

Overview

In the financial year 2004-2005, the Institution continued to sustain a healthy financial and cash position. Expenditure was closely monitored resulting a surplus of HK\$3.06 million for the year. Total net assets as at 31 March 2005 were HK\$49.1 million, which is about HK\$2.3 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 82.3% of the total income of HK\$24 million.

Use of Fund

Total expenditure for the year was HK\$21 million. There was a saving of 5% as compared to HK\$22 million last year.

The early bird discount rate on the membership fee payment was reduced from 5% to 2%, accounting for a saving of HK\$416,000.

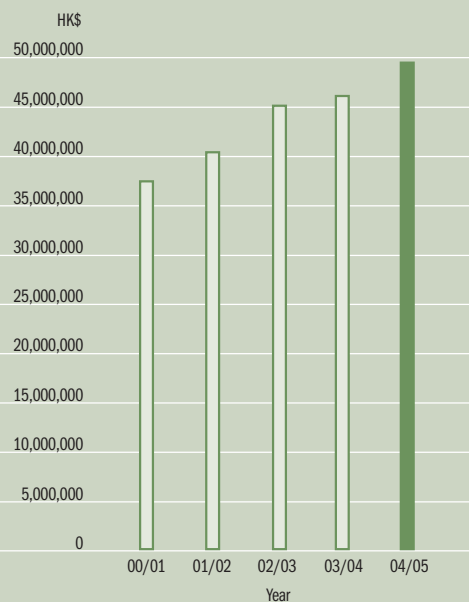
The completion of CD-ROM production to commemorate the 10th Anniversary of the *HKIE Transactions* and other savings in production cost resulted in the reduction of HK\$252,000 in the publications expenditure.

The overall review of the HKIE Student Prizes was taken during the year and changes were made on the awards. As a result, a saving of HK\$125,000 has been achieved during the financial year.

A series of activities for the promotion of the HKIE was held during the year, which accounted for an increase in public relations expenses of HK\$379,000.

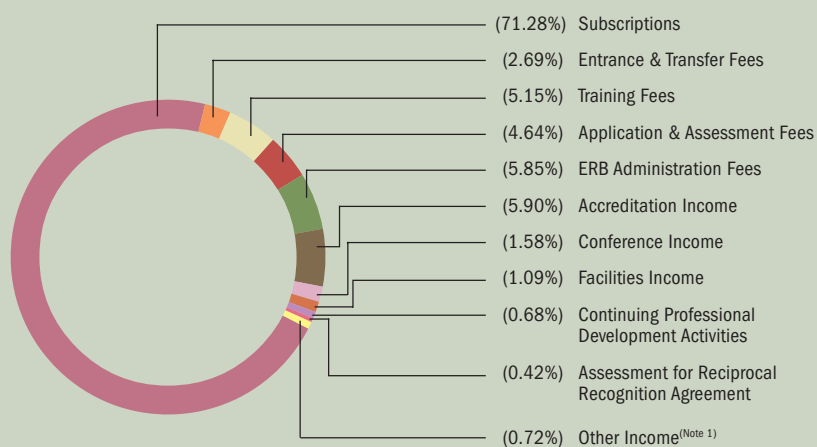
It may be worth noting that the HKIE has spent for various other activities by an amount of HK\$156,000 over the year for reciprocal recognition of professional qualifications including the arrangement of Reciprocal Recognition Agreement for Structural Engineers between the HKIE and the National Administration Board of Engineering Registration (Structural).

Total Net Assets



Year Ended	Total Net Assets	Fixed Assets	Net Current Assets	Long-term Liabilities
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	-
03/04	46,824,586	26,523,871	20,300,715	-
04/05	49,089,869	25,914,072	23,175,797	-

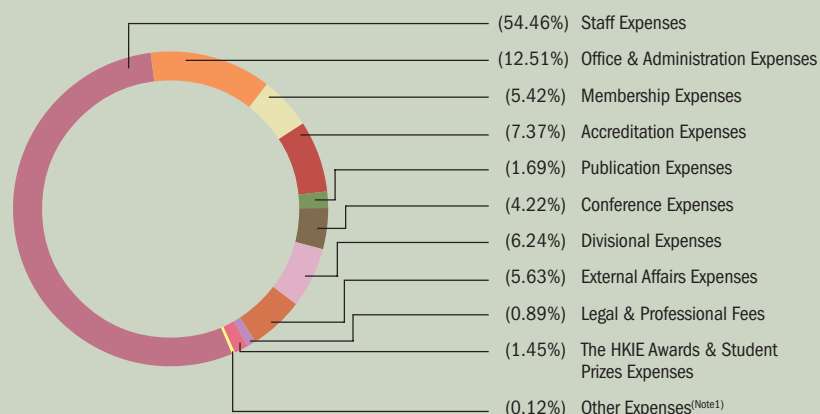
Source of Fund



Source of Fund	HK\$	%
Subscriptions	17,077,291	71.28%
Entrance & Transfer Fees	645,360	2.69%
Training Fees	1,233,100	5.15%
Application & Assessment Fees	1,111,314	4.64%
ERB Administration Fees	1,400,973	5.85%
Accreditation Income	1,414,000	5.90%
Conference Income	377,795	1.58%
Facilities Income	259,956	1.09%
Continuing Professional Development Activities	163,962	0.68%
Assessment for Reciprocal Recognition Agreement	101,910	0.42%
Other Income ^(Note 1)	172,010	0.72%
	23,957,671	100.00%

Note 1: Other income includes interest income, Asia Pacific Economic Cooperation Engineer registration fees, Engineers Mobility Forum Engineer registration fees, etc.

Use of Fund



Use of Fund	HK\$	%
Staff Expenses	11,379,300	54.46%
Office & Administration Expenses	2,613,423	12.51%
Membership Expenses	1,132,011	5.42%
Accreditation Expenses	1,540,161	7.37%
Publication Expenses	353,889	1.69%
Conference Expenses	881,808	4.22%
Divisional Expenses	1,303,353	6.24%
External Affairs Expenses	1,175,896	5.63%
Legal & Professional Fees	185,868	0.89%
The HKIE Awards & Student Prizes Expenses	302,563	1.45%
Other Expenses ^(Note1)	25,469	0.12%
Total	20,893,741	100.00%

Note 1: Other expenses include donation to SARS Fund, other events expenses, etc.

Performance by Divisions

	(1) Allocation 2004/05 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 2005 HK\$ (Note 3)
Associate Members Committee	76,364	29,204	-	4	105,572	84,409	21,163
Biomedical Division	36,000	99,276	-	1,570	136,846	51,227	85,619
Building Division	66,000	285,636	-	21,744	373,380	140,004	233,376
Building Services Division	104,000	406,911	-	55,932	566,843	102,873	463,970
Control, Automation & Instrumentation Division	54,000	95,642	-	17,392	167,034	44,490	122,544
Civil Division	151,000	538,054	-	35,851	724,905	(140,385)*	865,290
Electrical Division	81,000	1,042,663	-	11,543	1,135,206	142,879	992,327
Electronics Division	55,000	84,811	-	10,956	150,767	51,305	99,462
Environmental Division	100,000	571,954	-	7,872	679,826	96,511	583,315
Gas & Energy Division	47,000	9,119	-	4,960	61,079	(37,599)*	98,678
Geotechnical Division	97,000	94,762	-	2,225	193,987	67,476	126,511
Information Technology Division	79,000	281,007	-	2,938	362,945	26,304	336,641
Materials Division	41,000	67,203	-	2,480	110,683	49,952	60,731
Manufacturing & Industrial Division	45,000	79,575	-	1,893	126,468	67,318	59,150
Mechanical, Marine, Naval Architecture & Chemical Division	87,600	134,852	-	4,071	226,523	134,698	91,825
Nuclear Division	40,800	32,771	-	7	73,578	62,508	11,070
Safety Specialist Committee	63,000	58,943	-	-	121,943	53,226	68,717
Structural Division	135,600	32,465	-	620	168,685	147,501	21,184
Young Members Committee	115,200	94,919	-	4,318	214,437	132,675	81,762
Total	1,474,564	4,039,767	-	186,376	5,700,707	1,277,372	4,423,335

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.

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