

Financial Review 2015/2016

Overview

In the financial year 2015/2016, the Institution continued to sustain a healthy financial and cash position. The surplus for the year was HK\$9.65 million as compared to that of last year of HK\$13.36 million. Total net assets as at 31 March 2016 were HK\$98.6 million which is about HK\$9.6 million higher than that of last year.

Source of Fund

During the year, the donation received for the purchase of additional accommodation, i.e. donation to the Learned Society Activities' Premises ("LSAP"), was HK\$5.8 million. Other than the donation income, the major sources of income were membership fees, accreditation income and training fees, these accounted for 58.4% of the total income of HK\$72 million. The income for the year excluding the donation for the LSAP was HK\$66.1 million. As compared to the income of last year excluding the donation for the LSAP of HK\$63.2 million, there was an increase of 4.6% for the year.

Use of Fund

Total expenditure for the year was HK\$62.3 million, which included the depreciation for the new premises of HK\$1.64 million and the mortgage loan interest of HK\$580,000. The expenditure for the year excluding the depreciation for the new premises and the mortgage loan interest was HK\$60.1 million. There was an increase of 4.3% as compared to HK\$57.6 million last year.

To celebrate the 40th Anniversary of the Institution, a series of activities and programmes were organised, including the 40th Anniversary Cocktail Reception, the HKIE Hall of Fame 2015, the 40th Anniversary Album, the HKIE 40th Anniversary Sports and Family Fun Day, the HKIE 40th Anniversary Symposium on Accreditation of Engineering Programmes, etc. With various sponsorship supports, the net cost incurred for the events was approximately HK\$403,000.

Total Net Assets

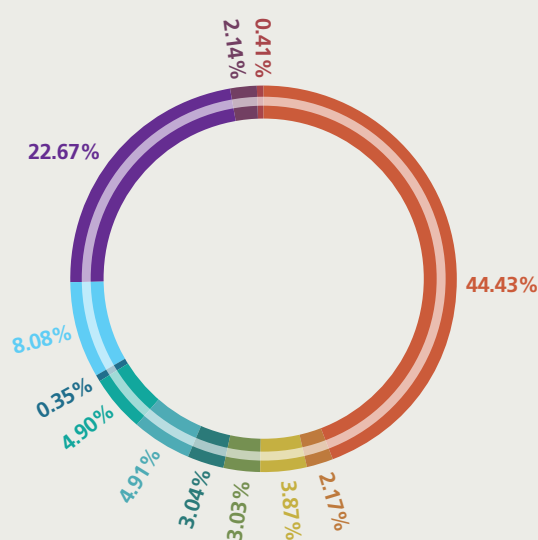
Year Ended	Total Net Assets	Non-Current Assets	Current Assets	Current Liabilities
15/16	98,650,095	83,162,272	62,320,528	46,832,705 (Note 1)
14/15	89,004,306	85,909,007	54,706,397	51,611,098 (Note 2)
13/14	78,327,458	36,216,662	60,763,105	18,652,309
12/13	74,234,908	34,275,694	54,488,502	14,529,288
11/12	68,239,001	33,925,238	51,475,314	17,161,551

HK\$

Note 1: A bank loan of HK\$22.95 million, which is scheduled to be repaid in 9.67 years, is included due to a repayment on demand clause in the loan agreement.

Note 2: A bank loan of HK\$32.50 million, which is scheduled to be repaid in 14 years, is included due to a repayment on demand clause in the loan agreement.

Source of Fund

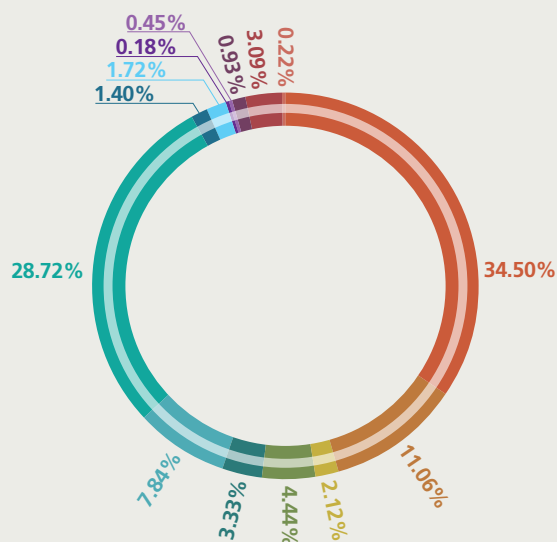


	HK\$	%
Subscriptions	31,970,983	44.43%
Entrance and Transfer Fees	1,559,590	2.17%
Training Fees	2,787,750	3.87%
Application & Assessment Fees	2,182,164	3.03%
ERB Administration Fees	2,185,458	3.04%
Accreditation Income	3,531,680	4.91%
Conference Income	3,525,788	4.90%
Continuing Professional Development Activities	251,726	0.35%
Donation for Learned Society Activities' Premises	5,816,607	8.08%
Divisional Income	16,316,498	22.67%
Other Event Income (Note 1)	1,536,521	2.14%
Other Income (Note 2)	297,006	0.41%
Total	71,961,771	100.00%

Note 1: Other event income includes income from HKIE 40th Anniversary Sports & Family Fun Day, 40th Anniversary Newspaper Supplement, BIM Symposium, etc.

Note 2: Other income includes interest income, Asia Pacific Economic Cooperation Engineer registration fees, Engineers Mobility Forum Engineer registration fees, Engineering Technologists Mobility Forum Engineering Technologists registration fees, etc.

Use of Fund



	HK\$	%
Staff Expenses	21,496,833	34.50%
Office & Administration Expenses	6,891,347	11.06%
Membership Expenses	1,323,398	2.12%
Accreditation Expenses	2,768,470	4.44%
Publication Expenses	2,076,312	3.33%
Conference Expenses	4,886,327	7.84%
Divisional Expenses	17,894,712	28.72%
External Affairs Expenses	873,720	1.40%
Legal & Professional Fees	1,074,018	1.72%
Facilities Expenses	110,519	0.18%
The HKIE Awards and Student Scholarship & Prizes Expenses	280,227	0.45%
Finance Cost	580,329	0.93%
Other Events Expenses (Note 1)	1,927,990	3.09%
Other Expenses (Note 2)	131,780	0.22%
Total	62,315,982	100.00%

Note 1: Other events include HKIE 40th Anniversary Sports & Family Fun Day, 40th Anniversary Cocktail Reception, 40th Anniversary Album, 40th Anniversary Newspaper Supplement, Hall of Fame 2015, BIM Symposium, etc.

Note 2: Other expenses include expenses for Asia Pacific Economic Cooperation 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 2015/16 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 2016 HK\$ (Note 3)
Aircraft Division	40,000	155,090	-	122	195,212	153,046	42,166
Associate Members Committee	49,000	69,586	-	-	118,586	82,210	36,376
Biomedical Division	37,000	145,501	-	850	183,351	18,482	164,869
Building Division	72,000	773,323	-	10,680	856,003	(24,317)*	880,320
Building Services Division	121,000	812,625	-	29,636	963,261	315,946	647,315
Control, Automation & Instrumentation Division	54,000	76,000	-	7,784	137,784	41,997	95,787
Civil Division	171,000	1,518,804	-	23,553	1,713,357	(126,599)*	1,839,956
Electrical Division	84,000	649,015	-	8,778	741,793	121,354	620,439
Electronics Division	54,000	274,878	-	7,466	336,344	46,442	289,902
Environmental Division	112,000	210,897	-	10,045	332,942	(11,101)*	344,043
Fire Division	44,000	948,085	(28,768)	379	963,696	18,497	945,199
Gas & Energy Division	51,000	121,490	-	3,458	175,948	33,081	142,867
Geotechnical Division	108,000	929,313	(3,015)	4,894	1,039,192	273,928	765,264
Information Technology Division	72,000	230,768	-	8,943	311,711	21,737	289,974
Logistics & Transportation Division	35,000	44,166	-	-	79,166	(13,029)*	92,195
Materials Division	42,000	114,047	-	1,750	157,797	(63,466)*	221,263
Manufacturing & Industrial Division	46,000	136,987	-	5,690	188,677	53,492	135,185
Mechanical, Marine, Naval Architecture & Chemical Division	82,000	398,375	-	10,853	491,228	(24,072)*	515,300
Nuclear Division	36,000	44,280	-	365	80,645	37,651	42,994
Safety Specialist Committee	132,000	125,225	-	-	257,225	175,915	81,310
Structural Division	128,000	821,828	-	4,295	954,123	490,887	463,236
Student Chapter – City U	19,327	33,554	-	-	52,881	25,108	27,773
Student Chapter – CUHK	13,985	1,991	-	-	15,976	10,971	5,005
Student Chapter – IVE(TY)	35,518	40,417	-	-	75,935	33,175	42,760
Student Chapter – IVE(CW)	20,976	57,520	-	1	78,497	1,304	77,193
Student Chapter – IVE(ST)	15,557	31,099	-	1	46,657	7,595	39,062
Student Chapter – HKU	12,959	50,002	-	1	62,962	18,569	44,393
Student Chapter – HKUST	17,807	67,532	-	-	85,339	68,491	16,848
Student Chapter – Poly U	24,471	125,157	-	2	149,630	28,328	121,302
Young Members Committee	110,000	478,099	-	4,049	592,148	203,228	388,920
Total	1,840,600	9,485,654	(31,783)	143,595	11,438,066	2,018,850	9,419,216

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.

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