

# FINANCIAL REVIEW 2020/2021

## Overview

In the financial year 2020/2021, the Institution continued to sustain a healthy financial and cash position. The surplus for the year was HK\$10 million as compared with that of last year of HK\$3.4 million. The income for the year was decreased by HK\$14 million while the expenditure was decreased by HK\$21 million as compared to last year. Total net assets as at 31 March 2021 including the increase in fair value of investment of HK\$0.4 million were HK\$124.5 million which is about HK\$10.5 million higher than that of last year.

## Source of Fund

The total income for the year was HK\$59 million. The major sources of income were membership fees, accreditation income and training fees, these accounted for 82.8% of the total income. As compared with the income of last year, which was HK\$73 million, it was a decrease of 19%. During the year, there were various planned events cancelled/postponed due to COVID-19, the income generated from related events/activities for the year had therefore decreased.

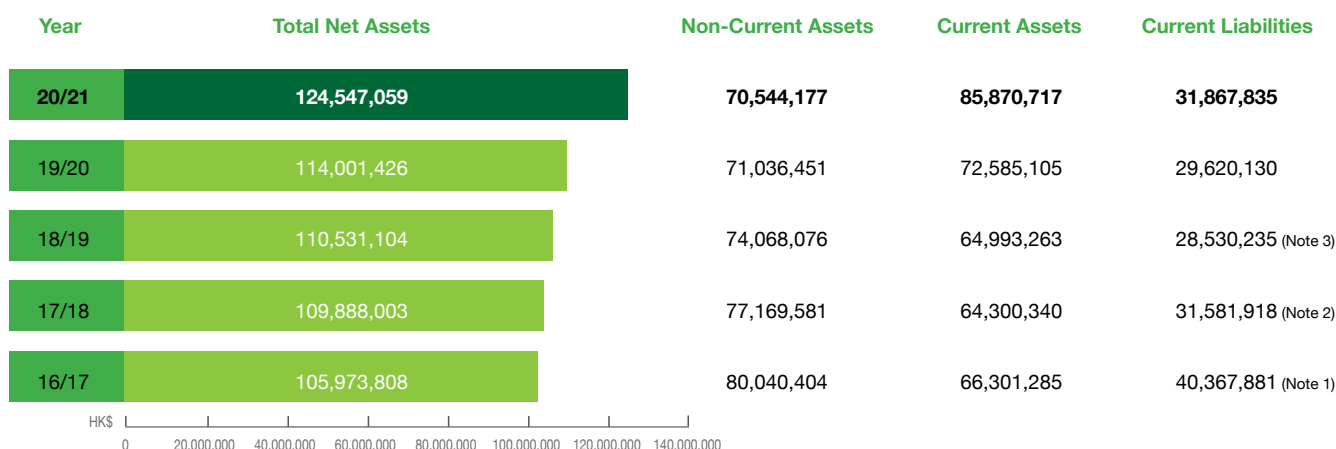
## Use of Fund

Total expenditure for the year was HK\$49 million. There was a decrease of 30% as compared with HK\$70 million last year. The decrease in expenditure is mainly due to the cancellation/postponement of various planned events as well as subsidies received from the government under the pandemic epidemic situation.

Although some planned events have to be cancelled, the HKIE Publicity Events and Roving Exhibition of “The Engineer’s Vision” Photo Competition and “Engineering Our Future” Colouring Competition were organised in 2020. The expenditure of the events was HK\$514,000. With various sponsorship supports, a net surplus of HK\$65,000 had resulted.

The Institution also held a Kick-off Ceremony entitled “Championing Innovation” on 28 September 2020 and introduced a series of events and activities for Session 2020/2021. The expenditure of the event was HK\$200,000.

## Total Net Assets



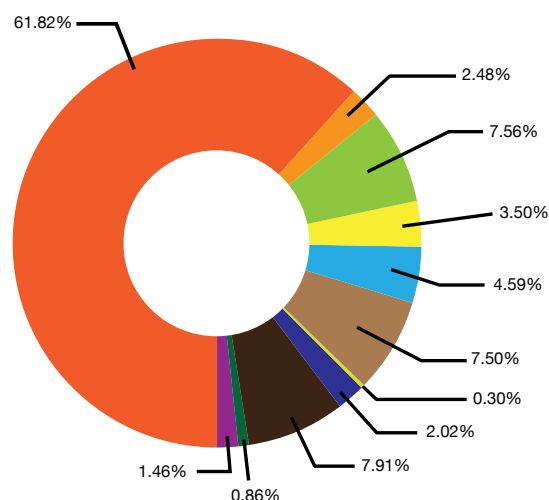
Note 1: A bank loan of HK\$14.2 million, which was scheduled to be repaid in 5.8 years, was included due to a repayment on demand clause in the loan agreement.

Note 2: A bank loan of HK\$6.7 million, which was scheduled to be repaid in 2.7 years, was included due to a repayment on demand clause in the loan agreement.

Note 3: A bank loan of HK\$680,000, which was scheduled to be repaid in 4 months, was included.

## Source of Fund

	HK\$	%
Subscriptions	36,729,908	61.82%
Entrance and Transfer Fees	1,473,240	2.48%
Training Fees	4,490,900	7.56%
Application & Assessment Fees	2,080,573	3.50%
ERB Administration Fees	2,726,490	4.59%
Accreditation Income	4,454,800	7.50%
Continuing Professional Development Activities	178,529	0.30%
Donation for Learned Society Activities' Premises	1,198,703	2.02%
Divisional Income	4,698,015	7.91%
Other Event Income <sup>(note 1)</sup>	510,200	0.86%
Other Income <sup>(note 2)</sup>	868,322	1.46%
	<u>59,409,680</u>	<u>100.00%</u>

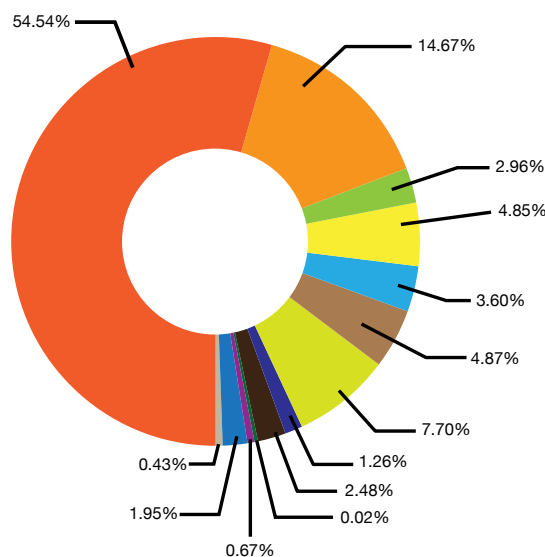


Note 1: Other event income includes income mainly from HKIE Publicity Events.

Note 2: Other income includes fair value gain on investment, interest and dividend 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	26,649,865	54.54%
Office & Administration Expenses	7,167,809	14.67%
Membership Expenses	1,448,454	2.96%
Accreditation Expenses	2,369,101	4.85%
Publication Expenses	1,758,835	3.60%
Conference Expenses	2,383,008	4.87%
Divisional Expenses	3,764,535	7.70%
External Affairs Expenses	616,376	1.26%
Legal & Professional Fees	1,214,155	2.48%
Facilities Expenses	8,314	0.02%
The HKIE Awards and Student Scholarship & Prizes Expenses	325,115	0.67%
Other Events Expenses <sup>(note 1)</sup>	950,764	1.95%
Other Expenses <sup>(note 2)</sup>	207,716	0.43%
	<u>48,864,047</u>	<u>100.00%</u>



Note 1: Other events include HKIE Publicity Events, Preparation works for Competence-based Professional Assessment, "Championing Innovation" Kick-off Ceremony, 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 2020/21 HK\$	(2) Surplus / (Deficit) b/f HK\$	(3) Surplus Returned to Headquarters HK\$	(4) Income HK\$ (Note 1)	(5)=(1)+(2)-(3)+(4)	(6) Total Funds HK\$ Expenditure HK\$ (Note 2)	(7)=(5)-(6) Surplus / (Deficit) at 31 March 2021 HK\$ (Note 3)
Aircraft Division	40,000	222,983	-	143	263,126	9,655	253,471
Associate Members Committee	45,000	45,443	-	-	90,443	42,240	48,203
Biomedical Division	36,000	200,980	-	1,432	238,412	49,044	189,368
Building Division	70,000	668,436	-	8,613	747,049	(136,931) *	883,980
Building Services Division	117,000	853,118	-	27,815	997,933	(183,440) *	1,181,373
Control, Automation & Instrumentation Division	53,000	51,717	-	7,311	112,028	1,935	110,093
Civil Division	169,000	1,828,375	-	20,960	2,018,335	327,636	1,690,699
Electrical Division	85,000	919,179	-	8,197	1,012,376	(386,610) *	1,398,986
Electronics Division	51,000	316,697	-	7,182	374,879	(37,375) *	412,254
Environmental Division	105,000	370,611	-	7,743	483,354	44,481	438,873
Fire Division	44,000	1,092,657	-	444	1,137,101	(130,105) *	1,267,206
Gas & Energy Division	54,000	230,616	-	3,870	288,486	6,391	282,095
Geotechnical Division	106,000	1,159,412	2,638	4,523	1,267,297	(621,315) *	1,888,612
Information Technology Division	68,000	461,582	-	7,955	537,537	3,154	534,383
Logistics & Transportation Division	38,000	272,921	17,555	430	293,796	(11,413) *	305,209
Materials Division	41,000	171,669	-	2,580	215,249	93,000	122,249
Manufacturing, Industrial & Systems Division	43,000	112,281	-	5,162	160,443	12,417	148,026
Mechanical, Marine, Naval Architecture & Chemical Division	81,000	718,104	-	8,170	807,274	21,088	786,186
Nuclear Division	36,000	45,691	-	430	82,121	3,454	78,667
Safety Specialist Committee	135,000	463,002	-	-	598,002	44,527	553,475
Structural Division	127,000	1,001,399	-	4,305	1,132,704	(220,168) *	1,352,872
Student Chapter - City U	25,890	36,438	-	-	62,328	16,703	45,625
Student Chapter - CUHK	17,090	39,810	-	-	56,900	953	55,947
Student Chapter - IVE(TY)	42,020	100,430	-	-	142,450	2,465	139,985
Student Chapter - IVE(CW)	17,390	121,099	-	2	138,491	3,570	134,921
Student Chapter - IVE(ST)	10,910	56,398	-	1	67,309	200	67,109
Student Chapter - IVE(HW)	9,640	2,366	-	-	12,006	3,150	8,856
Student Chapter - HKBU	4,400	11,830	-	-	16,230	-	16,230
Student Chapter - HKU	17,020	40,806	-	1	57,827	5,467	52,360
Student Chapter - HKUST	22,400	54,048	-	-	76,448	15,951	60,497
Student Chapter - Poly U	28,280	113,673	-	2	141,955	10,420	131,535
Student Chapter - THEi	10,260	-	-	-	10,260	-	10,260
Young Members Committee	88,000	606,894	-	10	694,904	(2,483) *	697,387
<b>Total</b>	<b>1,837,300</b>	<b>12,390,665</b>	<b>20,193</b>	<b>127,281</b>	<b>14,335,053</b>	<b>(1,011,939) *</b>	<b>15,346,992</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.