

### Overview

In the financial year 2005/2006, the Institution continued to sustain a healthy financial and cash position. With an increase of 5.3% in income and close monitoring on expenditure, a surplus of HK\$3.64 million for the year was resulted. Total net assets as at 31 March 2006 were HK\$51.9 million, which is about HK\$2.8 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 80.7% of the total income of HK\$25 million.

### Use of Fund

Total expenditure for the year was HK\$21.6 million. There was an increase of 3.3% as compared to HK\$20.9 million last year.

The membership expenses for the year were increased by 11.3% as compared to that of last year. It was mainly due to the printing and posting of the HKIE Ordinance and Constitution following the adoption of the

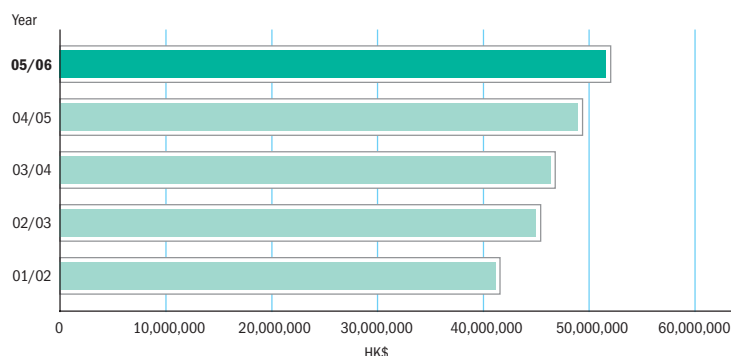
amendments to the Constitution at the Special General Meeting held on 23 June 2005 as well as the Disciplinary Regulations effective on and from 23 June 2005.

The Institution has conducted two surveys in the financial year 2005/2006. They were "Voting Right of Associate Members (AM) and Graduate Members (GM) in the Legislative Council and Election Committee Sub-sector Elections" and "The HKIE Members' Employment Survey 2006". The expenses incurred in the year for the surveys amounted to HK\$99,000.

It may be worth noting that the HKIE has spent for various other activities by an amount of HK\$246,000 over the previous year. These activities included "The Hong Kong Institution of Engineers Ordinance 1975 30 Years of Excellence Cocktail Reception", "The HKIE Road Show – Engineers for the Environment", "All Professionals Super Cup", "Friday Happy Hour Gathering", etc.

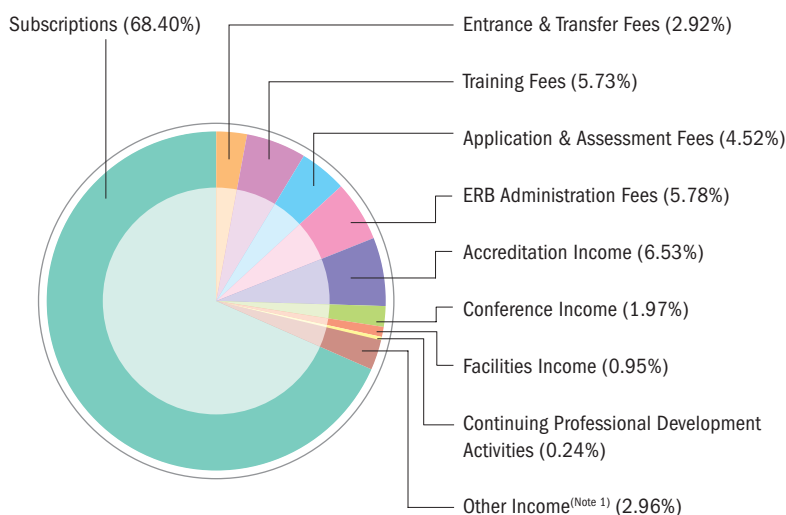
In pursuit of the reciprocal recognition agreements for our members on the Mainland, a total expenses of HK\$100,000 was incurred during the year.

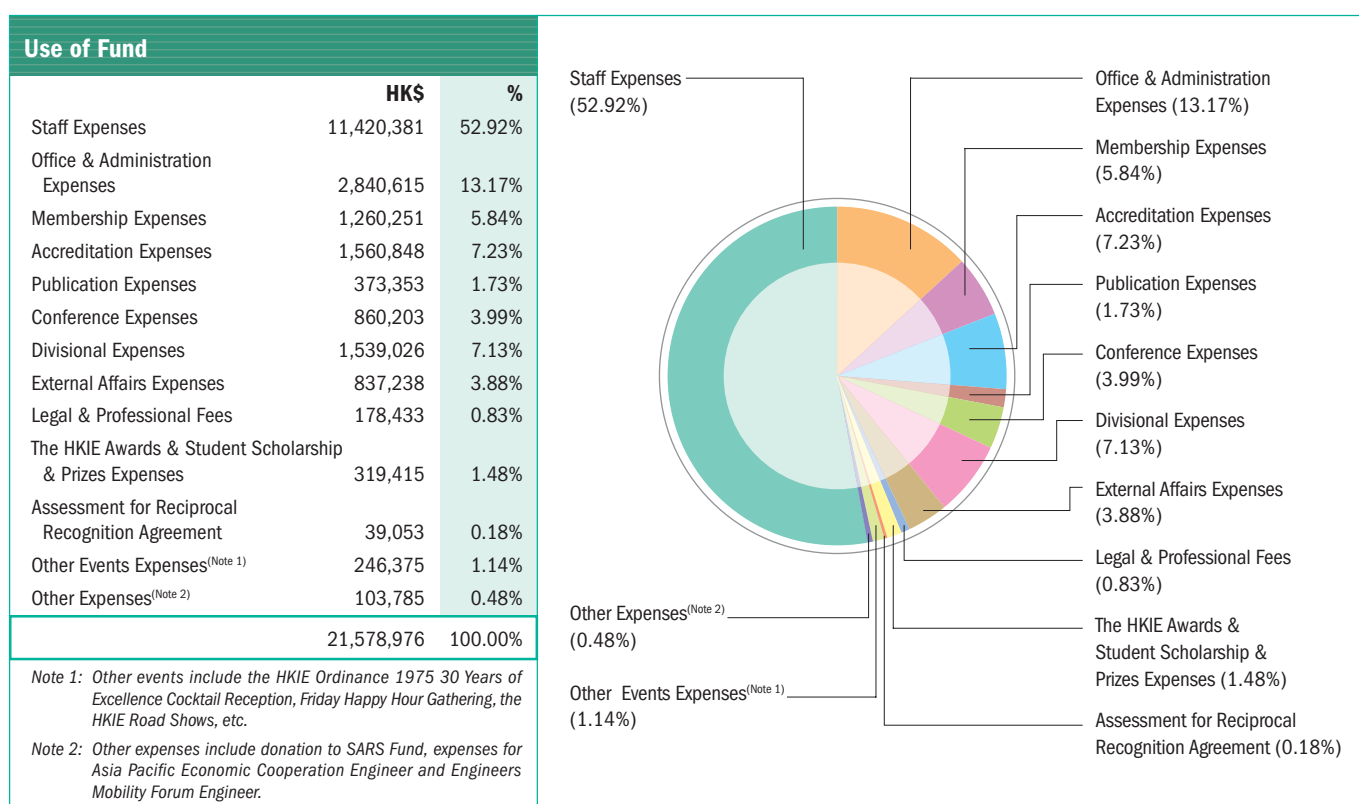
Total Net Assets				
Year Ended	Total Net Assets	Fixed Assets	Net Current Assets	Long-term Liabilities
01/02	41,602,719	28,416,776	13,185,943	–
02/03	45,192,749	27,548,014	17,644,735	–
03/04	46,824,586	26,523,871	20,300,715	–
04/05	49,089,869	25,914,072	23,175,797	–
<b>05/06</b>	<b>51,925,871</b>	<b>24,785,569</b>	<b>27,140,302</b>	<b>–</b>



Source of Fund		
	HK\$	%
Subscriptions	17,250,525	68.40%
Entrance & Transfer Fees	737,660	2.92%
Training Fees	1,445,500	5.73%
Application & Assessment Fees	1,139,950	4.52%
ERB Administration Fees	1,456,848	5.78%
Accreditation Income	1,648,000	6.53%
Conference Income	496,978	1.97%
Facilities Income	240,671	0.95%
Continuing Professional Development Activities	59,146	0.24%
Other Income <sup>(Note 1)</sup>	745,116	2.96%
	<b>25,220,394</b>	<b>100.00%</b>

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





Performance by Divisions	(1) Allocation 2005/06 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 2006 HK\$ (Note 3)
Associate Members Committee	74,215	21,163	–	445	95,823	61,418	34,405
Biomedical Division	35,000	85,619	–	2,372	122,991	34,812	88,179
Building Division	65,000	233,376	–	25,564	323,940	53,666	270,274
Building Services Division	104,000	463,970	–	64,325	632,295	127,134	505,161
Control, Automation & Instrumentation Division	55,000	122,544	–	17,394	194,938	32,417	162,521
Civil Division	150,000	865,290	–	51,184	1,066,474	375,620	690,854
Electrical Division	81,000	992,327	–	20,130	1,093,457	289,746	803,711
Electronics Division	54,000	99,462	–	12,891	166,353	24,140	142,213
Environmental Division	101,000	583,315	–	13,275	697,590	102,973	594,617
Gas & Energy Division	47,000	98,678	–	5,890	151,568	115,783	35,785
Geotechnical Division	97,000	126,511	–	5,054	228,565	79,759	148,806
Information Technology Division	79,000	336,641	–	7,285	422,926	54,863	368,063
Materials Division	41,000	60,731	–	1,860	103,591	16,879	86,712
Manufacturing & Industrial Division	45,000	59,150	–	2,510	106,660	45,555	61,105
Mechanical, Marine, Naval Architecture & Chemical Division	88,800	91,825	–	6,212	186,837	76,973	109,864
Nuclear Division	42,000	11,070	–	48	53,118	29,035	24,083
Safety Specialist Committee	76,000	68,717	–	–	144,717	65,920	78,797
Structural Division	114,000	21,184	–	620	135,804	(10,421)*	146,225
Young Members Committee	80,681	81,762	–	1,070	163,513	(4,308)*	167,821
<b>Total</b>	<b>1,429,696</b>	<b>4,423,335</b>	<b>–</b>	<b>238,129</b>	<b>6,091,160</b>	<b>1,571,964</b>	<b>4,519,196</b>

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.