

UNITED SERVICES RECREATION CLUB LIMITED
(incorporated in Hong Kong and limited by guarantee)

**Report of the General Committee Members
and Financial Statements
For the year ended 31 December 2023**

UNITED SERVICES RECREATION CLUB LIMITED
REPORT OF THE GENERAL COMMITTEE MEMBERS

The General Committee Members present their report together with the audited financial statements of United Services Recreation Club Limited (the "Club") for the year ended 31 December 2023.

PRINCIPAL PLACE OF BUSINESS

The Club is a company limited by guarantee and incorporated and domiciled in Hong Kong. Its registered office and principal place of operation is located at No. 1 Gascoigne Road, King's Park, Kowloon, Hong Kong.

PRINCIPAL ACTIVITIES

The principal activities of the Club are provision of recreation services and other club facilities to its members.

FINANCIAL STATEMENTS RESULTS

The financial performance of the Club for the year ended 31 December 2023 and the financial position of the Club as at that date are set out in the financial statements on pages 11 to 46.

GENERAL COMMITTEE MEMBERS

The General Committee Members during the year and up to this report are as follows:

Pak To Cheung	Chairman in the first year of his two-year term
Kwok Chun Ng	Honorary Treasurer in the first year of his two-year term
Viveka Mansukhani	Acting Treasurer from September 2023 and General Committee Member in the second year of her two-year term
Cheuk Wai Thomas Lee	General Committee Member in the first year of his two-year term
Joshua Jared Schroeder	General Committee Member in the second year of his two-year term
Hideo Nakamura	General Committee Member in the second year of his two-year term

In accordance with Clause 8(h) of the Club's Articles of Association, half of the longest serving since last elected of the Chairman, Treasurer and four elected voting members shall retire and, being eligible, offer themselves for re-election at each annual general meeting.

UNITED SERVICES RECREATION CLUB LIMITED

REPORT OF THE GENERAL COMMITTEE MEMBERS

REVIEW OF THE CLUB'S BUSINESS

The Club is incorporated under the Hong Kong Companies Ordinance and limited by guarantee. It is a non-profit making member's owned club generating revenues primarily from subscriptions fees and food and beverage sales.

As we bid farewell to the pandemic, businesses worldwide have embarked on a journey towards recovery and growth. However, the road to full recovery remains uneven, with some sectors still facing challenges in adapting to the new normal.

This business review explores the key factors that have shaped the business landscape in 2023, including changing member habits, revenge travel and persistent inflation.

Shifting Member Habits

Following prolonged travel restrictions, revenge travel has emerged as a significant trend in 2023/24. As members seek to make up for missed opportunities, the tourism industry has experienced a surge in demand, especially in destinations where the strong Hong Kong dollar presents significant savings. The pandemic has had a profound impact on consumer behaviour, leading to significant changes in habits. The convenience of traveling to the mainland and the potential savings facilitated by the strong Hong Kong dollar have presented another unexpected challenge.

Persistent Inflation

Stubborn inflation has posed challenges for businesses across all sectors. Rising prices of raw materials, energy, and labor have strained profit margins and affected pricing strategies. The Club has had to employ innovative approaches to manage costs, optimise supply chains, and maintain competitiveness without compromising member satisfaction. Adaptable pricing models and efficient procurement processes have been crucial in mitigating the impact of persistent inflationary pressures.

Financial Prudence

The Club continues to maintain healthy cash balances, providing a buffer to cover any significant financial shocks. Prudent cost control and ongoing upgrading of tired looking facilities keep the Club in a strong position to attract new memberships.

One notable benefit for the Club in 2023 has been the increase in interest rates. As economies recover and central banks respond to inflationary pressures, borrowing costs have risen. While the Club has benefited from cash reserves that earned close to zero percent for years, we are now rolling over deposits on a 3- to 6-month basis, bringing in a healthy stream of income. Although we recognise that this is not the norm, we do expect interest rates to decrease as world inflation comes under control.

UNITED SERVICES RECREATION CLUB LIMITED
REPORT OF THE GENERAL COMMITTEE MEMBERS

REVIEW OF THE CLUB'S BUSINESS - Continued

Community

The Club has continued to provide full support for a wide range of community needs, including donations to Impact HK, Love 21, Birthday Happiness Asia, recycled clothes for Christian Charities, and regular visits to the Queen Elizabeth Hospital during Christmas.

Environment

The Club is strongly committed to protecting the environment and continues to explore ways to reduce its carbon footprint. During the year, the Club invested in energy-efficient systems and added additional EV charging facilities. The number of solar panels was also expanded from the initial 345 to 425. The Club aims to minimise its environmental impact by enhancing operational efficiency and adopting and investing in renewable energy and sustainable technology. Green practices, including recycling, waste reduction, and energy saving, are promoted to members and staff.

Sports

All sports proudly represented the club in local leagues. Both senior and junior players continue to develop, and as a Club, we have grown a strong player base to remain competitive in the many domestic leagues.

Conclusion

The year has been characterised by a dynamic business landscape, influenced by the aftermath of the pandemic and various economic factors. Through embracing agility and providing diverse offerings, the club has positioned itself to surmount these challenges and capitalise on emerging trends in the evolving post-pandemic era. The ongoing success of the Club relies on four key areas: maintaining the standard of facilities, sustaining the contribution and patronage of members, delivering exceptional service through its employees, and maintaining a positive relationship with its landlord, the People's Liberation Army Hong Kong Garrison.

KEY PERFORMANCE INDICATORS (KPIs)

The Club aims to achieve reasonable positive returns from operations each year in order to establish adequate funds to support the long-term development of the Club while maintaining high standards of service.

The principal measure of operating return is the Operating Margin, which is defined as the Net Operating (Loss)/Profit before depreciation and entrance fee income as a percentage of the Total Operating Revenue excluded entrance fee income:

UNITED SERVICES RECREATION CLUB LIMITED
REPORT OF THE GENERAL COMMITTEE MEMBERS

KEY PERFORMANCE INDICATORS (KPIs) - Continued

Operating Margin:

(Net Operating (Loss)/Profit before depreciation and entrance fee income / Total Operating Revenue excluded entrance fee income) x 100%

2023	2022
(1.62%) (HK\$941,568)/HK\$57,986,022) x 100%	2.89% (HK\$1,444,099/HK\$49,901,524) x 100%

During the year ended 31 December 2022, the Club received government subsidies of HK\$1,799,200 from the Employment Support Scheme, which relieved the Club's financial pressure to some extent and resulted in an operating profit margin as calculated above. Despite the negative operating margin calculated, the Club managed to generate a surplus in the current year without receiving any government subsidies, mainly benefited from the increased entrance fees income.

The Club always maintains a healthy assets to liabilities ratio to ensure there are adequate funds to meet short-term financial obligations, measured principally by review of the Current Ratio of Current Assets to Current Liabilities as follows:

Current Ratio:

Current Assets / Current Liabilities

2023	2022
3.78 times (HK\$46,521,893/HK\$12,312,208)	4.75 times (HK\$55,442,620/HK\$11,675,516)

KEY RELATIONSHIPS WITH MEMBERS, EMPLOYEES AND SUPPLIERS

The on-going success of the Club depends on four areas: maintaining the standard of the facilities, the contribution from and participation of its members, provision of service by its employees and maintaining good relationships with its suppliers.

STAFF DEVELOPMENT

The Club employs 95 full-time staff and between 15 to 20 part-time staff. We place particular emphasis on staff training and development to maintain the highest possible service standards. Training opportunities are available to all employees, regardless of their background or employment status.

UNITED SERVICES RECREATION CLUB LIMITED

REPORT OF THE GENERAL COMMITTEE MEMBERS

CORPORATE SUSTAINABILITY

The Club aims to minimise its environmental impact through enhancing operational efficiency, and adopting and investing in renewable energy and sustainable technology. The Club promotes green practices to members and staff, including recycling, waste reduction and energy saving.

INDEMNITY OF GENERAL COMMITTEE MEMBERS

A permitted indemnity provision (as defined in Section 469 of the Hong Kong Companies Ordinance) for the benefit of the General Committee Members of the Club is currently in force and was in force throughout this year.

GENERAL COMMITTEE MEMBERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in Note 21 to the financial statements, no other transactions, arrangements or contracts of significance in relation to the Club's operations or 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.

GENERAL COMMITTEE MEMBERS' RIGHTS TO ACQUIRE SHARES OR 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.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Club were entered into or existed during the year.

UNITED SERVICES RECREATION CLUB LIMITED
REPORT OF THE GENERAL COMMITTEE MEMBERS

AUDITOR

A resolution will be proposed at the forthcoming annual general meeting of the Club to re-appoint BDO Limited as auditor of the Club.

On behalf of the General Committee Members



Pak To Cheung
Chairman

Hong Kong, 21 May 2024

**INDEPENDENT AUDITOR’S REPORT
TO THE MEMBERS OF
UNITED SERVICES RECREATION CLUB LIMITED**
(Incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of United Services Recreation Club Limited (the “Club”) set out on pages 11 to 46, which comprise the statement of financial position as at 31 December 2023, and the statement of 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 material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Club as at 31 December 2023, and of its financial performance and its 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 3(b) in the financial statements, which indicates that the ability to continue the current operations of the Club substantially depends on the People’s Liberation Army Hong Kong Garrison’s decision to lease the land, including the clubhouse, to the Club continuously. As stated in Note 3(b) to the financial statements, these conditions indicate a material uncertainty exists that may cast significant doubt on the Club’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
UNITED SERVICES RECREATION CLUB LIMITED**

(Incorporated in Hong Kong and limited by guarantee)

Other Information

The General Committee Members are responsible for the other information. The other information comprises the information included in the report of the General Committee Members, 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 the General Committee Members for the Financial Statements

The General Committee Members are responsible for the preparation of the 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.

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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
UNITED SERVICES RECREATION CLUB LIMITED**

(Incorporated in Hong Kong and limited by guarantee)

Auditor's Responsibilities for the Audit of the Financial Statements - Continued

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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 HKSA's, 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.
- 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
UNITED SERVICES RECREATION CLUB LIMITED**
(Incorporated in Hong Kong and limited by guarantee)

Auditor's Responsibilities for the Audit of the Financial Statements - Continued

We communicate with the General Committee Members 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.

BDO Limited
Certified Public Accountants
Or Ying Ying, Anita
Practising Certificate Number: P07424

Hong Kong, 21 May 2024

UNITED SERVICES RECREATION CLUB LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 HK\$	2022 HK\$
REVENUE			
Subscriptions		21,595,690	21,421,515
Food and beverages		29,886,957	23,342,557
Entrance fee income		11,740,800	5,606,392
Car park		3,326,240	3,158,408
Accommodation		1,532,580	776,042
Sports		1,576,685	1,164,102
Retail shop		<u>67,870</u>	<u>38,900</u>
	6	<u>69,726,822</u>	<u>55,507,916</u>
DIRECT COSTS			
Cost of sales - Food and beverages	8(d)	(10,309,592)	(8,382,222)
Cost of sales - Retail shop	8(d)	(50,824)	(28,591)
Car park		(775,289)	(698,798)
Accommodation		(194,422)	(129,287)
Sports		<u>(3,644,222)</u>	<u>(2,697,515)</u>
		<u>(14,974,349)</u>	<u>(11,936,413)</u>
		54,752,473	43,571,503
Other income	7	1,743,657	3,047,110
Employee expenses	8(a)	(34,101,685)	(28,240,371)
Administration expenses	8(b)	(11,584,458)	(11,320,522)
Depreciation of property, plant and equipment	11	(9,374,645)	(8,640,512)
Finance costs	8(c)	<u>(10,755)</u>	<u>(7,229)</u>
		<u>(55,071,543)</u>	<u>(48,208,634)</u>
SURPLUS/(DEFICIT) BEFORE INCOME TAX		1,424,587	(1,590,021)
Income tax	9	<u>-</u>	<u>-</u>
SURPLUS/(DEFICIT) AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>1,424,587</u></u>	<u><u>(1,590,021)</u></u>

UNITED SERVICES RECREATION CLUB LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	2023 HK\$	2022 HK\$
ASSETS			
Non-current assets			
Property, plant and equipment	11	<u>30,925,991</u>	<u>19,611,037</u>
Total non-current assets		<u>30,925,991</u>	<u>19,611,037</u>
Current assets			
Inventories	12	565,085	517,279
Members' accounts, other receivables and prepayments	13	7,196,554	6,855,136
Time deposits	14	10,000,000	20,000,000
Cash and cash equivalents	14	<u>28,760,254</u>	<u>28,070,205</u>
Total current assets		<u>46,521,893</u>	<u>55,442,620</u>
LIABILITIES			
Current liabilities			
Trade and other payables	15	11,490,896	10,852,726
Lease liabilities	16(b)	94,398	95,876
Provisions	17	<u>726,914</u>	<u>726,914</u>
Total current liabilities		<u>12,312,208</u>	<u>11,675,516</u>
Net current assets		<u>34,209,685</u>	<u>43,767,104</u>
Non-current liabilities			
Lease liabilities	16(b)	<u>332,948</u>	<u>-</u>
Total non-current liabilities		<u>332,948</u>	<u>-</u>
Total liabilities		<u>12,645,156</u>	<u>11,675,516</u>
NET ASSETS		<u>64,802,728</u>	<u>63,378,141</u>
RESERVES			
Accumulated surplus		47,748,725	48,690,293
Development reserve	18	<u>17,054,003</u>	<u>14,687,848</u>
TOTAL EQUITY		<u>64,802,728</u>	<u>63,378,141</u>

On behalf of the General Committee Members



Pak To Cheung
Chairman



Viveka Mansukhani
Acting Treasurer

UNITED SERVICES RECREATION CLUB LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Accumulated surplus HK\$	Development reserve HK\$ (Note 18)	Total HK\$
At 1 January 2022	47,246,194	17,721,968	64,968,162
Deficit for the year	(1,590,021)	-	(1,590,021)
Transfers between reserves			
- Entrance fees	(5,606,392)	5,606,392	-
- Depreciation	8,640,512	(8,640,512)	-
At 31 December 2022 and 1 January 2023	48,690,293	14,687,848	63,378,141
Surplus for the year	1,424,587	-	1,424,587
Transfers between reserves			
- Entrance fees	(11,740,800)	11,740,800	-
- Depreciation	9,374,645	(9,374,645)	-
At 31 December 2023	<u>47,748,725</u>	<u>17,054,003</u>	<u>64,802,728</u>

UNITED SERVICES RECREATION CLUB LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 HK\$	2022 HK\$
Cash flows from operating activities			
Surplus/(Deficit) before income tax		1,424,587	(1,590,021)
Adjustments for:			
Depreciation	11	9,374,645	8,640,512
Interest income	7	(891,044)	(269,478)
Interest on lease liabilities	8(c)	10,755	7,229
Loss allowance on members' accounts	20(a)(i)	7,869	35,040
		<u>9,926,812</u>	<u>6,823,282</u>
Operating surplus before working capital changes		9,926,812	6,823,282
(Increase)/Decrease in inventories		(47,806)	12,206
Increase in members' accounts, other receivables and prepayments		(349,287)	(742,036)
Increase in trade and other payables		638,170	186,727
		<u>10,167,889</u>	<u>6,280,179</u>
<i>Cash generated from operating activities</i>			
Cash flows from investing activities			
Purchases of property, plant and equipment		(20,264,818)	(6,326,798)
Interest received		891,044	269,478
Withdrawal from matured time deposits		40,000,000	-
Placement of time deposits		(30,000,000)	(20,000,000)
		<u>(9,373,774)</u>	<u>(26,057,320)</u>
<i>Net cash used in investing activities</i>			
Cash flows from financing activities			
Interest paid on lease liabilities	19	(10,755)	(7,229)
Repayment of principal portion of lease liabilities	19	(93,311)	(98,971)
		<u>(104,066)</u>	<u>(106,200)</u>
<i>Net cash used in financing activities</i>			
Net increase/(decrease) in cash and cash equivalents		690,049	(19,883,341)
Cash and cash equivalents at beginning of year		<u>28,070,205</u>	<u>47,953,546</u>
Cash and cash equivalents at end of year	14	<u>28,760,254</u>	<u>28,070,205</u>

UNITED SERVICES RECREATION CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

1. GENERAL INFORMATION

United Services Recreation Club Limited (the “Club”) is a company limited by guarantee and incorporated and domiciled in Hong Kong. The Club’s registered office and principal place of operation is located at No. 1 Gascoigne Road, King’s Park, Kowloon, Hong Kong.

The Club is engaged in provision of recreation services and other club facilities to its members.

2. ADOPTION OF NEW AND AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Adoption of new and amended HKFRSs - Effective 1 January 2023

In the current year, the Club has applied for the first time, the following new and amended HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), which are relevant to and effective for the Club’s financial statements for the annual accounting period beginning on 1 January 2023:

HKFRS 17	Insurance Contracts
Amendments to Hong Kong Accounting Standards (“HKASs”) 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Except as disclosed below, the adoption of these new and amended HKFRSs have no significant impact on the Club’s financial statements.

Amendments to HKAS 1 and HKFRS Practice Statement 2 - Disclosure of Accounting Policies

Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures.

These amendments have no effect on the measurement, recognition or presentation of any items in the financial statements of the Club but affect the disclosure of accounting policies of the Club.

UNITED SERVICES RECREATION CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. ADOPTION OF NEW AND AMENDED HKFRSs

(b) **New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism**

In June 2022, the Hong Kong SAR Government gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “Amendment Ordinance”), which will come into effect from 1 May 2025 (the “Transition Date”). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to mandatory provident fund (“MPF”) scheme to reduce the long service payment (“LSP”) in respect of an employee’s service from the Transition Date (the abolition of the “offsetting mechanism”). In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee’s monthly salary immediately before the Transition Date and the number of years of employee’s service up to that date.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism.

To better reflect the substance of the interaction between the accrued benefits arising from employer MPF contributions and LSP obligation, the Club has changed its accounting policy in connection with its LSP liability and has applied the above HKICPA guidance retrospectively. In the opinion of the General Committee Members, this change in accounting policy did not have material impact on the statement of financial position as at 31 December 2022 and 31 December 2023.

(c) **Amended HKFRSs that have been issued but are not yet effective**

The following amended HKFRSs, potentially relevant to the Club’s financial statements, have been issued by the HKICPA, but are not yet effective and have not been early adopted by the Club. The Club’s current intention is to apply these changes on the date they become effective.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ¹
Amendments to HKAS 1	Non-current Liabilities with Covenants ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ¹

¹ Effective for annual periods beginning on or after 1 January 2024

The Club anticipates that adoption of the above amended HKFRSs will have no material impact on the Club’s financial performance and position and/or the disclosures to the financial statements of the Club in the future.

UNITED SERVICES RECREATION CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

3. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, HKASs and Interpretations (hereinafter collectively referred to as the “HKFRSs”) issued by the HKICPA and the Hong Kong Companies Ordinance.

(b) Going concern assumption

Continuation of the lease by People’s Liberation Army (“PLA”) Hong Kong Garrison

Under the terms of the Defence Land Agreement signed between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People’s Republic of China, the land upon which the Club is situated forms part of the estate belonging to the PLA Hong Kong Garrison. The ability to continue the current operations of the Club substantially depends on the PLA Hong Kong Garrison’s decision to lease the land, including the clubhouse, to the Club continuously. Having regard to the past history and current circumstances without any objection from the PLA Hong Kong Garrison, the General Committee Members are of the opinion that the lease as well as the current operations of the Club will continue for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

Should the PLA Hong Kong Garrison decide not to continue the lease, adjustments might have to be made in the financial statements to write down the carrying values of assets to their net realisable amounts, to provide for further liabilities which might arise, and to reclassify non-current assets as current assets. The potential adjustments have not been reflected in the financial statements and would have a consequential effect on the Club’s net assets as at 31 December 2023 and surplus for the year then ended.

(c) Basis of preparation of the financial statements

The financial statements have been prepared under the historical cost basis. The measurement bases are fully described below.

The material accounting policies information that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new and amended HKFRSs and the impacts on the Club’s financial statements, if any, are disclosed in Note 2.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 5.

UNITED SERVICES RECREATION CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

4. MATERIAL ACCOUNTING POLICIES

(a) Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated to write off the costs of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives. The estimated useful lives, estimated residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The estimated useful lives of property, plant and equipment are as follows:

Renovations and decoration	5 years
Furniture and fixtures	5 years
Computer equipment	3 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any 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.

(b) Leasing

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Club recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost (which comprises the initial measurement of lease liabilities, initial direct costs, reinstatement costs, any payments made at or before the commencement date less any lease incentives received), and subsequently at cost less any accumulated depreciation and impairment losses. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate is used. Generally, the Club uses its incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made.

Payments associated with short-term leases (i.e., leases with a lease term of 12 months or less) and low value leases are recognised in profit or loss on a straight-line basis.

UNITED SERVICES RECREATION CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

4. MATERIAL ACCOUNTING POLICIES - Continued

(c) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method and comprises of all costs of purchase, cost 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 cost of completion and the estimated costs necessary to make the sale.

(d) Loss allowance on financial instruments

The Club recognises expected credit losses (“ECLs”) on financial assets measured at amortised cost (including cash and cash equivalents, members’ accounts and other receivables).

Measurement of ECLs

ECLs are measured on either of the following bases: 1) 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and 2) lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECLs model applies. The maximum period considered when estimating ECLs is the maximum contractual period over which the Club is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfall (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).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, members’ accounts and other receivables and contracts assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate.

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.

UNITED SERVICES RECREATION CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

4. MATERIAL ACCOUNTING POLICIES - Continued

(d) Loss allowance on financial instruments - Continued

Loss allowances for member's accounts are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated 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 reporting date.

For all other financial instruments, the Club recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECLs 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.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Club compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Club considers that a default event occurs when (i) 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); or (ii) the financial asset is 30 days past due. 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.

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 a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and

UNITED SERVICES RECREATION CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

4. MATERIAL ACCOUNTING POLICIES - Continued

(d) Loss allowance on financial instruments - Continued

- 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.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

Definition of default

The Club considers an event of default occurs when information developed internally or obtained from external sources which indicates that the debtor is unlikely to pay its creditors, including the Club, in full. Irrespective of the above, the Club considers that default has occurred when a financial asset is more than 90 days past due unless the Club has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy

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. This is generally the case when the Club determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(e) Members' accounts and other 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 loss allowance as detailed in Note 4(d).

The Club derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity and the transfer meets the criteria for derecognition in accordance with HKFRS 9 *Financial Instrument*.

UNITED SERVICES RECREATION CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

4. MATERIAL ACCOUNTING POLICIES - Continued

(e) Members' accounts and other receivables - Continued

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(f) Contract liabilities

A contract liability represents the Club's obligation to transfer services to a member for which the Club has received consideration (or an amount of consideration is due) from the member.

A contract liability is recognised when a member pays non-refundable consideration before the Club recognises the revenue. A contract liability would also be recognised if the Club has an unconditional right to receive non-refundable consideration before the Club recognises the related revenue, in which case, a corresponding receivable would also be recognised.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks, 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.

(h) Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets (including trade and other payables and lease liabilities) and are recognised when the Club becomes party to the contractual obligations of the instrument. They are initially recorded at fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

The Club derecognises financial liabilities when the Club's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

UNITED SERVICES RECREATION CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

4. MATERIAL ACCOUNTING POLICIES - Continued

(i) Employee benefits

(i) Contributions to defined contribution retirement plans

The Club pays contributions to the MPF scheme on a mandatory basis. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Both the Club and the employees are required to contribute 5% of the employees' relevant income up to a maximum of HK\$1,500 per employee per month. The Club has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefits expense when they are due.

(ii) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave, maternity leave, paternity leave or other non-accumulating compensated services are not recognised until the time of leave.

(iii) Bonus plan

The expected cost of bonus payments is recognised as a liability when the Club has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(j) Provisions

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, 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.

UNITED SERVICES RECREATION CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023**

4. MATERIAL ACCOUNTING POLICIES - Continued

(k) Revenue and other income recognition

Income is classified by the Club as revenue when it arises from the sales of goods or the provision of services in the ordinary course of the Club's business.

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Club expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added taxes or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Club's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Club performs; or
- does not create an asset with an alternative use to the Club and the Club has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

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

(i) Subscription income

Subscription income is accounted for on an accrual basis and is recognised over the subscription period.

(ii) Revenue from food and beverages

Revenue from food and beverages is recognised at a point in time when the Club delivers the food and beverages to the customer.

UNITED SERVICES RECREATION CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

4. MATERIAL ACCOUNTING POLICIES - Continued

(k) Revenue and other income recognition - Continued

(iii) Revenue from retail shop

Revenue from retail shop is recognised at a point in time when control of the products has transferred to the customer, which generally coincides with the time when the products are delivered to the customer.

(iv) Revenue from sports, accommodation and car park

Revenue from sports, accommodation and car park are recognised over time as the services are rendered.

(v) Interest income

Interest income is recognised as it accrues using the effective interest method.

(vi) Entrance fee income

Entrance fee income for voting members is recognised as income when the joining date is effective. Entrance fee income for short-term subscribing members are recognised over the subscription period.

(vii) Government subsidies

Government subsidies are not recognised until there is reasonable assurance that the Club will comply with the conditions attaching to them and that the subsidies will be received.

Government subsidies are recognised in profit or loss on a systematic basis over the periods in which the Club recognises as expenses the related costs for which the subsidies are intended to compensate. Specifically, government subsidies whose primary condition is that the Club should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government subsidies that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Club with no future related costs are recognised in profit or loss in the period in which they become receivable and are recognised as other income, rather than reducing the related expense.

UNITED SERVICES RECREATION CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

4. MATERIAL ACCOUNTING POLICIES - Continued

(l) Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in Hong Kong dollars, which is the Club's functional currency (the currency of the primary economic environment in which the Club operates).

(ii) Transactions and balances

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transactions 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 at historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

(m) 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 over 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.**
- (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).**

UNITED SERVICES RECREATION CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023**

4. MATERIAL ACCOUNTING POLICIES - Continued

(m) Related parties - Continued

(b) An entity is related to the Club if any of the following conditions applies: -
Continued

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Club.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical accounting judgements and key sources of estimation uncertainty that have significant risks of resulting in material adjustments to the carrying amounts of assets and liabilities within the next reporting period are as follows:

(a) Going concern assumption

The assessment of the going concern assumption involves making a judgement by the General Committee Members, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. Based on the assumptions set out in Note 3(b), the General Committee Members consider the Club has the capacity to continue as a going concern.

(b) Depreciation

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives, after taking into account the estimated residual values. Both the useful life of the assets and their residual values, if any, are reviewed annually. Either addition or reduction in depreciation charge in future periods would be required if there are significant changes from previous estimates.

(c) Loss allowance on members' accounts

The Club recognised lifetime expected credit losses on members' accounts on individual basis. The estimation on ECLs required assessing probability-weighted estimate of the credit loss within the relevant time band which is based on historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current and forecast condition at the end of each reporting period. If there is a significant increase in credit risk on the member's accounts and other receivables since initial recognition, additional ECLs may be required.

UNITED SERVICES RECREATION CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY - Continued

(d) Recognition and allocation of payments from members

The Club recognises payments from members, including (i) subscription income; (ii) revenues from food and beverage, retail shops, sports, accommodation and car park; and (iii) entrance fees according to the accounting policies as stated in Note 4(k). Payments from members comprise multiple elements including payments for future goods and services, access to the Club and its facilities, the right to vote at general meetings and to participate in making operational decisions at the Club. The Club considers the monthly subscriptions and charges for future goods and services represent the fair values of ongoing access rights to the Club and its facilities and future goods and services provided by the Club, the values of which are sufficient to cover the fulfilment costs with reasonable margin.

Furthermore, the Club determines that the entrance fees for voting members represent sole payments for the right to vote at the general meetings and to participate in making operational decisions at the Club.

Accordingly, the Club considers such entrance fees from voting members to fall outside the scope of HKFRS 15 *Revenue from contracts with customers* (“HKFRS 15”). The allocation of payments from members to each element requires the use of judgement.

(e) Impairment of non-financial assets

The Club assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(f) Litigation claim

In 2017, a legal proceeding commenced in the District Court of the Hong Kong Special Administrative Region (the “HKSAR”) by a former member of the Club against the Club, with respect to the disputes arising from breach of the rules of the Club by the former member.

UNITED SERVICES RECREATION CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023**

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY - Continued

(f) Litigation claim - Continued

The litigation is still ongoing but no step has been taken by the former member to prosecute against the Club for over 5 years since January 2018. General Committee Members had thoroughly revisited the situations and considered that the outcome of the pending litigation would not have significant adverse impact to the financial statements as at 31 December 2023 and 2022.

6. REVENUE

	2023 HK\$	2022 HK\$
Revenue from contracts with customers within scope of HKFRS 15		
- Recognised at a point in time	29,954,827	23,381,457
- Recognised over a period of time	<u>28,241,795</u>	<u>26,737,377</u>
Total revenue from contracts with customers within scope of HKFRS 15	58,196,622	50,118,834
Entrance fee income from voting members	<u>11,530,200</u>	<u>5,389,082</u>
	<u><u>69,726,822</u></u>	<u><u>55,507,916</u></u>

7. OTHER INCOME

	2023 HK\$	2022 HK\$
Bank interest income	891,044	269,478
Government subsidies		
- Employment Support Scheme (Note a)	-	1,799,200
- Club-house Subsidy Scheme (Note b)	-	75,000
Locker income	230,569	243,558
Penalty income	93,750	91,600
Sundry income	<u>528,294</u>	<u>568,274</u>
	<u><u>1,743,657</u></u>	<u><u>3,047,110</u></u>

UNITED SERVICES RECREATION CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

7. OTHER INCOME - Continued

Notes:

- (a) During the year ended 31 December 2022, the Club received government subsidies of HK\$1,799,200 from the Employment Support Scheme (“ESS”) under the Anti-pandemic Fund launched by the Government of the HKSAR supporting the payroll of the Club’s employees. Under the ESS, the Club spent these grants for payroll from May 2022 to July 2022, and did not reduce employee head count below prescribed levels for a specified period of time. The grant was allocated to the statement of comprehensive income to match the relevant costs incurred. The Club did not have other unfulfilled obligation relating to this programme.
- (b) The Club-house Subsidy Scheme aims to provide immediate financial relief to holders of Certificate of Compliance issued under the Clubs (Safety of Premises) Ordinance (Cap. 376) whose businesses had been directly affected by the anti-epidemic and social distancing measures imposed by the government of the HKSAR. The Club did not have any unfulfilled obligations in respect of the subsidy received during the year ended 31 December 2022.

8. SURPLUS/(DEFICIT) BEFORE INCOME TAX

Surplus/(Deficit) before income tax is arrived at after charging:

	2023 HK\$	2022 HK\$
(a) Employee expenses		
Salaries, bonuses and other benefits	33,026,487	27,309,664
Contributions to defined contribution retirement plans	<u>1,075,198</u>	<u>930,707</u>
	<u>34,101,685</u>	<u>28,240,371</u>

UNITED SERVICES RECREATION CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023**

8. SURPLUS/(DEFICIT) BEFORE INCOME TAX - Continued

	2023 HK\$	2022 HK\$
(b) Administration expenses		
Auditor's remuneration	110,000	105,000
Business registration and licence fees	55,527	4,459
Dining coupons to members	112,933	437,162
Function costs	106,565	119,013
In-house entertainment for Club events	237,255	118,260
Loss allowance on members' accounts (Note 20(a)(i))	7,869	35,040
Insurance	490,256	476,375
Laundry	341,673	256,398
Legal and professional fees	150,000	102,000
Library and periodicals	104,338	82,575
Linens and uniform	160,620	80,819
Newsletter	11,040	34,962
Office expenses	1,755,820	1,575,730
Other expenses	2,170,124	2,042,968
Rates	262,423	336,667
Repairs and maintenance	1,830,397	1,920,351
Services to members	275,180	345,407
Towngas	806,320	1,014,040
Utilities	2,596,118	2,233,296
	<u>11,584,458</u>	<u>11,320,522</u>
(c) Finance costs		
Interest on lease liabilities	<u>10,755</u>	<u>7,229</u>
(d) Other items		
Cost of inventories as included in direct costs	<u>10,360,416</u>	<u>8,410,813</u>

UNITED SERVICES RECREATION CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023**

9. INCOME TAX

During the years ended 31 December 2023 and 2022, more than 50% of the Club's revenue was derived from its voting members, thus no provision for Hong Kong Profits Tax is made in the financial statements as the Club is not liable to Hong Kong Profits Tax under section 24(1) of the Inland Revenue Ordinance.

Reconciliation between income tax and accounting surplus/(deficit) at applicable rates:

	2023 HK\$	2022 HK\$
Surplus/(Deficit) before income tax	<u>1,424,587</u>	<u>(1,590,021)</u>
Tax calculated at applicable Hong Kong profits tax rate of 16.5%	235,057	(262,353)
Tax effect on non-taxable income	(11,792,629)	(9,661,579)
Tax effect on non-deductible expenses	<u>11,557,572</u>	<u>9,923,932</u>
Income tax	<u>-</u>	<u>-</u>

10. REMUNERATION OF THE GENERAL COMMITTEE MEMBERS

None of the General Committee Members received or will receive any fees or other emoluments in respect of their services to the Club during the years ended 31 December 2023 and 2022.

UNITED SERVICES RECREATION CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023**

11. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets HK\$ (Note (b))	Renovations and decoration HK\$ (Note (a))	Furniture and fixtures HK\$ (Note (a))	Computer equipment HK\$ (Note (a))	Total HK\$
Cost					
At 1 January 2022	434,201	80,263,803	9,218,937	3,701,402	93,618,343
Additions	-	4,827,454	1,409,969	89,375	6,326,798
Write-off	-	(485,418)	(1,260,234)	-	(1,745,652)
At 31 December 2022 and 1 January 2023	434,201	84,605,839	9,368,672	3,790,777	98,199,489
Additions	-	17,553,954	2,044,424	666,440	20,264,818
Effect of lease modification	424,781	-	-	-	424,781
Write-off	-	(2,287,035)	(296,067)	(407,489)	(2,990,591)
At 31 December 2023	<u>858,982</u>	<u>99,872,758</u>	<u>11,117,029</u>	<u>4,049,728</u>	<u>115,898,497</u>
Accumulated depreciation					
At 1 January 2022	258,959	61,699,072	6,750,703	2,984,858	71,693,592
Charge for the year	91,527	7,142,860	1,026,175	379,950	8,640,512
Write-off	-	(485,418)	(1,260,234)	-	(1,745,652)
At 31 December 2022 and 1 January 2023	350,486	68,356,514	6,516,644	3,364,808	78,588,452
Charge for the year	99,718	7,823,884	1,119,327	331,716	9,374,645
Write-off	-	(2,287,035)	(296,067)	(407,489)	(2,990,591)
At 31 December 2023	<u>450,204</u>	<u>73,893,363</u>	<u>7,339,904</u>	<u>3,289,035</u>	<u>84,972,506</u>
Net book value					
At 31 December 2023	<u>408,778</u>	<u>25,979,395</u>	<u>3,777,125</u>	<u>760,693</u>	<u>30,925,991</u>
At 31 December 2022	<u>83,715</u>	<u>16,249,325</u>	<u>2,852,028</u>	<u>425,969</u>	<u>19,611,037</u>

Notes:

- (a) During the years ended 31 December 2023 and 2022, property, plant and equipment with cost of HK\$2,990,591 (2022: HK\$1,745,652) were written-off as a result of outdated and physical damaged.

UNITED SERVICES RECREATION CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023**

11. PROPERTY, PLANT AND EQUIPMENT - Continued

Notes: - Continued

(b) Right-of-use assets

	Dishwashing machine HK\$	Copiers HK\$	Total HK\$
At 1 January 2022	39,057	136,185	175,242
Depreciation	<u>(23,433)</u>	<u>(68,094)</u>	<u>(91,527)</u>
At 31 December 2022 and 1 January 2023	15,624	68,091	83,715
Depreciation	(25,543)	(74,175)	(99,718)
Effect of lease modification	<u>45,048</u>	<u>379,733</u>	<u>424,781</u>
At 31 December 2023	<u><u>35,129</u></u>	<u><u>373,649</u></u>	<u><u>408,778</u></u>

12. INVENTORIES

	2023 HK\$	2022 HK\$
Bar stock	213,192	193,449
Catering stock	288,165	241,887
Club shop stock	<u>63,728</u>	<u>81,943</u>
	<u><u>565,085</u></u>	<u><u>517,279</u></u>

UNITED SERVICES RECREATION CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

13. MEMBERS' ACCOUNTS, OTHER RECEIVABLES AND PREPAYMENTS

	2023 HK\$	2022 HK\$
Members' accounts	5,894,526	5,869,745
Less: Loss allowance	<u>(128,053)</u>	<u>(127,024)</u>
Members' accounts - net	5,766,473	5,742,721
Other receivables and deposits	<u>886,110</u>	<u>872,909</u>
Prepayments	6,652,583	6,615,630
	<u>543,971</u>	<u>239,506</u>
	<u><u>7,196,554</u></u>	<u><u>6,855,136</u></u>

Based on the invoice date, the ageing analysis of members' accounts of the Club as of the end of the reporting period is as follows:

	2023 HK\$	2022 HK\$
1 - 30 days	5,650,733	5,576,696
31 - 60 days	140,829	217,577
61 - 90 days	49,044	29,981
Over 90 days	<u>53,920</u>	<u>45,491</u>
	<u><u>5,894,526</u></u>	<u><u>5,869,745</u></u>

Members' accounts are due within 30 days from the date of billing.

14. TIME DEPOSITS AND CASH AND CASH EQUIVALENTS

	2023 HK\$	2022 HK\$
Cash and banks balances	9,465,629	16,696,755
Short-term bank deposits	<u>19,294,625</u>	<u>11,373,450</u>
Cash and cash equivalents	28,760,254	28,070,205
Time deposits	<u>10,000,000</u>	<u>20,000,000</u>
	<u><u>38,760,254</u></u>	<u><u>48,070,205</u></u>

UNITED SERVICES RECREATION CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023**

14. TIME DEPOSITS AND CASH AND CASH EQUIVALENTS - Continued

Cash and cash equivalents include cash and bank balances and short-term bank deposits. Short-term bank deposits are placed with banks with maturity periods ranging from 1 month to 3 months. The effective interest rate on short-term bank deposits ranged from 0.88% to 3.21% (2022: from 0.01% to 3.45%) per annum.

At 31 December 2023, time deposits represented bank deposits placed in a bank in Hong Kong with interest bearing ranged from 3.65% to 3.72% (2022: 1.78%) per annum.

15. TRADE AND OTHER PAYABLES

	2023 HK\$	2022 HK\$
Trade payables	1,899,296	2,402,698
Accrued expenses	4,487,475	2,399,405
Other payables	1,652,789	1,289,044
Contract liabilities (Note)	3,220,698	4,550,881
Provision for payment in lieu of employee unused annual leave	<u>230,638</u>	<u>210,698</u>
	<u><u>11,490,896</u></u>	<u><u>10,852,726</u></u>

Note:

Fees received in advance that are related to sales of goods or provision of services not yet delivered to members are recognised as contract liabilities. Revenue is recognised when goods or services are delivered to members.

Movements in contract liabilities:

	2023 HK\$	2022 HK\$
At 1 January	4,550,881	4,654,089
Decrease in contract liabilities as a result of recognising revenue during the year that was included in contract liabilities at beginning of the year	(4,550,881)	(3,454,089)
Increase in contract liabilities as a result of billing in advance of sales and service revenue	<u>3,220,698</u>	<u>3,350,881</u>
At 31 December	<u><u>3,220,698</u></u>	<u><u>4,550,881</u></u>

UNITED SERVICES RECREATION CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023**

15. TRADE AND OTHER PAYABLES - Continued

Note: - Continued

Represented by:

	2023 HK\$	2022 HK\$
Subscriptions	2,158,578	2,610,950
Entrance fee	500,000	1,550,000
Food and beverages	320,210	169,771
Car park	<u>241,910</u>	<u>220,160</u>
	<u><u>3,220,698</u></u>	<u><u>4,550,881</u></u>

The following table shows the amount of the revenue recognised in the current year relates to contract liabilities brought forward from the previous reporting date:

	2023 HK\$	2022 HK\$
Subscriptions	2,610,950	1,963,435
Entrance fee	1,550,000	1,000,000
Food and beverages	169,771	265,794
Car park	<u>220,160</u>	<u>224,860</u>
	<u><u>4,550,881</u></u>	<u><u>3,454,089</u></u>

16. LEASES

(a) Nature of leasing activities (in the capacity as lessee)

The Club leases a dishwashing machine and copiers. Lease payments of the lease contracts are fixed.

UNITED SERVICES RECREATION CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023**

16. LEASES - Continued

(b) Lease liabilities

	2023 HK\$	2022 HK\$
Modification on lease	424,781	-
Interest expenses	(10,755)	(7,229)
Lease payments of principal portion	(93,311)	(98,971)
Weighted average incremental borrowing rate	6.88%	5.13%

Future lease payments are due as follows:

2023	Minimum lease payments HK\$	Interest HK\$	Present value HK\$
Not later than one year	120,152	25,754	94,398
Later than one year and not later than two years	111,952	19,174	92,778
Later than two year and not later than five years	<u>262,768</u>	<u>22,598</u>	<u>240,170</u>
	<u>494,872</u>	<u>67,526</u>	<u>427,346</u>
2022	Minimum lease payments HK\$	Interest HK\$	Present value HK\$
Not later than one year	<u>98,000</u>	<u>2,124</u>	<u>95,876</u>

The present value of future lease payments are analysed as:

	2023 HK\$	2022 HK\$
Current liabilities	94,398	95,876
Non-current liabilities	<u>332,948</u>	<u>-</u>
	<u>427,346</u>	<u>95,876</u>

UNITED SERVICES RECREATION CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023**

16. LEASE - Continued

(c) Amounts recognised in the statement of comprehensive income

	2023 HK\$	2022 HK\$
Depreciation of right-of-use assets	99,718	91,527
Interest expenses on lease liabilities (included in finance costs)	<u>10,755</u>	<u>7,229</u>

17. PROVISIONS

	2023 HK\$	2022 HK\$
At 1 January and 31 December	<u>726,914</u>	<u>726,914</u>

The amount represented provision for legal cost of litigation against the Club by a former member of the Club. No provision or utilisation was made in 2023 and 2022.

18. DEVELOPMENT RESERVE

	2023 HK\$	2022 HK\$
At 1 January	14,687,848	17,721,968
Transfer from accumulated surplus in respect of entrance fees	11,740,800	5,606,392
Transfer to accumulated surplus in respect of depreciation	<u>(9,374,645)</u>	<u>(8,640,512)</u>
	<u>2,366,155</u>	<u>(3,034,120)</u>
At 31 December	<u>17,054,003</u>	<u>14,687,848</u>

Development reserve is intended to fund the acquisition of property, plant and equipment by use of entrance fees with the corresponding reserves released to the accumulated surplus as a reserve movement over the estimated useful lives of the acquired assets.

UNITED SERVICES RECREATION CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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19. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Club's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Club's statement of cash flows as cash flows from financing activities.

	Lease liabilities HK\$
At 1 January 2022	194,847
Cash outflows:	
Repayment of principal portion of lease liabilities	(98,971)
Repayment of interest portion of lease liabilities	(7,229)
Other changes:	
Interest expense	<u>7,229</u>
At 31 December 2022 and 1 January 2023	95,876
Cash outflows:	
Repayment of principal portion of lease liabilities	(93,311)
Repayment of interest portion of lease liabilities	(10,755)
Other changes:	
Effect of lease modification	424,781
Interest expense	<u>10,755</u>
At 31 December 2023	<u><u>427,346</u></u>

20. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

(a) Financial risk factors

The Club's activities expose it to credit risk and liquidity risk. The Club's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Club's financial performance and position by closely monitoring the individual exposure.

(i) Credit risk

Credit risk refers to risks that a counterparty will default on its contractual obligation resulting in a financial loss to the Club. The Club's credit risk is primarily attributable to members' accounts and other receivables, time deposits and cash and cash equivalents. The Club's exposure to credit risk arising from bank balances is limited because the counterparties are banks with high credit rating assigned by international credit-rating agencies.

UNITED SERVICES RECREATION CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023**

20. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES - Continued

(a) Financial risk factors - Continued

(i) Credit risk - Continued

Members' accounts

As the Club's members' accounts consist of a large number of members, the relevant concentration of credit risk is low. In order to minimise the credit risk resulting from counterparty default, management of the Club has delegated a team responsible for monitoring procedures to ensure that follow-up action is taken to recover debts. In this regard, the General Committee Members are of the opinion that the relevant credit risk has been significantly reduced.

The Club measures loss allowances for members' accounts at an amount equal to lifetime ECLs, which is estimated based on ECLs rate of approximately 2.17%. 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 following table provides information about the Club's exposure to credit risk and ECLs for members account as at 31 December 2023 and 2022:

	Gross carrying amounts HK\$	ECL rate	Loss allowance HK\$	Net carrying amounts HK\$
At 31 December 2023				
Current	5,650,733	2.17%	(122,758)	5,527,975
1 month	140,829	2.17%	(3,059)	137,770
2 months	49,044	2.17%	(1,065)	47,979
Over 2 months	53,920	2.17%	(1,171)	52,749
	<u>5,894,526</u>		<u>(128,053)</u>	<u>5,766,473</u>
At 31 December 2022				
Current	5,576,696	2.16%	(120,683)	5,456,013
1 month	217,577	2.16%	(4,708)	212,869
2 months	29,981	2.16%	(649)	29,332
Over 2 months	45,491	2.16%	(984)	44,507
	<u>5,869,745</u>		<u>(127,024)</u>	<u>5,742,721</u>

UNITED SERVICES RECREATION CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

20. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES - Continued

(a) Financial risk factors - Continued

(i) Credit risk - Continued

Movement in the loss allowance account in respect of members' accounts during the year is as follows:

	2023 HK\$	2022 HK\$
At 1 January	127,024	114,834
Loss allowance recognised	7,869	35,040
Written off	(6,840)	(22,850)
	<u>128,053</u>	<u>127,024</u>
At 31 December	<u>128,053</u>	<u>127,024</u>

Other receivables

Expected loss rates are based on actual loss experience over the past years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Club's view of economic conditions over the expected lives of the receivables.

For other receivables, management of the Club makes periodic collective assessment as well as individual assessment on the recoverability of the receivables based on historical settlement records, past experience, and available reasonable and supportive forward-looking information. Management believes that there is no material credit risk inherent in the Club's outstanding balance of other receivables. Management considered that no loss allowance should be recognised for other receivables.

Time deposits and cash and cash equivalents

In respect of time deposits and cash and cash equivalents, the Club's exposure to credit risk is limited because the deposits are placed with reputable banks, for which the Club considers having low credit risk. There was no history of default in relation to these financial institutions.

UNITED SERVICES RECREATION CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

20. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES - Continued

(a) Financial risk factors - Continued

(ii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and bank balances to meet obligations as they fall due. The Club's liquidity risk is further mitigated through the availability of funds from subscription income and entrance fee income so as to enable the Club to meet its liabilities as and when they fall due and to continue the Club's activities for the foreseeable future.

The ability to continue the current operations of the Club substantially depends on the PLA Hong Kong Garrison's decision to lease the land, including the clubhouse, to the Club continuously. Details of going concern basis are set out in Note 3(b).

The following table details the remaining contractual maturities at the end of the reporting period of the Club's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Club can be required to pay:

At 31 December 2023	Carrying amounts HK\$	Total contractual undiscounted cash flows HK\$	Within 1 year or on demand HK\$	More than 1 year but less than 2 years HK\$	More than 2 years but less than 5 years HK\$
<i>Non-derivative financial liabilities</i>					
Trade payables	1,899,296	1,899,296	1,899,296	-	-
Accrued expenses	4,487,475	4,487,475	4,487,475	-	-
Other payables	1,652,789	1,652,789	1,652,789	-	-
	<u>8,039,560</u>	<u>8,039,560</u>	<u>8,039,560</u>	-	-
Lease liabilities	<u>427,346</u>	<u>494,872</u>	<u>120,152</u>	<u>111,952</u>	<u>262,768</u>
	<u><u>8,466,906</u></u>	<u><u>8,534,432</u></u>	<u><u>8,159,712</u></u>	<u><u>111,952</u></u>	<u><u>262,768</u></u>

UNITED SERVICES RECREATION CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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20. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES - Continued

(a) Financial risk factors - Continued

(ii) Liquidity risk - Continued

At 31 December 2022	Carrying amounts HK\$	Total contractual undiscounted cash flows HK\$	Within 1 year or on demand HK\$
<i>Non-derivative financial liabilities</i>			
Trade payables	2,402,698	2,402,698	2,402,698
Accrued expenses	2,399,404	2,399,404	2,399,404
Other payables	<u>1,289,044</u>	<u>1,289,044</u>	<u>1,289,044</u>
	6,091,146	6,091,146	6,091,146
Lease liabilities	<u>95,876</u>	<u>98,000</u>	<u>98,000</u>
	<u><u>6,187,022</u></u>	<u><u>6,189,146</u></u>	<u><u>6,189,146</u></u>

(b) Categories of financial assets and liabilities

The carrying amounts of the Club's financial assets and financial liabilities as recognised at the reporting date are categorised as follows:

	2023 HK\$	2022 HK\$
Financial assets		
<i>Financial assets at amortised cost:</i>		
Members' accounts and other receivables	6,652,583	6,615,630
Time deposits	20,000,000	20,000,000
Cash and cash equivalents	<u>18,760,254</u>	<u>28,070,205</u>
	<u><u>45,412,837</u></u>	<u><u>54,685,835</u></u>
Financial liabilities		
<i>Financial liabilities at amortised cost:</i>		
Trade and other payables	<u>8,039,560</u>	<u>6,091,146</u>
Other financial instruments		
Lease liabilities	<u><u>427,346</u></u>	<u><u>95,876</u></u>

(c) Fair values

The General Committee Members consider that the carrying amounts of all financial assets and liabilities approximate their fair values.

UNITED SERVICES RECREATION CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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21. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the financial statements, particulars of significant transactions between the Club and related parties during the year are as follows:

Transactions with key management personnel

Key management personnel of the Club are the General Committee Members who have not received or will receive any remuneration for their services during the years ended 31 December 2023 and 2022.

22. CAPITAL COMMITMENTS

	2023 HK\$	2022 HK\$
Capital expenditure contracted for the acquisition of property, plant and equipment	<u>304,300</u>	<u>150,721</u>

23. CAPITAL MANAGEMENT

The Club's objectives when managing capital are to safeguard the Club's ability to continue as a going concern in order to (i) provide high standard of recreation services and club facilities to its members; and (ii) support the Club's stability and growth.

Management of the Club reviews and monitors its capital regularly which is same as total equity shown in the statement of financial position to ensure an appropriate level of return to support provision of recreation services and club facilities to the community through its members. The Club's overall strategy remains unchanged from prior years.

In accordance to the Club's Articles of Association, every member of the Club undertakes to contribute an amount not exceeding HK\$100 to the assets of the Club in the event of its being wound up during the time that he is a member, or within one year afterwards, for payment of the debts and liabilities of the Club contracted before the time at which he ceases to be a member, and to the costs, charges and expenses of winding up the Club, and for the adjustment of the rights of the contributories amongst themselves.

The ability to continue the current operations of the Club substantially depends on the PLA Hong Kong Garrison's decision to lease the land, including the clubhouse, to the Club continuously. Details of going concern basis are set out in Note 3(b).

The Club is not subject to externally imposed capital requirements in either current or prior years.

UNITED SERVICES RECREATION CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023**

24. APPROVAL OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2023 were approved and authorised for issue by the General Committee Members on 21 May 2024.