

Financial Review 2016/2017

Overview

In the financial year 2016/2017, the Institution continued to sustain a healthy financial and cash position. The surplus for the year was HK\$7.32 million as compared to that of last year of HK\$9.65 million. Total net assets as at 31 March 2017 were HK\$105.9 million which is about HK\$7.3 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\$2.6 million. The total income for the year excluding the donation for the LSAP was HK\$63.5 million. Other than the donation income, the major sources of income were membership fees, accreditation income and training fees, these accounted for 63.4% of the total income. As compared to the income of last year excluding the donation for the LSAP of HK\$66.1 million, there was a decrease of 3.9% for the year.

Use of Fund

Total expenditure for the year was HK\$58.7 million, which included the mortgage loan interest of HK\$340,000. The expenditure for the year excluding the mortgage loan interest was HK\$58.4 million. There was a decrease of 5.3% as compared to HK\$61.7 million last year.

To raise fund for repaying the mortgage loan for the additional accommodation, a series of fundraising activities were organised during the year, including HKIE Fundraising Golf Day 2016, HKIE Fundraising Hiking 2017, etc., with the total cost of HK\$230,000 while donations of over HK\$1 million were raised. In addition, a series of other activities, including Distinguished Lectures, roving exhibition for the winning entries of the HKIE Drawing Competition, Prize Presentation Ceremony for the Drawing Competition, the Mini-movie Competition and the Essay Competition, were held during the year with the total cost of HK\$170,000.

TOTAL NET ASSETS

Year Ended	Total Net Assets	Non-Current Assets	Current Assets	Current Liabilities
16/17	105,973,808	80,040,404	66,301,285	40,367,881 (Note 3)
15/16	98,650,095	83,162,272	62,320,528	46,832,705 (Note 2)
14/15	89,004,306	85,909,007	54,706,397	51,611,098 (Note 1)
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

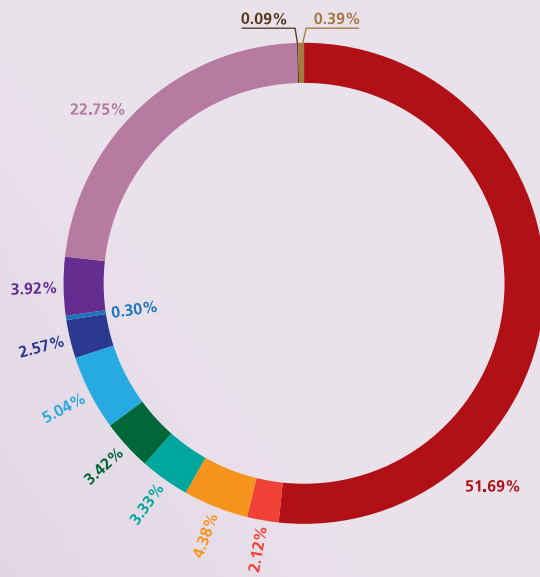
HK\$

Note 1: 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.

Note 2: 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 3: A bank loan of HK\$14.17 million, which is scheduled to be repaid in 5.75 years, is included due to a repayment on demand clause in the loan agreement.

SOURCE OF FUND

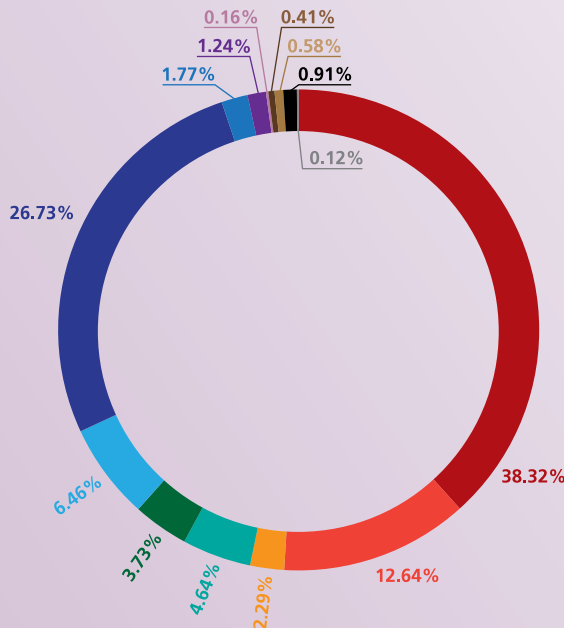


	HK\$	%
Subscriptions	34,148,695	51.69%
Entrance and Transfer Fees	1,403,090	2.12%
Training Fees	2,893,950	4.38%
Application & Assessment Fees	2,202,210	3.33%
ERB Administration Fees	2,260,703	3.42%
Accreditation Income	3,326,880	5.04%
Conference Income	1,700,090	2.57%
Continuing Professional Development Activities	195,952	0.30%
Donation for Learned Society Activities' Premises	2,590,264	3.92%
Divisional Income	15,032,456	22.75%
Other Event Income (note 1)	57,107	0.09%
Other Income (note 2)	257,687	0.39%
Total	66,069,084	100.00%

Note 1: Other event income includes income mainly from the Distinguished Lectures.

Note 2: Other income includes interest 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	22,508,307	38.32%
Office & Administration Expenses	7,428,734	12.64%
Membership Expenses	1,346,977	2.29%
Accreditation Expenses	2,723,479	4.64%
Publication Expenses	2,193,771	3.73%
Conference Expenses	3,797,919	6.46%
Divisional Expenses	15,704,081	26.73%
External Affairs Expenses	1,037,124	1.77%
Legal & Professional Fees	726,641	1.24%
Facilities Expenses	95,135	0.16%
The HKIE Awards and Student Scholarship & Prizes Expenses	240,544	0.41%
Finance Cost	337,937	0.58%
Other Events Expenses (note 1)	534,766	0.91%
Other Expenses (note 2)	69,956	0.12%
Total	58,745,371	100.00%

Note 1: Other events include Distinguished Lectures, Fundraising Golf Day, Fundraising Hiking, Prize Presentation Ceremony for Drawing Competition, Mini-movie Competition and Essay Competition, 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 2016/17 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 2017 HK\$ (Note 3)
Aircraft Division	40,000	42,166	-	133	82,299	72,080	10,219
Associate Members Committee	48,000	36,376	-	-	84,376	60,738	23,638
Biomedical Division	37,000	164,869	-	936	202,805	10,451	192,354
Building Division	72,000	880,320	-	10,864	963,184	87,274	875,910
Building Services Division	121,000	647,315	-	30,956	799,271	15,813	783,458
Control, Automation & Instrumentation Division	54,000	95,787	-	27,956	177,743	162,368	15,375
Civil Division	173,000	1,839,956	-	23,264	2,036,220	387,401	1,648,819
Electrical Division	83,000	620,439	-	9,922	713,361	177,321	536,040
Electronics Division	53,000	289,902	-	7,529	350,431	41,995	308,436
Environmental Division	112,000	344,043	-	13,182	469,225	84,752	384,473
Fire Division	44,000	945,199	-	1,027	990,226	24,859	965,367
Gas & Energy Division	52,000	142,867	-	3,563	198,430	70,353	128,077
Geotechnical Division	109,000	765,264	-	5,200	879,464	(97,112) *	976,576
Information Technology Division	71,000	289,974	-	9,027	370,001	39,587	330,414
Logistics & Transportation Division	36,000	92,195	-	267	128,462	(13,540) *	142,002
Materials Division	42,000	221,263	-	2,000	265,263	69,148	196,115
Manufacturing & Industrial Division	46,000	135,185	-	5,869	187,054	74,368	112,686
Mechanical, Marine, Naval Architecture & Chemical Division	83,000	515,300	-	30,130	628,430	(28,647) *	657,077
Nuclear Division	36,000	42,994	-	933	79,927	48,236	31,691
Safety Specialist Committee	135,000	81,310	-	-	216,310	109,256	107,054
Structural Division	129,000	463,236	-	4,407	596,643	313,642	283,001
Student Chapter - City U	22,713	27,773	-	-	50,486	24,213	26,273
Student Chapter - CUHK	16,291	5,005	-	-	21,296	(17,359) *	38,655
Student Chapter - IVE(CW)	15,640	77,193	-	1	92,834	3,812	89,022
Student Chapter - IVE(ST)	10,250	39,062	-	1	49,313	15,481	33,832
Student Chapter - IVE(TY)	36,147	42,760	-	550	79,457	35,523	43,934
Student Chapter - HKBU	3,500	-	-	-	3,500	2,220	1,280
Student Chapter - HKU	15,336	44,393	-	1	59,730	39,823	19,907
Student Chapter - HKUST	19,814	16,848	-	-	36,662	11,334	25,328
Student Chapter - Poly U	24,709	121,302	-	2	146,013	27,299	118,714
Young Members Committee	104,000	388,920	-	316	493,236	49,405	443,831
Total	1,844,400	9,419,216	-	188,036	11,451,652	1,902,094	9,549,558

Note 1: Income includes receipts for affiliate subscriptions.

Note 2: Expenditure includes 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.