

## Overview

In the financial year 2003-2004, the Institution continued to sustain a healthy financial and cash position with a surplus of HK\$2.43 million for the year. Total net assets as at 31 March 2004 were HK\$46.8 million, which is about HK\$1.6 million higher than that of last year.

## Source of Fund

Major sources of income were membership fees, training fees and application & assessment fees. These accounted for 78.4% of the total income of HK\$24.4 million.

Consequential to the decision to reduce membership fees for Associate, Graduate and Student (over 25 years old) Members for the financial year 2003-2004, the total sum so reduced was about HK\$1 million.

## Use of Fund

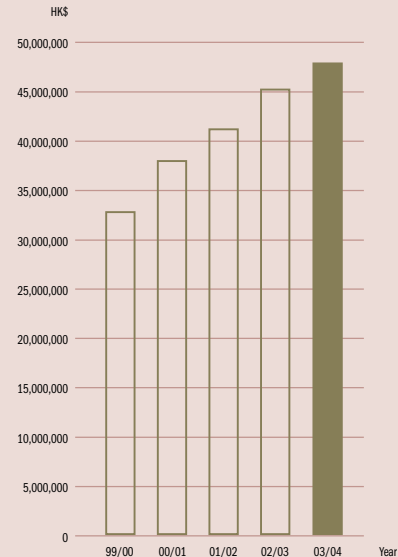
Total expenditure for the year was HK\$22 million. There was an increase of 6.2% as compared to HK\$20.7 million last year, which was mainly due to the introduction of the early bird discount on the membership fee payment made available to all members. The discount expense was in the amount of HK\$619,000.

To commemorate the 10th Anniversary of the *HKIE Transactions*, a CD-ROM is being prepared to put together the archives of the Transactions papers for the previous ten years and the cost of production was HK\$155,000.

It may be worth noting that the HKIE has spent for various other activities by an amount of HK\$196,000 over the previous year. These included the expenditure on the Mobile Multimedia Communications Design Contest, the Young Engineers of the Year Award and the HKIE Gold Medal. With the phased introduction of student scholarships and prizes, this year the Institution has completed its full implementation and the funding for which has been increased to HK\$380,000.

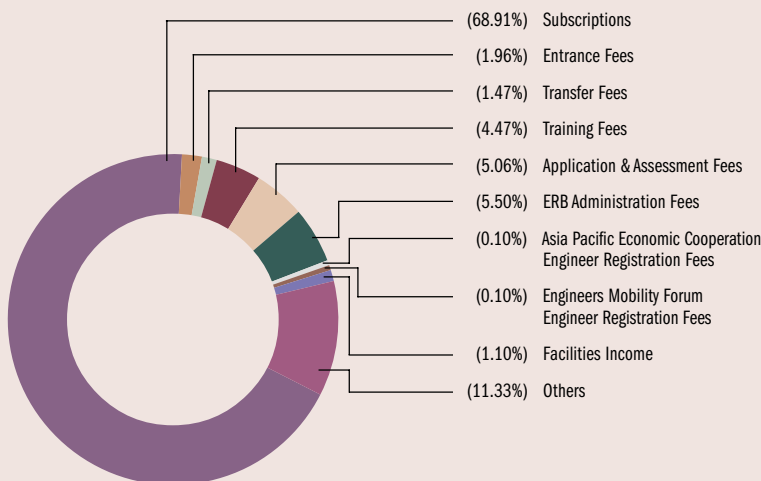
With the setting up of the HKIE - SARS Fund, the Institution resolved, on the basis of the agreed criteria, to match the donations received in support of the engineering research for the prevention and control of SARS. The Institution made a matching sum of HK\$16,000 to the Fund during this financial year.

## Total Net Assets



| Year Ended   | Total Net Assets  | Fixed Assets      | Net Current Assets | Long-term Liabilities |
|--------------|-------------------|-------------------|--------------------|-----------------------|
| 99/00        | 32,327,764        | 29,142,075        | 3,185,689          | –                     |
| 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         | –                     |
| <b>03/04</b> | <b>46,824,586</b> | <b>26,523,871</b> | <b>20,300,715</b>  | –                     |

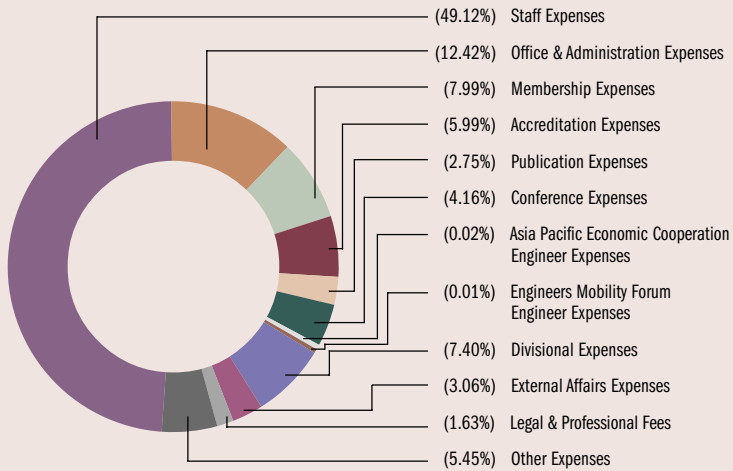
## Source of Fund



## Source of Fund

| Source of Fund   | HK\$              | %              |
|--|-------------------|----------------|
| Subscriptions  | 16,837,852        | 68.91%         |
| Entrance Fees  | 477,680           | 1.96%          |
| Transfer Fees  | 360,140           | 1.47%          |
| Training Fees  | 1,091,500         | 4.47%          |
| Application & Assessment Fees                                | 1,235,397         | 5.06%          |
| ERB Administration Fees                                      | 1,344,725         | 5.50%          |
| Asia Pacific Economic Cooperation Engineer Registration Fees | 24,598            | 0.10%          |
| Engineers Mobility Forum Engineer Registration Fees          | 24,998            | 0.10%          |
| Facilities Income  | 267,984           | 1.10%          |
| Others   | 2,768,806         | 11.33%         |
|  | <b>24,433,680</b> | <b>100.00%</b> |

## Use of Fund



## Use of Fund

| Use of Fund   | HK\$              | %              |
|---|-------------------|----------------|
| Staff Expenses                                      | 10,809,921        | 49.12%         |
| Office & Administration Expenses                    | 2,733,500         | 12.42%         |
| Membership Expenses                                 | 1,759,261         | 7.99%          |
| Accreditation Expenses                              | 1,318,077         | 5.99%          |
| Publication Expenses                                | 606,023           | 2.75%          |
| Conference Expenses                                 | 917,169           | 4.16%          |
| Asia Pacific Economic Cooperation Engineer Expenses | 3,958             | 0.02%          |
| Engineers Mobility Forum Engineer Expenses          | 657               | 0.01%          |
| Divisional Expenses                                 | 1,628,336         | 7.40%          |
| External Affairs Expenses                           | 673,239           | 3.06%          |
| Legal & Professional Fees                           | 358,355           | 1.63%          |
| Other Expenses                                      | 1,198,532         | 5.45%          |
|   | <b>22,007,028</b> | <b>100.00%</b> |

## Performance by Divisions

|  | (1)<br>Allocation<br>2003/04<br>HK\$ | (2)<br>Surplus/<br>(Deficit)<br>b/f<br>HK\$ | (3)<br>Surplus<br>Returned to<br>Headquarters<br>HK\$ | (4)<br>Income<br>HK\$<br>(Note 1) | (5)=(1)+(2)-(3)+(4)<br>Total<br>Funds<br>HK\$ | (6)<br>Expenditure<br>HK\$<br>(Note 2) | (7)=(5)-(6)<br>Surplus/<br>(Deficit) at<br>31 March 2004<br>HK\$<br>(Note 3) |
|--|--------------------------------------|---|---|-----------------------------------|---|--|--|
| Associate Members Committee                                | 80,400                               | 39,383                                      | -   | 5                                 | 119,788                                       | 90,584                                 | 29,204   |
| Biomedical Division  | 36,000                               | 101,577                                     | -   | 3,870                             | 141,447                                       | 42,171                                 | 99,276   |
| Building Division  | 67,000                               | 275,980                                     | -   | 22,965                            | 365,945                                       | 80,309                                 | 285,636  |
| Building Services Division                                 | 108,000                              | 331,073                                     | -   | 54,630                            | 493,703                                       | 86,792                                 | 406,911  |
| Control, Automation & Instrumentation Division             | 55,000                               | 99,472                                      | -   | 13,340                            | 167,812                                       | 72,169                                 | 95,643   |
| Civil Division   | 152,000                              | 507,660                                     | -   | 39,599                            | 699,259                                       | 161,205                                | 538,054  |
| Electrical Division  | 83,000                               | 962,565                                     | -   | 19,368                            | 1,064,933                                     | 22,270                                 | 1,042,663  |
| Electronics Division                                       | 57,000                               | 105,265                                     | -   | 13,922                            | 176,187                                       | 91,376                                 | 84,811   |
| Environmental Division                                     | 101,000                              | 575,303                                     | -   | 12,727                            | 689,030                                       | 117,076                                | 571,954  |
| Gas and Energy Division                                    | 56,400                               | 35,973                                      | -   | 4,340                             | 96,713  | 87,594                                 | 9,119  |
| Geotechnical Division                                      | 95,000                               | 126,087                                     | -   | 1,886                             | 222,973                                       | 128,211                                | 94,762   |
| Information Technology Division                            | 83,000                               | 281,428                                     | -   | 3,849                             | 368,277                                       | 87,270                                 | 281,007  |
| Materials Division   | 42,000                               | 74,509                                      | -   | 2,790                             | 119,299                                       | 52,096                                 | 67,203   |
| Manufacturing & Industrial Division                        | 47,000                               | 82,727                                      | -   | 2,215                             | 131,942                                       | 52,367                                 | 79,575   |
| Mechanical, Marine, Naval Architecture & Chemical Division | 91,200                               | 190,298                                     | -   | 3,806                             | 285,304                                       | 150,452                                | 134,852  |
| Nuclear Division   | 35,000                               | 22,029                                      | -   | 4                                 | 57,033  | 24,262                                 | 32,771   |
| Safety Specialist Group                                    | 55,000                               | 68,389                                      | -   | -                                 | 123,389                                       | 64,446                                 | 58,943   |
| Structural Division  | 135,600                              | 47,563                                      | -   | 930                               | 184,093                                       | 151,628                                | 32,465   |
| Young Members Committee                                    | 112,000                              | 78,872                                      | -   | 4,116                             | 194,988                                       | 100,069                                | 94,919   |
| <b>Total</b>   | <b>1,491,600</b>                     | <b>4,006,153</b>                            | <b>-</b>  | <b>204,362</b>                    | <b>5,702,115</b>                              | <b>1,662,347</b>                       | <b>4,039,768</b>   |

## 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.