

# Financial Review

## 2014/2015

### Overview

In the financial year 2014/2015, the Institution continued to sustain a healthy financial and cash position. The surplus for the year was HK\$13.36 million with the increase in income and expenditure by HK\$15.9 million and HK\$6.8 million respectively as compared to last year. Total net assets as at 31 March 2015 were HK\$89 million which is about HK\$11 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\$9.6 million. The investment was sold during the year with a gain of HK\$4 million. Other than the donation income and gain on disposal of investment, the major sources of income were membership fees, accreditation income and training fees, these accounted for 50.5% of the total income of HK\$72.8 million. The income for the year excluding the donation for the LSAP and gain on investment was HK\$59.2 million. As compared to the income of last year excluding the donation for the LSAP of HK\$55.5 million, there was an increase of 6.7% for the year.

### Use of Fund

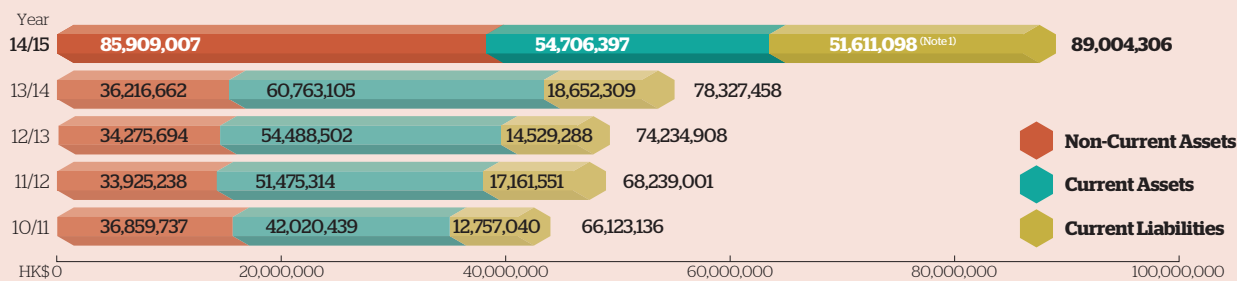
Total expenditure for the year was HK\$59.5 million, which included the depreciation for the new premises of HK\$1.4 million and the mortgage loan interest of HK\$500,000. The expenditure for the year excluding the depreciation for the new premises and the mortgage loan interest was HK\$57.6 million. There was an increase of 9.2% as compared to HK\$52.7 million last year.

The HKIE Hi-Tech Fiesta 2014 was organised along the theme of "High Gear for New Technology, a Mindset for Change" which aimed to promote the engineering profession to the general public. The activity was held in June 2014. With various sponsorship supports, the net cost incurred for the event was HK\$620,000.

In addition, "Engineering and You" Programme 2015 was organised in March 2015 with a series of activities including exhibition, project site visits, lectures, etc. The costs incurred for the event of HK\$1.2 million was funded by various sponsorship supports.

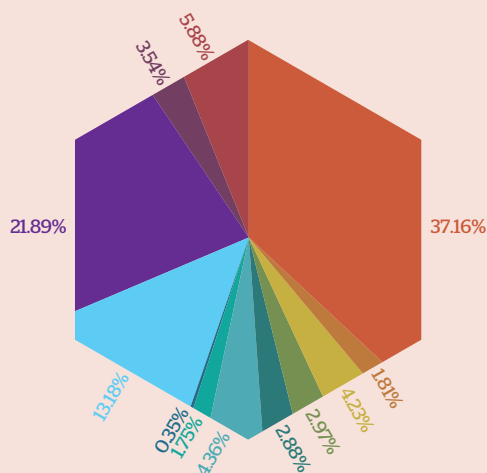
The Institution has spent for various other activities by an amount of HK\$1.4 million in the year under review. These activities included the HKIE Video, Distinguished Lectures, "The Engineers' Song", Mobile Game Apps Competition, "Engineer for a Day", etc.

### Total Net Assets



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.

### Source of Fund

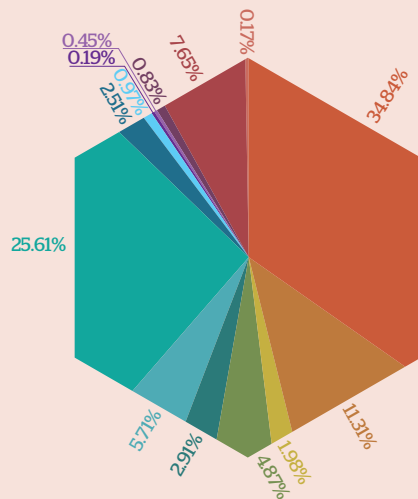


	HK\$	%
Subscriptions	27,088,424	37.16%
Entrance and Transfer Fees	1,319,510	1.81%
Training Fees	3,079,800	4.23%
Application & Assessment Fees	2,163,650	2.97%
ERB Administration Fees	2,098,665	2.88%
Accreditation Income	3,177,200	4.36%
Conference Income	1,278,515	1.75%
Continuing Professional Development Activities	255,003	0.35%
Donation for Learned Society Activities' Premises	9,605,853	13.18%
Divisional Income	15,952,328	21.89%
Other Event Income (Note 1)	2,582,750	3.54%
Other Income (Note 2)	4,287,458	5.88%
<b>Total</b>	<b>72,889,156</b>	<b>100.00%</b>

Note 1: Other event income includes income from HKIE Hi-Tech Fiesta, Engineering & You Programme, etc.

Note 2: Other income includes interest income, gain on disposal of investment, 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	20,739,903	34.84%
Office & Administration Expenses	6,730,498	11.31%
Membership Expenses	1,176,693	1.98%
Accreditation Expenses	2,896,248	4.87%
Publication Expenses	1,730,645	2.91%
Conference Expenses	3,399,339	5.71%
Divisional Expenses	15,247,480	25.61%
External Affairs Expenses	1,494,410	2.51%
Legal & Professional Fees	574,669	0.97%
Facilities Expenses	112,467	0.19%
The HKIE Awards and Student Scholarship & Prizes Expenses	265,643	0.45%
Finance Cost	497,051	0.83%
Other Events Expenses (Note 1)	4,559,621	7.65%
Other Expenses (Note 2)	107,042	0.17%
<b>Total</b>	<b>59,531,709</b>	<b>100.00%</b>

Note 1: Other events include Graduate Engineer Day, HKIE Hi-Tech Fiesta, Engineers' Song Production, Engineering & You Programme, Mobile Game Apps Competition, Comparison Study for Structural Disciplines HK and the Mainland, 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 2014/15 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 2015 HK\$ (Note 3)
Aircraft	41,000	86,421	-	-	127,421	(27,669)*	155,090
Associate Members Committee	50,000	63,060	-	-	113,060	43,474	69,586
Biomedical Division	35,000	87,299	-	819	123,118	(22,383)*	145,501
Building Division	72,000	439,202	-	10,523	521,725	(251,598)*	773,323
Building Services Division	120,000	760,737	-	28,472	909,209	96,584	812,625
Control, Automation & Instrumentation Division	54,000	87,130	-	7,701	148,831	72,831	76,000
Civil Division	168,000	1,389,425	-	21,983	1,579,408	60,604	1,518,804
Electrical Division	85,000	695,093	-	8,761	788,854	139,839	649,015
Electronics Division	53,000	231,881	-	7,353	292,234	17,356	274,878
Environmental Division	110,000	304,192	-	9,922	424,114	213,217	210,897
Fire Division	43,000	791,999	(45,394)	421	790,026	(158,059)*	948,085
Gas & Energy Division	51,000	132,458	-	3,413	186,871	65,381	121,490
Geotechnical Division	106,000	700,382	-	4,881	811,263	(118,050)*	929,313
Information Technology Division	74,000	160,074	-	8,983	243,057	12,289	230,768
Logistics & Transportation Division	35,000	-	-	-	35,000	(9,166)*	44,166
Materials Division	42,000	222,103	-	1,750	265,853	151,806	114,047
Manufacturing & Industrial Division	43,000	97,987	-	5,697	146,684	9,697	136,987
Mechanical, Marine, Naval Architecture & Chemical Division	82,000	478,586	-	10,063	570,649	172,274	398,375
Nuclear Division	36,000	58,447	-	350	94,797	50,517	44,280
Safety Specialist Committee	126,000	138,715	-	-	264,715	139,490	125,225
Structural Division	127,000	921,920	-	4,297	1,053,217	231,389	821,828
Student Chapter - City U	19,927	23,533	-	-	43,460	9,906	33,554
Student Chapter - CUHK	13,985	4,043	-	-	18,028	16,037	1,991
Student Chapter - IVE(TY)	36,118	24,379	-	-	60,497	20,080	40,417
Student Chapter - IVE(CW)	20,976	46,151	-	-	67,127	9,607	57,520
Student Chapter - IVE(ST)	15,557	24,022	-	-	39,579	8,480	31,099
Student Chapter - HKU	12,959	36,024	-	-	48,983	(1,019)*	50,002
Student Chapter - HKUST	17,807	58,868	-	-	76,675	9,143	67,532
Student Chapter - Poly U	24,471	106,980	-	2	131,453	6,296	125,157
Young Members Committee	105,000	462,391	-	1,385	568,776	90,677	478,099
<b>Total</b>	<b>1,819,800</b>	<b>8,633,502</b>	<b>(45,394)</b>	<b>136,776</b>	<b>10,544,684</b>	<b>1,059,030</b>	<b>9,485,654</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.

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