to ensure the continuing prosperity of the Club and the haven it offers to all members. I look forward to seeing as many of you who can make it to the AGM on the 30th November, and looking further ahead to improved times for all.

Chris Pooley
Commodore

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HONORARY TREASURER'S REPORT



Given the chaos of the twelve months covered by this Annual Report with the severe curtailment in the club's operations for much of the period the Club achieved satisfactory financial results to 30 June 2021. The total surplus for the year increased from HKD 2,034,000 to HKD 7,380,000 of which HKD 1,205,000 was credited to the General Fund with HKD 6,175,000 being allocated to the Middle Island Development Fund. The positive contribution to the General Fund (which comprises the result of all the club's activities outside the specific monies being set aside to redevelop Middle Island) this year was particularly gratifying in view of the net outflow from the General Fund last year of HKD 5,040,000.

Total revenue increased by 3.5% including a very positive HKD 600k additional contribution from the Dinghy School, the Club's courses proving exceptionally popular following the relaxation of some of the restrictions in February. Notably combined Food and Beverage sales matched last years despite the early closing times and restriction on numbers for much of the year. Costs have been closely monitored and although Operating Expenses increased by 5.5% this was in the main due to higher depreciation, insurance and security charges.

The Club joined the governments Employment Support Scheme and this has considerably aided the Club's ability to maintain full staff levels, contributing a significant HKD 3,636,000 to income this year. Despite a number of members departing Hong Kong interest in joining the Club remains high and income from Entrance Fees and Nominees Membership Transfer Fees contributed a further HKD7,728,000 during the year, an increase of HKD 3,005,000 on last year.

At 30 June 2021 the Club's total Cash and Bank Balances were HKD 56,576,000 an increase of HKD 10,210,000 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 as at the year end the Middle Island Redevelopment Fund contained HKD53,548,000 as compared with HKD3,028,000 in the General Fund. The General Committee continued the practice of allocating a portion of new member fees towards this redevelopment project although in view of the deficit in the General Funds at the start of the year the proportion was reduced from 70% to 30% for this reporting period. The responsible committee continues to implement its plan for getting government approval for this project.

In view of the uncertain situation in which the Club has operated for much of this year a prudent approach was taken towards Capital Expenditure, limiting it to only that which was seen as absolutely necessary. During the year the Club spent approximately HKD4,497,000 on fixed assets a substantial fall from the HKD 9,222,000 incurred last year when there had been heavy expenditure completing the reinstatement of Middle Island and replacing the Dinghy fleet. Of the capital expenditure this year HKD1,574,000 was on furniture and kitchen equipment, HKD1,500,000 on progressing the Middle Island Project, HKD899,000 on refurbishing the club's moorings and HKD 524,000 of replacement boat expenditure.

Looking at finances after 30 June 2021 the club has in the coming year again budgeted to achieve an operating break-even position allowing for new member Entrance Fees to cover ongoing major repairs and fixed asset purchases. Following the relaxation of the major COVID restrictions the club

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HONORARY TREASURER'S REPORT



saw an upsurge in almost all the revenue generating activities and this has continued into the current year. The size of the General Fund remains a concern, particularly in the light of the possible need to provide for potential future development and repair work at the main clubhouse as the building ages and there will be continued emphasis on tight cost control.

James Smith
Honorary Treasurer

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SAILING AND MARINE COMMITTEE REPORT



During these 12 months we have continued to see a really strong team operation from top to bottom. Alex Johnston, Jennifer Li, Richard Knight and Howie Suen have had a tremendously busy and challenging year within our Covid inflicted world. Fantastic growth in all our training courses which has kept Howie our Water-sports Training Manager extremely busy. Sadly, government restrictions struck deeply again and this time were imposed during the busy Summer and Christmas periods. However, each time the team got the programme going again swiftly and scheduled courses continued to be full and with significant waiting lists, a great endorsement on the quality of the Team and Programme offered. During the year we also added a full-time administration assistant to support the growth of the programme and we welcomed Jayne Lee into this role just before Easter.

With no international travel there has been no overseas events for the Racing Academy however, compared to the previous 12 months, there have been more local events in Hong Kong and the team have picked up some great results. The Academy continues to focus on the Optimist and 29er fleets and the results show ABC sailors picking up plenty of podium finishes. We welcomed the arrival of our new Head Race Coach, Daniel Dolega in October 2020 and this ensures the Club continues to offer world class race coaching for our sailors. Proof of this can be seen as eight sailors from the 29er team were selected again for the Hong Kong Sailing Team, a great endorsement of the programme.

In the big boats the Summer Series as ever a success with a difference. It went ahead...just. In the balance for a while with again Government Restrictions. With over twenty boats regularly turning up both IRC and HKPN remained competitive albeit with three races dropped due to one T3 and Social Distancing Rules. Our past wonderful lunch destinations of Po Toi, Lamma, Cheng Chau and the Clear Water Bay to mention a few had to be passed by for the dream of happier days to come.

Our Opening Regatta was also in the balance this year but with the go ahead given with one weeks' notice we were off. In the circumstances we had a super turnout with strong gusting challenging winds on the Sat around the cans. The Sunday sadly a lot lighter. The first of our delayed prizegiving's then ensued as the social distancing requirements required all boats to disperse at the end of each day.

So, on to our premier Waglan Series under the circumstances a really successful series. Over twenty boats again regularly turning up over four divisions with twelve races split into two Mini Series. The big winner overall taken by the new entry Jinn in a really successful first Waglan Series. IRC 2 by evergreen Red Kite II. The Waglan we are happy to say has grown from strength to strength over the past few years.

Unfortunately, the Four Peaks Race this year for the first time in its history had to be dropped. Social gathering rules prevented this going ahead. A great disappointment for all.

However, on the social front our club was still active. One great outing was the newly revamped Classic Yacht Rally. Very well attended race and overnight stay in the Sokos. Lashings of curry for all. We all think ABC is still the best at delivering fun!

Graeme Brechin
Rear Commodore
Chairman – Sailing & Marine Committee

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HOUSE AND BUILDING COMMITTEE REPORT



The House and Building Committee (HouseCom) is responsible for almost everything at the club that is not Sailing and Marine!

Housecom leads on maintaining the buildings (Main Clubhouse and Middle Island) and fabric of The Club, the food and beverage, recreational facilities and sponsoring the major functions of the year, Halloween and New Year's Eve.

We have had a challenging year, we barely remember now when the club was almost closed down. We now busy with members enjoying our facilities, food and beverages. The refurbished swimming pool is open and well used.

It has been a year when we have exercised caution, fearing another Government lockdown. So essential maintenance has been completed but we are considering carefully plans for renovation and club development in the near future.

During the period from July 2020 to June 2021 we have overseen the following upgrades and repairs:

- AC Chillers
- Water boilers/swimming pool pumps
- Leakage from rooftop
- The Bridge Ceiling
- Sail Shade Canopy for the patio
- 4 new stainless-steel BBQ grills for member use at MI
- Additional fire equipment in the sailing locker room
- Main Clubhouse seawall was repainted
- Waste water pit repair in the lower car park
- Dumb waiter repair
- Uniform Store Improvement
- Car Park Storeroom Flooring
- Middle Island Sail Shade Covers
- Staff canteen refurbishment
- FnB dining zone upgraded to Zone C & D areas under Covid regulations
- Four Peaks Furniture Refurbishment
- Air purifier installed at Middle Island

Licensing and statutory tasks:

Building inspection

Consultants were commissioned to undertake a complete condition survey of the pipework visible and embedded throughout the club.

Middle Island Occupation Permit

Application submitted for the renewal of the Middle island occupation permit.

Club Safety Licence

We were obliged to remove the storage huts from the roof.

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HOUSE AND BUILDING COMMITTEE REPORT



Development

Our Clubhouse is more than 40 years old, and the way in which members use it has changed over the years. We need to ensure that the clubhouse is well maintained and to look to make improvements which will give us many more years of service. We are therefore working to identify improvements which can be made, considering always the feasibility and affordability of any changes, whilst keeping within the rather stringent rules imposed on us by Government. The work is on going and we expect to be making proposals in the next financial year.

Staff

Our staff ensure we are welcomed into the club and enjoy using the facilities. We are fortunate to retain so many long serving, loyal staff however we compete in the market for new staff, who must be trained and adapt to the ABC. In seeking to maintain and improve the quality of our staff we see changes each year. This year, we have seen further comings and goings with 14 staff leaving and 10 staff arriving.

This year we said goodbye to :

Fung Chun Wai, Szymon Makowski, Ng Chi Hung, Fu Ting Hin, Ghale Sarmila, Ching, Yuk Leung, Tsui Wong Ki Vickie, Tsang Kam Loi Foster, Cheung Chi Ming, Ng Sherlom, Jim Tan Casis, Gaurav Maden Limbu, Chong Man Chiu, Ng Chi Wa

We welcomed these new staff members :

Hung Ying Kwan, Mak Chung Yun, Daniel Dolega, Cheung Yau Tak, Kwok Kam Hung, Sin Cheuk Yin Zoe, Yau Man Chun, Sabina Limbu, Lee Tsz Ying, Lo Yin Fai

In Conclusion

The Food and Beverage and House Departments play a critical role in facilitating ongoing service and making improvements at the club. My thanks to Robin Sherchan and Alok Kumar who manage these areas. We should all express our grateful thanks to the dedicated ABC staff who work so hard to keep the Club operating (many of them behind the scenes) to satisfy our diverse membership, always with a cheery smile.

As Chairman I would like to thank the committee for their ideas, time, effort and contributions over the last year. Committee members are: Graham Price myself, Christopher Pooley, Christopher Tung, David Rees, James Smith, James Ross, Jon Zinke, Martin Ganz and Sam Cheng.

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

Graham Price

Rear Commodore

Chairman – House and Building Committee

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DEVELOPMENT COMMITTEE REPORT



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

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

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

I am now pleased to report that the revised EIA report comprising over 600 pages and including a comprehensive analysis of all aspects of the scheme was completed in May 2021 and subsequently submitted to EPD for their review and approval. We are now actively engaging with EPD to respond to the formal queries and clarifications which they have raised. It is anticipated that this review process will continue into the first quarter of 2022.

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

Barry Hill
Vice Commodore
Chairman - Development Committee

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GENERAL COMMITTEE MEMBERS 2020-2021



Flag Officers

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

General Committee Members

Alan Child	Development Committee
Andrew Blank	Sailing and Marine Committee
Christopher Tung	Sailing and Marine Committee House and Building Committee
Eric Tang	Development Committee
Ian Skeggs	Sailing and Marine Committee
John Currie	Sailing and Marine Committee
Jon Zinke	House and Building Committee Membership Committee
James Ross	Staff Committee – Chairman House and Building Committee
Martin Ganz	House and Building Committee
John Berry	Membership Committee Development Committee Sailing and Marine Committee
Sam Cheng	Development Committee (Co-opted) House and Building Committee
Steve Perret	Sailing and Marine Committee

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GENERAL COMMITTEE'S REPORT



The General Committee has pleasure in submitting the annual report together with the audited financial statements for the year ended 30 June 2021.

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 2021 were consistent with prior years with the provision of all forms of boating services for members and the Southern District community. The restrictions resulting from the COVID pandemic did however cause significant disruption to the provision of these services for a large part of the year. When these restrictions eased the Club experienced a significant upsurge in almost all revenue generating activities and over the period was able to grow total revenue by 3.5%.

The Employment Support Scheme aided the Club's ability to maintain full staff levels and was a significant contribution to income. Interest in joining the Club remains high and despite a number of members departing Hong Kong the income from Entrance Fees and Nominees Membership Transfer Fees also contributed significantly during the reporting period, exceeding last year's figure. These increased other income streams have enabled the club to finish the year satisfactorily with a surplus from operations greater than last year.

The uncertain situation for much of the period meant that capital expenditure was restricted to only that which was deemed essential and is well down on last year. For the year ahead the Club has again budgeted to achieve an operating breakeven position allowing for new member Entrance Fees to cover ongoing major repairs and fixed asset purchases. There have been no major changes to the Club's operations from the end of the reporting period to the date of this report.

General Committee members

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

Christopher Pooley, Commodore	
Barry Hill, Vice Commodore	(Re-elected on 25 November 2020)
Graeme Brechin, Rear Commodore	
Graham Price, Rear Commodore	
Matthew Johnson	(Resigned on 25 November 2020)
James Smith, Hon Treasurer	(Re-elected on 25 November 2020)
Nicholas Bodnar-Horvath, Hon General Secretary	
Alan Child	
Eric Tang	
Ian Skeggs	
James Ross	
John Berry	
John Currie	

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GENERAL COMMITTEE'S REPORT (CONTINUED)



General Committee members (continued)

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

Jon Zinke	(Re-elected on 25 November 2020)
Martin Ganz	(Re-elected on 25 November 2020)
Richard Walker	(Resigned on 25 November 2020)
Sam Cheng	(Re-elected on 25 November 2020)
Stephen Perret	(Re-elected on 25 November 2020)
Andrew Blank	(Elected on 25 November 2020)
Christopher Tung	(Elected on 25 November 2020)

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

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 17 to 39, which comprise the statement of financial position as at 30 June 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Club as at 30 June 2021 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)

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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)**

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(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,

Ryan James Swann

Practising certificate number P07119

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 2021**

(Expressed in Hong Kong dollars)

	Note	2021 HKD	2020 HKD
Revenue	3	50,493,686	48,780,902
Cost of sales and services		(13,519,233)	(13,831,138)
Gross profit		36,974,453	34,949,764
Other income	4	11,954,444	6,360,557
Operating expenses	5	(45,843,902)	(43,465,360)
Development income	6	4,302,432	4,209,120
Loss on disposal of property, plant and equipment		_____ -	(_____ 5,556)
Surplus from operations		7,387,427	2,048,525
Finance costs	7	(_____ 6,681)	(_____ 14,060)
Surplus and total comprehensive income for the year and transferred to accumulated fund		<u>7,380,746</u>	<u>2,034,465</u>

The notes on pages 21 to 39 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 2021**

(Expressed in Hong Kong dollars)

	Note	2021 HKD	2020 HKD
Non-current assets			
Property, plant and equipment	9	32,673,088	35,893,177
Right-of-use assets	10	<u>76,695</u>	<u>230,084</u>
		<u>32,749,783</u>	<u>36,123,261</u>
Current assets			
Inventories	11	891,463	1,117,417
Accounts receivable from members	12	5,543,479	5,315,000
Deposits, prepayments and other receivables		2,161,425	2,524,161
Fixed bank deposits	13	37,369,204	30,074,677
Cash and cash equivalents	13	<u>19,207,018</u>	<u>16,291,964</u>
		<u>65,172,589</u>	<u>55,323,219</u>
Current liabilities			
Accounts payable and accrued charges		4,735,127	4,384,557
Mooring income in advance		406,131	387,851
Other receipts in advance		-	1,274,310
Contract liabilities	14	3,523,504	3,409,429
Lease liabilities	15	<u>79,614</u>	<u>113,469</u>
		<u>8,744,376</u>	<u>9,569,616</u>
Net current assets		<u>56,428,213</u>	<u>45,753,603</u>
Total assets less current liabilities		<u>89,177,996</u>	<u>81,876,864</u>
Non-current liabilities			
Lease liabilities	15	<u>-</u>	<u>79,614</u>
NET ASSETS		<u>89,177,996</u>	<u>81,797,250</u>
FUNDS EMPLOYED			
Accumulated fund	16	<u>89,177,996</u>	<u>81,797,250</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 21 to 39 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 2021**

(Expressed in Hong Kong dollars)

	2021 HKD	2020 HKD
Accumulated fund at 1 July	81,797,250	79,762,785
Surplus and total comprehensive income for the year	<u>7,380,746</u>	<u>2,034,465</u>
Accumulated fund at 30 June	<u>89,177,996</u>	<u>81,797,250</u>

The notes on pages 21 to 39 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 2021

(Expressed in Hong Kong dollars)

	Note	2021 HKD	2020 HKD
Operating activities			
Surplus for the year		7,380,746	2,034,465
Adjustments for:			
- Interest income	4	(311,040)	(548,236)
- Reversal of provision for impairment loss on accounts receivable	4	-	(10,314)
- Depreciation of property, plant and equipment	5	7,716,671	6,671,854
- Depreciation of right-of-use assets	5	153,389	153,389
- Finance costs	7	6,681	14,060
- Loss on disposal of property, plant and equipment		<u>-</u>	<u>5,556</u>
Operating surplus before changes in working capital		14,946,447	8,320,774
Decrease/(increase) in inventories		225,954	(302,646)
Increase in accounts receivable from members		(228,479)	(137,650)
Decrease in deposits, prepayments and other receivables		362,736	1,706,072
Increase in accounts payable and accrued charges		350,570	352,737
Increase in mooring income in advance		18,280	31,731
(Decrease)/increase in other receipts in advance		(1,274,310)	1,274,310
Increase in contract liabilities		<u>114,075</u>	<u>788,069</u>
Net cash generated from operating activities		<u>14,515,273</u>	<u>12,033,397</u>
Investing activities			
Payment for purchase of property, plant and equipment		(4,496,582)	(9,222,256)
Proceeds from disposal of property, plant and equipment		-	175,000
Increase in fixed bank deposits		(7,294,527)	(497,937)
Interest received		<u>311,040</u>	<u>548,236</u>
Net cash used in investing activities		<u>(11,480,069)</u>	<u>(8,996,957)</u>
Financing activities			
Capital element of lease rentals paid	17	(113,469)	(190,390)
Interest element of lease rentals paid	17	(6,681)	(14,060)
Net cash used in financing activities		<u>(120,150)</u>	<u>(204,450)</u>
Net increase in cash and cash equivalents		2,915,054	2,831,990
Cash and cash equivalents at 1 July		<u>16,291,964</u>	<u>13,459,974</u>
Cash and cash equivalents at 30 June	13	<u>19,207,018</u>	<u>16,291,964</u>

The notes on pages 21 to 39 form part of these financial statements.

ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

1 Club information

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

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

2 Significant accounting policies

(a) Statement of compliance

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

The HKICPA has issued certain new 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 standard or interpretation that is not yet effective for the current accounting period (see note 21).

(b) Basis of preparation of the financial statements

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

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

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

ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

2 Significant accounting policies (continued)

(c) Property, plant and equipment

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

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

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

- Furniture and fixtures, kitchen equipment and computers	5 years
- Boat storage equipment	5 years
- Motor vehicles, motor boats and sailing dinghies	5 - 15 years

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

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

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

(d) Leased assets

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

(i) As a lessee

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

ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

2 Significant accounting policies (continued)

(d) Leased assets (continued)

(i) As a lessee (continued)

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

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

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

(ii) As a lessor

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

ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

2 Significant accounting policies (continued)

(e) Credit losses and impairment of assets

(i) Credit losses from financial assets

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

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

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

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

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

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

ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

2 Significant accounting policies (continued)

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

(i) Credit losses from financial assets (continued)

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

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in the 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.

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 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).

- 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).

ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

2 Significant accounting policies (continued)

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

(ii) Impairment of other assets (continued)

- 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) Contract assets and contract liabilities

A contract asset is recognised when the Club recognises revenue (see note 2(m)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECLs in accordance with the accounting policy set out in note 2(e)(i) and are reclassified to receivables when the right to the consideration has become unconditional.

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.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

2 Significant accounting policies (continued)

(h) 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. If revenue has been recognised before the Club has an unconditional right to receive consideration, the amount is presented as a contract asset (see note 2(g)).

Receivables are stated at amortised cost using the effective interest method less allowance for ECLs (see note 2(e)(i)).

(i) 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)).

(j) 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.

(k) Employee benefits

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

(l) Provisions and contingent liabilities

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

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

ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

2 Significant accounting policies (continued)

(m) Revenue and other income

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

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Club is expected to be entitled, excluding those amounts collected on behalf of third parties.

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

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

(n) Translation of foreign currencies

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

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

ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

2 Significant accounting policies (continued)

(o) Related parties

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

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

ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

3 Revenue

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

	2021 HKD	2020 HKD
Subscriptions	23,231,623	22,976,480
Bar sales	5,453,804	5,138,730
Restaurant sales	12,583,250	12,809,902
Mooring rental income	4,647,394	4,278,553
Club boat and dinghy course income	1,657,732	1,058,118
Car park label income	2,241,425	1,923,670
Miscellaneous income	<u>678,458</u>	<u>595,449</u>
	<u>50,493,686</u>	<u>48,780,902</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 company 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

	2021 HKD	2020 HKD
Entrance fees	6,243,846	3,763,649
Government grants (note)	3,635,775	737,155
Interest income	311,040	548,236
Insurance claim	138,088	-
Nominee membership transfer fees	1,484,000	959,000
Reversal of provision for impairment loss on accounts receivable	-	10,314
Sale of nominee memberships	-	330,000
Sundry income	<u>141,695</u>	<u>12,203</u>
	<u>11,954,444</u>	<u>6,360,557</u>

Note:

During the year ended 30 June 2021, 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, being a holder of a certificate of compliance issued under the Clubs (Safety of Premises) Ordinance, was granted a one-off subsidy under the Clubhouse Subsidy Scheme. In addition, the Club successfully applied for wage subsidies under the Employment Support Scheme. Under the terms of the grant, the Club is required to undertake not to make redundancies during the subsidy period of June to November 2020 and to spend all the funding on paying wages to its employees.

ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

5	Operating expenses	2021 HKD	2020 HKD
	Auditor's remuneration	67,000	64,000
	Bank charges	90,000	83,694
	Cleaning and consumable stores	249,973	220,267
	Depreciation of property, plant and equipment	7,716,671	6,671,854
	Depreciation of right-of-use assets	153,389	153,389
	Electricity, gas and water	1,820,823	1,978,570
	Entertainment	163,683	137,606
	HKSF subscriptions	90,016	89,688
	Insurance	2,263,531	2,050,545
	Legal and professional fees	565,651	39,990
	Local travelling and transportation	12,474	59,223
	Magazines and newspapers	69,268	68,511
	Postage, printing and stationery	721,332	687,880
	Provident fund contributions	2,030,937	1,955,912
	Rent, rates and licences	302,028	345,245
	Repairs and maintenance	1,877,198	1,989,192
	Salaries, wages and staff welfare	24,956,431	24,566,466
	Sundry expenses	2,326,897	1,925,258
	Swimming pool expenses	5,715	16,789
	Uniforms and laundry	<u>360,885</u>	<u>361,281</u>
		<u>45,843,902</u>	<u>43,465,360</u>
6	Development income	2021 HKD	2020 HKD
	Building levies	<u>4,302,432</u>	<u>4,209,120</u>
7	Finance costs	2021 HKD	2020 HKD
	Interest on lease liabilities	<u>6,681</u>	<u>14,060</u>
8	General Committee members' remuneration		

No General Committee members received, or will receive, any fees or emoluments (2020: HKDnil) in respect of services to the Club during the year.

ABERDEEN BOAT CLUB LIMITED

香港仔遊艇會有限公司

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

9 Property, plant and equipment

	Assets under construction HKD	Leasehold land and buildings HKD	Furniture and fixtures, kitchen equipment and computers HKD	Boat storage equipment HKD	Motor vehicles, motor boats and sailing dinghies HKD	Total HKD
Cost:						
At 1 July 2019	14,428,522	-	23,787,106	6,767,843	11,171,570	56,155,041
Transfers	(12,984,648)	-	11,520,528	-	1,464,120	-
Additions	6,614,366	-	1,233,098	989,340	385,452	9,222,256
Disposals	-	-	-	-	(212,420)	(212,420)
At 1 July 2020	8,058,240	-	36,540,732	7,757,183	12,808,722	65,164,877
Additions	1,743,223	-	1,507,279	899,000	347,080	4,496,582
At 30 June 2021	9,801,463	-	38,048,011	8,656,183	13,155,802	69,661,459
Accumulated depreciation:						
At 1 July 2019	-	-	13,742,424	1,816,123	7,073,163	22,631,710
Charge for the year	-	-	4,103,908	1,478,293	1,089,653	6,671,854
Eliminated on disposals	-	-	-	-	(31,864)	(31,864)
At 1 July 2020	-	-	17,846,332	3,294,416	8,130,952	29,271,700
Charge for the year	-	-	5,084,945	1,605,475	1,026,251	7,716,671
At 30 June 2021	-	-	22,931,277	4,899,891	9,157,203	36,988,371
Carrying value:						
At 30 June 2021	9,801,463	-	15,116,734	3,756,292	3,998,599	32,673,088
At 30 June 2020	8,058,240	-	18,694,400	4,462,767	4,677,770	35,893,177

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

	2021 HKD
Cost:	
At 1 July 2019, 30 June 2020 and 30 June 2021	<u>383,473</u>
Accumulated depreciation:	
At 1 July 2019	-
Charge for the year	<u>153,389</u>
At 1 July 2020	153,389
Charge for the year	<u>153,389</u>
At 30 June 2021	<u>306,778</u>
Carrying value:	
At 30 June 2021	<u>76,695</u>
At 30 June 2020	<u>230,084</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 through a lease agreement. The lease runs for a period of 15 years and contains variable lease payment terms that are based on rateable value of the land lot from time to time.

At 30 June 2021, 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

	2021 HKD	2020 HKD
Club shop stock	76,558	65,233
Bar stock	400,464	513,594
Restaurant stock	<u>414,441</u>	<u>538,590</u>
	<u>891,463</u>	<u>1,117,417</u>

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

(Expressed in Hong Kong dollars)

12 Accounts receivable from members

	2021 HKD	2020 HKD
Accounts receivable	5,608,284	5,382,746
Less: Loss allowance (note 18(a))	(64,805)	(67,746)
	<u>5,543,479</u>	<u>5,315,000</u>

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

13 Cash and bank balances

	2021 HKD	2020 HKD
Bank deposits with original maturity within 3 months	3,573,839	3,557,326
Cash at bank and in hand	<u>15,633,179</u>	<u>12,734,638</u>
Cash and cash equivalents	19,207,018	16,291,964
Bank deposits with original maturity over 3 months	<u>37,369,204</u>	<u>30,074,677</u>
	<u>56,576,222</u>	<u>46,366,641</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:

	2021 HKD	2020 HKD
Balance at 1 July	3,409,429	2,621,360
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	(3,409,429)	(2,621,360)
Increase in contract liabilities as a result of billing in advance of performance	<u>3,523,504</u>	<u>3,409,429</u>
Balance at 30 June	<u>3,523,504</u>	<u>3,409,429</u>

ABERDEEN BOAT CLUB LIMITED

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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:

	2021		2020	
	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>79,614</u>	<u>80,100</u>	<u>113,469</u>	<u>120,150</u>
After 1 year but within 2 years	-	-	79,614	80,100
After 2 years but within 5 years	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>79,614</u>	<u>80,100</u>	<u>79,614</u>	<u>80,100</u>
	<u>79,614</u>	80,100	<u>193,083</u>	200,250
Less: Total future interest expenses		(486)		(7,167)
Present value of lease liabilities		<u>79,614</u>		<u>193,083</u>

16 Capital management

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

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

ABERDEEN BOAT CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

17 Cash flow information

Reconciliation of liabilities arising from financing activities:

	Lease liabilities HKD
At 1 July 2019	383,473
Cash flows:	
- Capital element of lease rentals paid	(190,390)
- Interest element of lease rentals paid	<u>(14,060)</u>
	<u>(204,450)</u>
Other changes:	
- Interest on lease liabilities	<u>14,060</u>
At 30 June and 1 July 2020	<u>193,083</u>
Cash flows:	
- Capital element of lease rentals paid	(113,469)
- Interest element of lease rentals paid	<u>(6,681)</u>
	<u>(120,150)</u>
Other changes:	
- Interest on lease liabilities	<u>6,681</u>
At 30 June 2021	<u>79,614</u>

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.

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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)

At 30 June 2021, the Club had a certain concentration of credit risk as 72% (2020: 73%) 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 2021:

	2021 HKD	2020 HKD
Not yet due	4,867,574	4,902,120
Less than 1 month past due	540,702	345,248
1 to 3 months past due	<u>135,203</u>	<u>67,632</u>
	<u>5,543,479</u>	<u>5,315,000</u>

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

	2021 HKD	2020 HKD
At 1 July	67,746	90,860
Reversal of provision for impairment loss	-	(10,314)
Bad debts recovered	(2,941)	-
Uncollectible amounts written off	<u>-</u>	<u>(12,800)</u>
At 30 June	<u>64,805</u>	<u>67,746</u>

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

ABERDEEN BOAT CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

18 Financial risk management and fair values (continued)

(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

At 31 December 2020, 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 2021 and 2020.

19 Commitments

Capital commitments outstanding at 30 June 2021 not provided for in the financial statements were as follows:

	2021 HKD	2020 HKD
Property, plant and equipment Contracted but not provided for	<u>5,248,436</u>	<u>6,499,391</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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

21 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 30 June 2021

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and a new standard which are not yet effective for the year ended 30 June 2021 and which have not been adopted in these financial statements.

The Club is assessing what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Club's financial statements.

