

financial REVIEW 2002-2003

Overview

In the financial year 2002-2003, the Institution continued to sustain a healthy financial and cash position. Spending was closely monitored resulting in a surplus of HK\$4.38 million for the year. Total net assets as at 31 March 2003 were HK\$45.2 million, which is about HK\$3.6 million higher than that of last year.

Source of Fund

Major sources of income were membership fees, training fees and application and assessment fees. These accounted for 81.1% of the total income of HK\$25.1 million.

Use of Fund

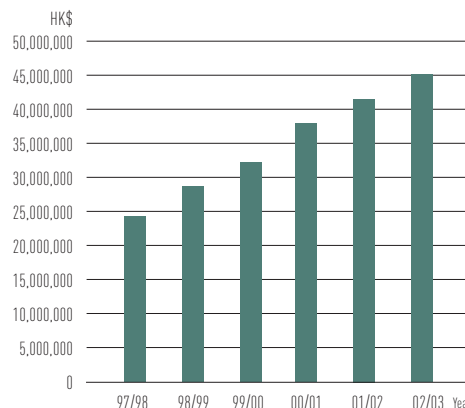
Total expenditure for the year was HK\$20.7 million, a 2.5% saving as compared to HK\$21.3 million last year.

The Secretariat has been restructured during the year aiming at providing effective and efficient services to members. With the restructuring, a saving of 13.75% of the staff costs in the amount of HK\$1.6 million was achieved.

There was an increase of 19.7% in membership expenses, which was mainly due to a significant increase in the bank charges for the payment of subscriptions through credit cards. This has become a favourable method of payment by our members. In addition, an insurance coverage for members joining the Institution's activities has also been taken and expenses made during the year.

It may be worth pointing out that the HKIE has increased expenditure for various other activities by an amount of HK\$125,000 over the previous year. These include the expenditure

Total Net Assets

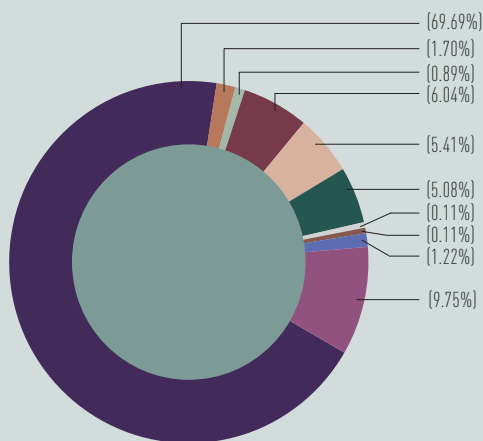


Year Ended	Total Net Assets	Fixed Assets	Net Current Assets	Long-term Liabilities
97/98	24,296,515	24,268,060	5,592,754	(5,564,299)
98/99	28,733,324	29,350,315	4,091,925	(4,708,916)
99/00	32,327,764	29,142,075	3,185,689	—
00/01	37,972,196	29,205,564	8,766,632	—
01/02	41,602,719	28,416,776	13,185,943	—
02/03	45,192,749	27,548,014	17,644,735	—

on the Innovation Awards for Construction Industry and the Young Engineers of the Year Award. This year, the funding for the student scholarships has also been increased to HK\$281,000. All these were considered worthwhile initiatives.

Source of Fund

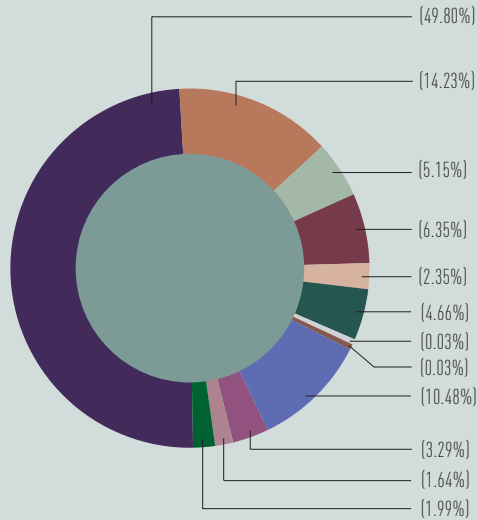
- Subscriptions
- Entrance Fees
- Transfer Fees
- Training Fees
- Application & Assessment Fees
- ERB Administration Fees
- Asia Pacific Economic Cooperation Engineer Registration Fees
- Engineers Mobility Forum Engineer Registration Fees
- Facilities Income
- Others



Source of Fund	HK\$	%
Subscriptions	17,494,243	69.69%
Entrance Fees	425,270	1.70%
Transfer Fees	223,690	0.89%
Training Fees	1,516,300	6.04%
Application & Assessment Fees	1,358,252	5.41%
ERB Administration Fees	1,275,816	5.08%
Asia Pacific Economic Cooperation Engineer Registration Fees	27,600	0.11%
Engineers Mobility Forum Engineer Registration Fees	28,000	0.11%
Facilities Income	307,142	1.22%
Others	2,446,649	9.75%
Total	25,102,962	100.00%

Use of Fund

- Staff Expenses
- Office & Administration Expenses
- Membership Expenses
- Accreditation Expenses
- Publication Expenses
- Conference Expenses
- Asia Pacific Economic Cooperation Engineer Expenses
- Engineers Mobility Forum Engineer Expenses
- Divisional Expenses
- External Affairs Expenses
- Legal & Professional Fees
- Other Expenses



Use of Fund	HK\$	%
Staff Expenses	10,321,276	49.80%
Office & Administration Expenses	2,950,416	14.23%
Membership Expenses	1,067,342	5.15%
Accreditation Expenses	1,317,513	6.35%
Publication Expenses	486,831	2.35%
Conference Expenses	966,011	4.66%
Asia Pacific Economic Cooperation Engineer Expenses	5,482	0.03%
Engineers Mobility Forum Engineer Expenses	5,484	0.03%
Divisional Expenses	2,172,312	10.48%
External Affairs Expenses	681,995	3.29%
Legal & Professional Fees	340,387	1.64%
Other Expenses	412,456	1.99%
Total	20,727,505	100.00%

Performance by Divisions

	(1) Allocation 2002/03 HK\$	(2) Surplus/ (Deficit) b/f HK\$	(3) Surplus Returned to Headquarters HK\$	(4) Income HK\$ (Note 1)	(5)=(1)+(2)-(3)+(4) Total Funds HK\$	(6) Expenditure HK\$ (Note 2)	(7)=(5)-(6) Surplus/ (Deficit) at 31 March 2003 HK\$ (Note 3)
Associate Members Committee	99,000	72,395	-	84	171,479	132,096	39,383
Biomedical Division	52,000	100,379	-	2,275	154,654	53,077	101,577
Building Division	100,000	231,823	-	19,720	351,543	75,563	275,980
Building Services Division	160,000	406,513	-	33,185	599,698	268,625	331,073
Civil Division	229,000	412,952	-	33,278	675,230	167,570	507,660
Control, Automation & Instrumentation Division	83,000	136,190	-	11,565	230,755	131,283	99,472
Electrical Division	123,000	910,786	-	10,881	1,044,667	82,102	962,565
Electronics Division	86,000	108,293	-	30,054	224,347	119,082	105,265
Environmental Division	148,000	530,375	-	13,645	692,020	116,717	575,303
Gas & Energy Division	68,000	29,612	-	3,100	100,712	64,739	35,973
Geotechnical Division	138,000	77,134	-	53,776	268,910	142,823	126,087
Information Technology Division	126,000	176,404	-	6,168	308,572	27,144	281,428
Manufacturing & Industrial Division	70,000	54,651	-	2,501	127,152	44,425	82,727
Materials Division	61,000	69,603	-	3,100	133,703	59,194	74,509
Mechanical, Marine, Naval Architecture & Chemical Division	114,000	237,199	-	10,166	361,365	171,067	190,298
Nuclear Division	50,000	49,824	-	-	99,824	77,795	22,029
Safety Specialist Group	68,000	55,694	-	-	123,694	55,305	68,389
Structural Division	167,000	131,943	-	76,812	375,755	328,192	47,563
Young Members Committee	163,000	142,489	-	3,314	308,803	229,931	78,872
Total	2,105,000	3,934,259	-	313,624	6,352,883	2,346,730	4,006,153

Note:

1) Income included receipts for affiliate subscriptions.

2) Expenditure included net deficit/surplus of special events.

3) Surplus represents accumulated surplus and therefore does not agree with the current year surplus in the audited accounts.