

Financial Review 2013/2014

Overview

In the financial year 2013/2014, the Institution continued to sustain a healthy financial and cash position. The surplus for the year was HK\$4.23 million with the increase in income and expenditure by HK\$1.3 million and HK\$1.8 million respectively as compared to last year. Total net assets as at 31 March 2014 including the decrease in fair value of investment of HK\$140,000 were HK\$78 million which is about HK\$4 million higher than that of last year.

Source of Fund

Major sources of income were membership fees, accreditation income and training fees. These accounted for 78.6% of the total income of HK\$39.1 million. The income for the year excluding the donation for the Learned Society Activities' Premises ("LSAP") of HK\$1.4 million was HK\$37.7 million. As compared to the income of last year excluding the donation for the LSAP of HK\$36.7 million, there was an increase of 2.7% for the year.

Use of Fund

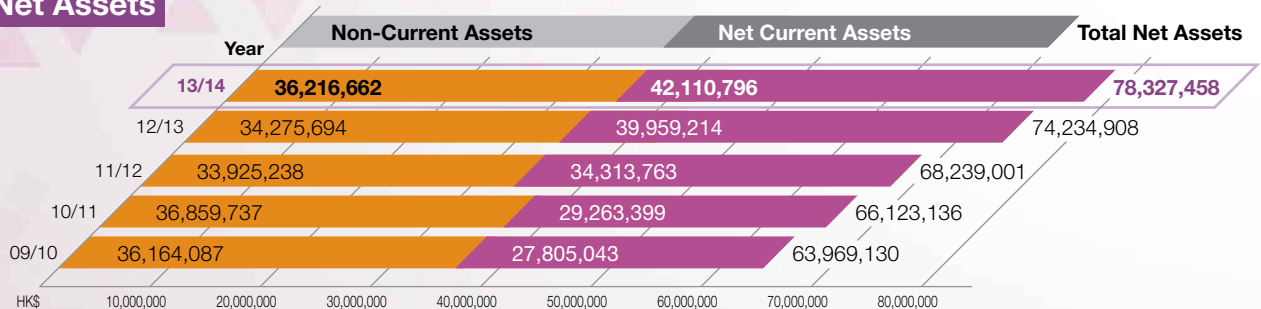
Total expenditure for the year was HK\$34.8 million. There was an increase of 5.5% as compared to HK\$33 million last year.

The Engineering Week 2013 was organised along the theme "Engineer our Future with Innovation and Excellence" on 20 - 28 April 2013. A series of activities was organised during the event which aimed to showcase the engineering contributions to society, highlight and recognise the distinctive innovative ideas of fellow engineers and most important of all, to arouse the general public's awareness of the engineering profession. With various sponsorship supports, the net cost incurred for the event was HK\$39,000.

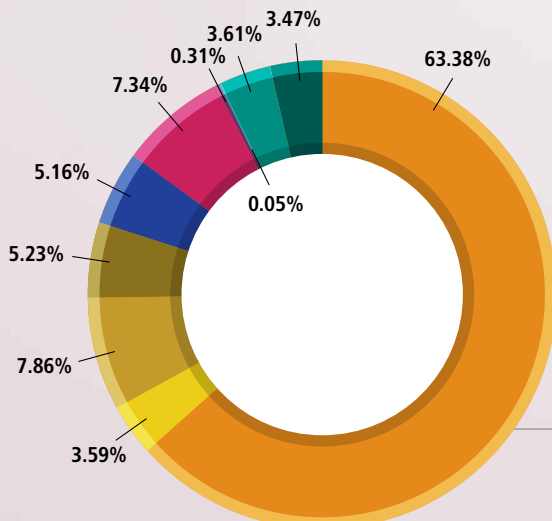
To raise the awareness of building safety among owners, the HKIE published a Handbook on Building Maintenance and Repair. The net cost of production of the booklet was HK\$204,000. In addition, Study on the Engineering Profession and the Development of Related Association(s) or Institution(s) of the Profession was completed in the year and the cost incurred for the study during the year was HK\$450,000.

The Institution has spent for various other activities by an amount of HK\$300,000 in the year under review. These activities included the New Members' Reception, Media Consultancy Services and Development of HKIE Mobile Application, etc.

Total Net Assets



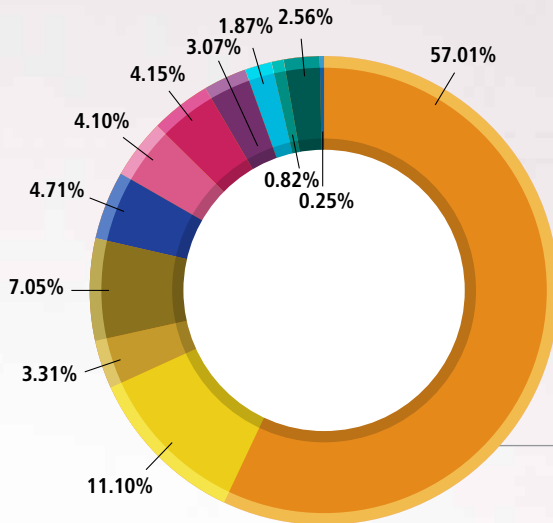
Source of Fund



	HK\$	%
Subscriptions	24,800,170	63.38%
Entrance and Transfer Fees	1,403,720	3.59%
Training Fees	3,076,850	7.86%
Application & Assessment Fees	2,045,620	5.23%
ERB Administration Fees	2,018,205	5.16%
Accreditation Income	2,873,200	7.34%
Continuing Professional Development Activities	122,373	0.31%
Assessment for Reciprocal Recognition Agreement	18,213	0.05%
Donation for Learned Society Activities' Premises	1,410,972	3.61%
Other Income (Note 1)	1,356,725	3.47%
	39,126,048	100.00%

Note 1: Other income includes interest income, dividend income, Asia Pacific Economic Co-operation Engineer registration fees, Engineers Mobility Forum Engineer registration fees, Engineering Technologists Mobility Forum Engineering Technologists registration fees, etc.

Use of Fund



	HK\$	%
Staff Expenses	19,891,214	57.01%
Office & Administration Expenses	3,872,571	11.10%
Membership Expenses	1,154,532	3.31%
Accreditation Expenses	2,459,929	7.05%
Publication Expenses	1,644,667	4.71%
Conference Expenses	1,431,071	4.10%
Divisional Expenses	1,448,764	4.15%
External Affairs Expenses	1,070,761	3.07%
Legal & Professional Fees	653,973	1.87%
The HKIE Awards and Student Scholarship & Prizes Expenses	285,708	0.82%
Other Events Expenses (Note 1)	890,002	2.56%
Other Expenses (Note 2)	90,306	0.25%
Total	34,893,498	100.00%

Note 1: Other events include Engineering Week, Study on the Engineering Profession, Handbook on Building Management & Repair, Development on HKIE Mobile Application, Media Consultancy Services, etc.

Note 2: Other expenses include expenses for Asia Pacific Economic Co-operation Engineer, Engineers Mobility Forum Engineer and Engineering Technologists Mobility Forum Engineering Technologists, etc.

Performance by Divisions

	(1)	(2)	(3)	(4)	(5)=(1)+(2)-(3)+(4)	(6)	(7)=(5)-(6)
	Allocation 2013/14 HK\$	Surplus/ (Deficit) b/f HK\$	Surplus Returned to Headquarters HK\$	Income HK\$ (Note 1)	Total Funds HK\$	Expenditure HK\$ (Note 2)	Surplus / (Deficit) at 31 March 2014 HK\$ (Note 3)
Aircraft Division	35,000	34,733	-	-	69,733	(16,688) *	86,421
Associate Members Committee	51,000	47,921	-	-	98,921	35,861	63,060
Biomedical Division	37,000	66,131	-	768	103,899	16,600	87,299
Building Division	70,000	485,401	-	11,217	566,618	127,416	439,202
Building Services Division	117,000	834,058	-	30,136	981,194	220,457	760,737
Control, Automation & Instrumentation Division	54,000	122,797	-	8,056	184,853	97,723	87,130
Civil Division	165,000	1,312,666	-	23,383	1,501,049	111,624	1,389,425
Electrical Division	84,000	611,568	-	8,778	704,346	9,253	695,093
Electronics Division	53,000	168,299	-	7,410	228,709	(3,172) *	231,881
Environmental Division	109,000	347,691	-	11,387	468,078	163,886	304,192
Fire Division	45,000	520,015	-	418	565,433	(226,566) *	791,999
Gas & Energy Division	51,000	117,679	-	3,646	172,325	39,867	132,458
Geotechnical Division	105,000	570,908	-	4,882	680,790	(19,592) *	700,382
Information Technology Division	73,000	175,397	-	9,013	257,410	97,336	160,074
Materials Division	42,000	241,943	-	1,750	285,693	63,590	222,103
Manufacturing & Industrial Division	47,000	152,278	-	5,982	205,260	107,273	97,987
Mechanical, Marine, Naval Architecture & Chemical Division	80,000	466,586	-	11,025	557,611	79,025	478,586
Nuclear Division	36,000	47,807	-	350	84,157	25,710	58,447
Safety Specialist Committee	119,000	118,520	-	-	237,520	98,805	138,715
Structural Division	125,000	942,307	-	4,297	1,071,604	149,684	921,920
Student Chapter - City U	19,327	37,071	-	-	56,398	32,865	23,533
Student Chapter - CUHK	13,985	4,681	-	-	18,666	14,623	4,043
Student Chapter - IVE(TY)	36,118	19,257	-	-	55,375	30,996	24,379
Student Chapter - IVE(CW)	20,976	28,974	-	-	49,950	3,799	46,151
Student Chapter - IVE(ST)	15,557	9,252	-	-	24,809	787	24,022
Student Chapter - HKU	12,959	26,383	-	-	39,342	3,318	36,024
Student Chapter - HKUST	17,807	54,728	-	-	72,535	13,667	58,868
Student Chapter - Poly U	24,471	87,208	-	1	111,680	4,700	106,980
Young Members Committee	104,000	495,130	-	6	599,136	136,745	462,391
Total	1,763,200	8,147,389	-	142,505	10,053,094	1,419,592	8,633,502

Note 1: Income included receipts for affiliate subscriptions.

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

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

* Being special events surplus in excess of total expenditure for the year.