

Financial Review 2017/2018

Overview

In the financial year 2017/2018, the Institution continued to sustain a healthy financial and cash position. The surplus for the year was HK\$3.9 million as compared to that of last year of HK\$7.3 million. Total net assets as at 31 March 2018 were HK\$109.8 million which is about HK\$3.9 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\$1.4 million. The total income for the year excluding the donation for the LSAP was HK\$66.3 million. Other than the donation income, the major sources of income were membership fees, accreditation income and training fees, these accounted for 67.5% of the total income. As compared to the income of last year excluding the donation for the LSAP of HK\$63.5 million, there was an increase of 4.4% for the year.

Use of Fund

Total expenditure for the year was HK\$63.8 million, which included the mortgage loan interest of HK\$176,000. The expenditure for the year excluding the mortgage loan interest was HK\$63.6 million. There was an increase of 8.9% as compared to HK\$58.4 million last year.

The HKIE Fiesta 2017 (the Fiesta) with the theme of "Our Future 2035" was organised in June 2017. The Fiesta aimed to promote the engineering profession and enhance the professional image of engineers to the public. With various sponsorship supports, the net cost incurred for the event was HK\$110,000.

As one of the signature events of this Session, the HKIE Concert 2017 (the Concert) was held in December 2017 along the theme of "The Sound of Engineers, Seventy Years & Beyond" with the cost of HK\$77,000.

For the launch of Competence-based Professional Assessment and the Scheme "A" Training in competence-based format in April 2019, a series of preparation works had been carried out in the year with the cost incurred in the amount of HK\$314,000.

In addition, other activities, including HKIE Colouring and Mascot Naming Competition, Distinguished Lectures, etc. were held during the year with the total net cost of HK\$132,000.

TOTAL NET ASSETS

Year	Total Net Assets	Non-Current Assets	Current Assets	Current Liabilities
17/18	109,888,003	77,169,581	64,300,340	31,581,918 (Note 4)
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

HK\$

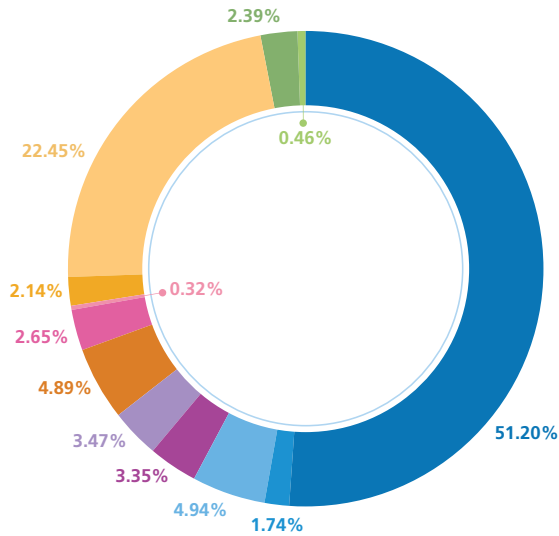
Note 1: A bank loan of HK\$32.5 million, which is scheduled to be repaid in 14 years, is included due to a repayment on demand clause in the loan agreement.

Note 2: A bank loan of HK\$22.9 million, which is scheduled to be repaid in 9.7 years, is included due to a repayment on demand clause in the loan agreement.

Note 3: A bank loan of HK\$14.2 million, which is scheduled to be repaid in 5.8 years, is included due to a repayment on demand clause in the loan agreement.

Note 4: A bank loan of HK\$6.7 million, which is scheduled to be repaid in 2.7 years, is included due to a repayment on demand clause in the loan agreement.

SOURCE OF FUND

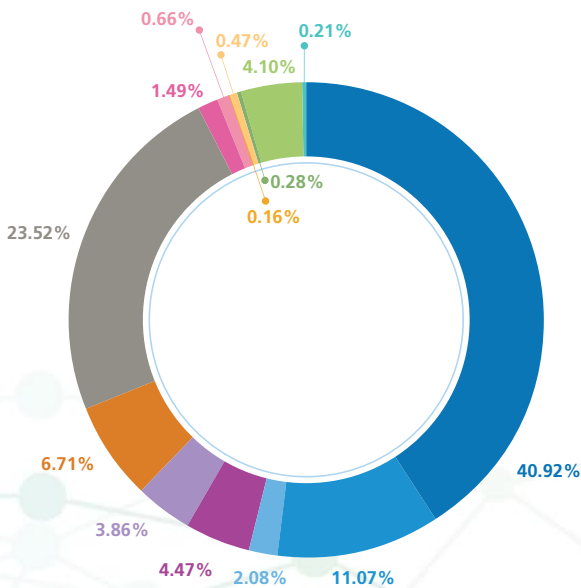


	HK\$	%
Subscriptions	34,677,098	51.20%
Entrance and Transfer Fees	1,179,415	1.74%
Training Fees	3,345,300	4.94%
Application & Assessment Fees	2,271,837	3.35%
ERB Administration Fees	2,353,083	3.47%
Accreditation Income	3,313,680	4.89%
Conference Income	1,791,253	2.65%
Continuing Professional Development Activities	218,001	0.32%
Donation for Learned Society Activities' Premises	1,449,961	2.14%
Divisional Income	15,201,084	22.45%
Other Event Income (note 1)	1,616,085	2.39%
Other Income (note 2)	309,362	0.46%
	67,726,159	100.00%

Note 1: Other event income includes income mainly from the HKIE Fiesta 2017, HKIE Concert 2017, Conference on Greater Bay Area and Distinguished Lectures, etc.

Note 2: Other income includes interest income, Asia Pacific Economic Co-operation Engineer registration fees, International Professional Engineers Agreement registration fees and International Engineering Technologists Agreement registration fees, etc.

USE OF FUND



	HK\$	%
Staff Expenses	26,112,086	40.92%
Office & Administration Expenses	7,066,752	11.07%
Membership Expenses	1,327,856	2.08%
Accreditation Expenses	2,851,763	4.47%
Publication Expenses	2,465,812	3.86%
Conference Expenses	4,283,283	6.71%
Divisional Expenses	15,004,634	23.52%
External Affairs Expenses	952,339	1.49%
Legal & Professional Fees	420,354	0.66%
Facilities Expenses	104,470	0.16%
The HKIE Awards and Student Scholarship & Prizes Expenses	296,453	0.47%
Finance Cost	175,769	0.28%
Other Events Expenses (note 1)	2,617,095	4.10%
Other Expenses (note 2)	133,298	0.21%
	63,811,964	100.00%

Note 1: Other events include HKIE Fiesta 2017, Conference on Greater Bay Area, HKIE Concert 2017, HKIE Colouring & Mascot Naming Competition, Distinguished Lectures and preparation works for Competence-based Professional Assessment, etc.

Note 2: Other expenses includes Asia Pacific Economic Co-operation Engineer expenses, International Professional Engineers Agreement expenses and International Engineering Technologists Agreement expenses, etc.

PERFORMANCE BY DIVISIONS

	(1)	(2)	(3)	(4)	(5)=(1)+(2)-(3)+(4)	(6)	(7)=(5)-(6)
	Allocation 2017/18 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 2018 HK\$ (Note 3)
Aircraft Division	40,000	10,219	-	138	50,357	(75,111) *	125,468
Associate Members Committee	47,000	23,638	-	-	70,638	35,378	35,260
Biomedical Division	36,000	192,354	-	971	229,325	47,300	182,025
Building Division	72,000	875,910	-	9,973	957,883	(14,158) *	972,041
Building Services Division	120,000	783,458	-	31,133	934,591	303,911	630,680
Control, Automation & Instrumentation Division	51,000	15,375	-	18,301	84,676	12,380	72,296
Civil Division	175,000	1,648,819	-	22,854	1,846,673	392,114	1,454,559
Electrical Division	85,000	536,040	-	8,738	629,778	48,353	581,425
Electronics Division	50,000	308,436	-	7,641	366,077	79,643	286,434
Environmental Division	110,000	384,473	-	42,973	537,446	109,795	427,651
Fire Division	43,000	965,367	-	4,707	1,013,074	(15,613) *	1,028,687
Gas & Energy Division	53,000	128,077	-	3,735	184,812	47,850	136,962
Geotechnical Division	109,000	976,576	-	5,423	1,090,999	177,509	913,490
Information Technology Division	70,000	330,414	-	8,923	409,337	48,100	361,237
Logistics & Transportation Division	37,000	142,002	-	415	179,417	69,950	109,467
Materials Division	41,000	196,115	-	2,532	239,647	68,049	171,598
Manufacturing & Industrial Division	43,000	112,686	-	5,811	161,497	66,349	95,148
Mechanical, Marine, Naval Architecture & Chemical Division	84,000	657,077	-	10,098	751,175	71,652	679,523
Nuclear Division	35,000	31,691	-	415	67,106	46,699	20,407
Safety Specialist Committee	133,000	107,054	-	-	240,054	(130,971) *	371,025
Structural Division	128,000	283,001	-	4,156	415,157	(552,872) *	968,029
Student Chapter - City U	23,613	26,273	-	-	49,886	14,733	35,153
Student Chapter - CUHK	15,391	38,655	(267)	-	53,779	22,334	31,445
Student Chapter - IVE(TY)	36,147	43,934	-	-	80,081	19,982	60,099
Student Chapter - IVE(CW)	15,640	89,022	-	2	104,664	4,763	99,901
Student Chapter - IVE(ST)	10,250	33,832	-	1	44,083	3,450	40,633
Student Chapter - HKBU	4,400	1,280	-	-	5,680	-	5,680
Student Chapter - HKU	15,336	19,907	-	-	35,243	8,708	26,535
Student Chapter - HKUST	19,814	25,328	-	-	45,142	(15,101) *	60,243
Student Chapter - Poly U	24,709	118,714	-	2	143,425	50,307	93,118
Young Members Committee	98,000	443,831	-	5	541,836	8,047	533,789
Total	1,825,300	9,549,558	(267)	188,947	11,563,538	953,530	10,610,008

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.