

FINANCIAL REVIEW 2019/2020

Overview

In the financial year 2019/2020, the Institution continued to sustain a healthy financial and cash position. The surplus for the year was HK\$3.47 million as compared with that of last year of HK\$1.6 million. Total net assets as at 31 March 2020 were HK\$114 million which is about HK\$3.47 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\$1.1 million. The total income for the year excluding the donation for the LSAP was HK\$72.2 million. Other than the donation income, the major sources of income were membership fees, accreditation income and training fees, these accounted for 66.3% of the total income. As compared with the income of last year, which was HK\$72.4 million excluding the donation for the LSAP, it was almost the same.

Use of Fund

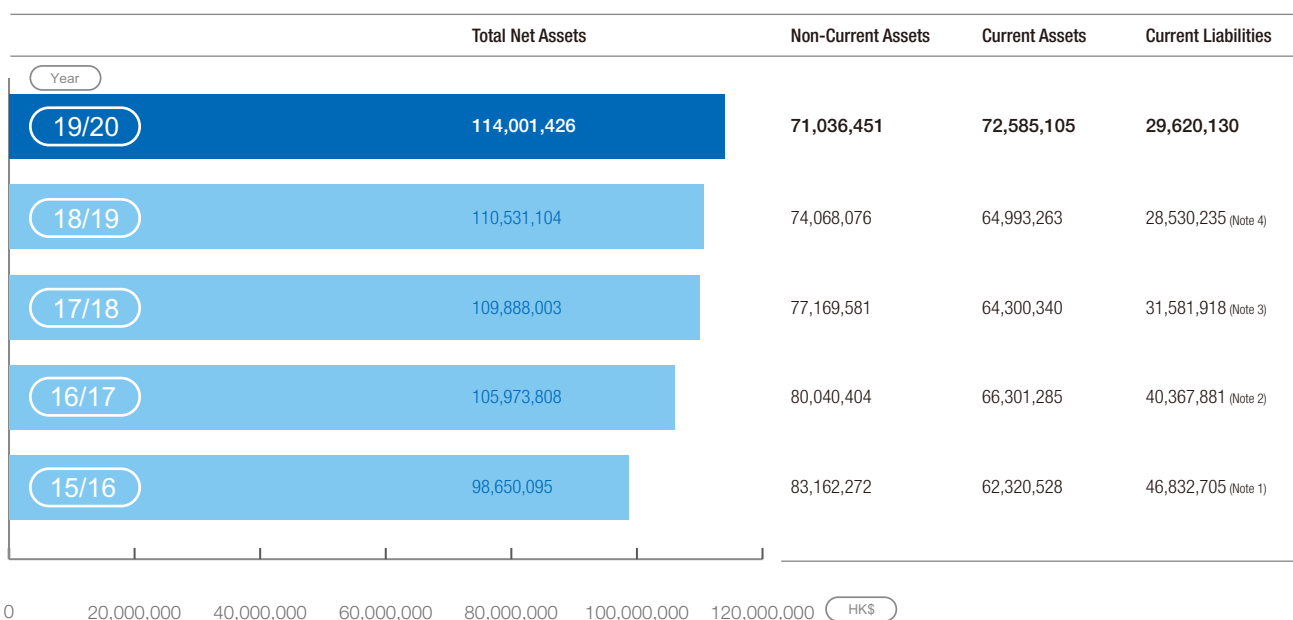
Total expenditure for the year was HK\$69.8 million. There was a decrease of 2.9% as compared with HK\$71.9 million last year.

The HKIE Engineer Day 2019 and the STEM Product Proposal and Design Competition was organised in April 2019. The Event consisted of competitions, game booths, lab demonstrations and lectures. The expenditure of the event was HK\$683,000. With various sponsorship supports, a net surplus of HK\$655,000 was resulted.

To promote engineering professions, STEM materials for primary and secondary schools were designed and produced and the costs incurred during the year for the purpose was HK\$396,000.

In addition, other activities, including HKIE Engineer Cadet Club Programme, survey, etc. were held/conducted during the year with the total net cost of HK\$150,000.

Total Net Assets



Note 1: 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.

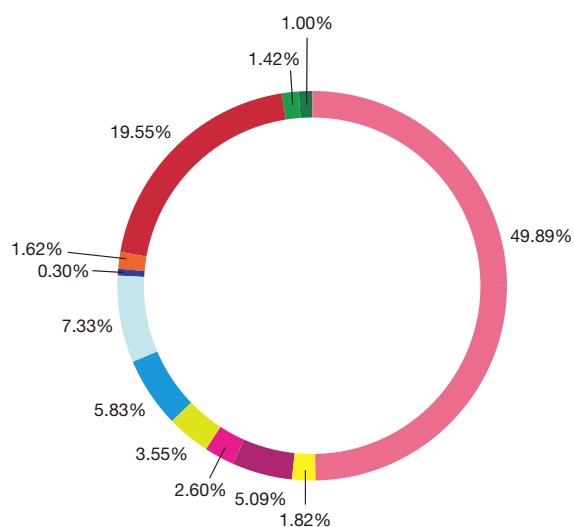
Note 2: A bank loan of HK\$14.2 million, which is scheduled to be repaid in 5.8 years, is included due to a repayment on demand clause in the loan agreement.

Note 3: 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.

Note 4: A bank loan of HK\$680,000, which is scheduled to be repaid in 4 months, is included.

Source of Fund

	HK\$	%
Subscriptions	36,588,822	49.89%
Entrance and Transfer Fees	1,332,070	1.82%
Training Fees	3,731,050	5.09%
Application & Assessment Fees	1,910,033	2.60%
ERB Administration Fees	2,604,030	3.55%
Accreditation Income	4,272,480	5.83%
Conference Income	5,372,574	7.33%
Continuing Professional Development Activities	219,359	0.30%
Donation for Learned Society Activities' Premises	1,189,811	1.62%
Divisional Income	14,337,425	19.55%
Other Event Income ^(Note 1)	1,043,400	1.42%
Other Income ^(Note 2)	731,923	1.00%
	73,332,977	100.00%

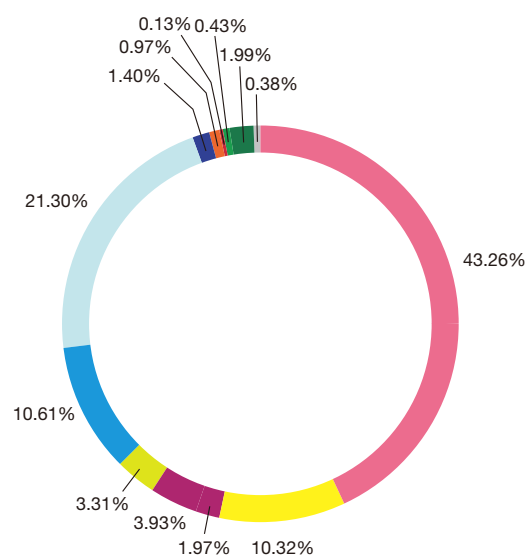


Note 1: Other event income includes income mainly from HKIE Engineer Day.

Note 2: Other income includes interest income, Construction Dispute Resolution courses income, Asia Pacific Economic Cooperation Engineer registration fees, International Professional Engineers Agreement registration fees and International Engineering Technologists Agreement registration fees, etc.

Use of Fund

	HK\$	%
Staff Expenses	30,220,177	43.26%
Office & Administration Expenses	7,212,584	10.32%
Membership Expenses	1,372,883	1.97%
Accreditation Expenses	2,747,583	3.93%
Publication Expenses	2,310,157	3.31%
Conference Expenses	7,412,986	10.61%
Divisional Expenses	14,876,918	21.30%
External Affairs Expenses	981,160	1.40%
Legal & Professional Fees	676,571	0.97%
Facilities Expenses	93,944	0.13%
The HKIE Awards and Student Scholarship & Prizes Expenses	297,368	0.43%
Other Events Expenses ^(Note 1)	1,393,108	1.99%
Other Expenses ^(Note 2)	267,216	0.38%
	69,862,655	100.00%



Note 1: Other events include HKIE Engineer Day, HKIE Engineer Cadet Club Programme and Production of STEM materials for primary & secondary schools, etc.

Note 2: Other expenses includes Construction Dispute Resolution courses expenses, Asia Pacific Economic Cooperation Engineer expenses, International Professional Engineers Agreement expenses and International Engineering Technologists Agreement expenses, etc.

Performance by Divisions

	(1) Allocation 2019/20 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 2020 HK\$ (Note 3)
Aircraft Division	41,000	443,640	(61,203)	143	423,580	200,597	222,983
Associate Members Committee	46,900	15,054	–	–	61,954	16,511	45,443
Biomedical Division	36,000	170,182	–	1,087	207,269	6,289	200,980
Building Division	71,000	629,487	–	8,872	709,359	40,923	668,436
Building Services Division	117,000	807,590	–	28,900	953,490	100,372	853,118
Control, Automation & Instrumentation Division	54,000	71,745	–	7,330	133,075	81,358	51,717
Civil Division	170,000	1,768,745	–	24,352	1,963,097	134,722	1,828,375
Electrical Division	83,000	744,923	–	9,275	837,198	(81,981)*	919,179
Electronics Division	52,000	314,810	–	7,302	374,112	57,415	316,697
Environmental Division	107,000	414,461	–	7,926	529,387	158,776	370,611
Fire Division	44,000	1,106,224	–	623	1,150,847	58,190	1,092,657
Gas & Energy Division	53,000	224,876	–	3,870	281,746	51,130	230,616
Geotechnical Division	108,000	927,701	–	5,391	1,041,092	(118,320)*	1,159,412
Information Technology Division	69,000	448,711	–	7,955	525,666	64,084	461,582
Logistics & Transportation Division	37,000	128,272	–	430	165,702	(107,219)*	272,921
Materials Division	41,000	162,417	–	2,580	205,997	34,328	171,669
Manufacturing & Industrial Division	45,000	96,854	–	5,641	147,495	35,214	112,281
Mechanical, Marine, Naval Architecture & Chemical Division	80,000	783,326	–	8,600	871,926	153,822	718,104
Nuclear Division	35,900	22,973	–	430	59,303	13,612	45,691
Safety Specialist Committee	135,000	337,250	–	–	472,250	9,248	463,002
Structural Division	128,000	995,303	–	4,373	1,127,676	126,277	1,001,399
Student Chapter – City U	24,440	46,569	–	–	71,009	34,571	36,438
Student Chapter – CUHK	16,310	21,741	–	–	38,051	(1,759)*	39,810
Student Chapter – IVE(TY)	39,340	72,976	–	–	112,316	11,886	100,430
Student Chapter – IVE(CW)	16,590	112,325	–	40	128,955	7,856	121,099
Student Chapter – IVE(ST)	10,610	45,771	–	17	56,398	–	56,398
Student Chapter – IVE(HW)	8,600	–	–	–	8,600	6,234	2,366
Student Chapter – HKBU	3,500	8,330	–	–	11,830	–	11,830
Student Chapter – HKU	16,250	34,940	–	18	51,208	10,402	40,806
Student Chapter – HKUST	21,210	40,656	–	–	61,866	7,818	54,048
Student Chapter – Poly U	26,650	91,942	–	33	118,625	4,952	113,673
Young Members Committee	92,000	553,745	–	186	645,931	39,037	606,894
Total	1,829,300	11,643,539	(61,203)	135,374	13,547,010	1,156,345	12,390,665

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.