

Financial Review 2007/2008

Overview

In the financial year 2007/2008, the Institution continued to sustain a healthy financial and cash position. With an increase of approximately HK\$1.6 million and HK\$1 million in income and expenditure respectively as compared to last year, the surplus was increased by HK\$545,000. Total net assets as at 31 March 2008 were HK\$58.2 million, which is about HK\$3.4 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 78% of the total income of HK\$27.9 million. As compared to the total income of last year of HK\$26.3 million, there was an increase of 6.1% for the year.

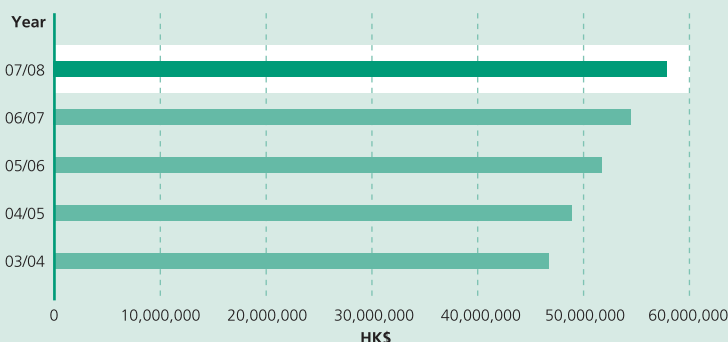
Use of Fund

Total expenditure for the year was HK\$24.5 million. There was an increase of 4.3% as compared to HK\$23.5 million last year.

The Institution has spent for various other activities by an amount of HK\$694,000 in the previous year. These activities included the HKIE 60th Anniversary Reception, Status Report of Hong Kong's Infrastructure Development and the official launching of the report, the HKIE Road Shows – "Engineering a Green Future" and Hong Kong Engineering Archive, etc.

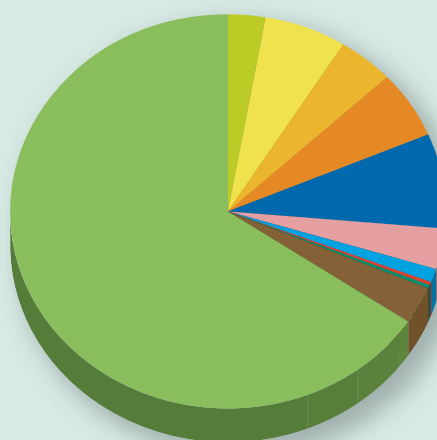
Total Net Assets

Year Ended	Total Net Assets	Fixed Assets	Net Current Assets
03/04	46,824,586	26,523,871	20,300,715
04/05	49,089,869	25,914,072	23,175,797
05/06	51,925,871	24,785,569	27,140,302
06/07	54,775,330	24,015,151	30,760,179
07/08	58,170,260	22,939,945	35,230,315



Source of Fund

	HK\$	%
Subscriptions	17,974,967	64.39%
Entrance & Transfer Fees	813,660	2.91%
Training Fees	1,705,100	6.11%
Application & Assessment Fees	1,119,298	4.01%
ERB Administration Fees	1,542,523	5.53%
Accreditation Income	2,119,096	7.59%
Conference Income	929,069	3.33%
Facilities Income	242,832	0.87%
Continuing Professional Development Activities	81,206	0.29%
Assessment for Reciprocal Recognition Agreement	138,747	0.49%
Other Income ^(Note 1)	1,250,031	4.48%
	27,916,529	100.00%

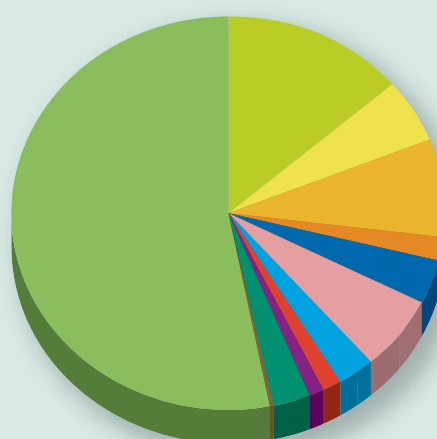


Subscriptions	64.39%
Entrance & Transfer Fees	2.91%
Training Fees	6.11%
Application & Assessment Fees	4.01%
ERB Administration Fees	5.53%
Accreditation Income	7.59%
Conference Income	3.33%
Facilities Income	0.87%
Continuing Professional Development Activities	0.29%
Assessment for Reciprocal Recognition Agreement	0.49%
Other Income ^(Note 1)	4.48%

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

Use of Fund

	HK\$	%
Staff Expenses	12,961,508	52.83%
Office & Administration Expenses	3,386,662	13.81%
Membership Expenses	1,291,327	5.26%
Accreditation Expenses	1,959,513	7.99%
Publication Expenses	466,859	1.90%
Conference Expenses	875,310	3.57%
Divisional Expenses	1,563,915	6.38%
External Affairs Expenses	681,970	2.78%
Legal & Professional Fees	299,254	1.22%
The HKIE Awards & Student Scholarship & Prizes Expenses	281,382	1.15%
Other Events Expenses ^(Note 1)	694,851	2.83%
Other Expenses ^(Note 2)	68,929	0.28%
Total	24,531,480	100.00%



Staff Expenses	52.83%
Office & Administration Expenses	13.81%
Membership Expenses	5.26%
Accreditation Expenses	7.99%
Publication Expenses	1.90%
Conference Expenses	3.57%
Divisional Expenses	6.38%
External Affairs Expenses	2.78%
Legal & Professional Fees	1.22%
The HKIE Award & Student Scholarship & Prizes Expenses	1.15%
Other Events Expenses ^(Note 1)	2.83%
Other Expenses ^(Note 2)	0.28%

Note 1: Other events include the HKIE 60th Anniversary Reception, Status Report of Hong Kong's Infrastructure Development & the official launching of the report, the HKIE Road Shows and Hong Kong Engineering Archive, etc.

Note 2: Other expenses include expenses for Asia Pacific Economic Cooperation Engineer, Engineers Mobility Forum Engineer and Engineering Technologists Mobility Forum Engineering Technologists.

Performance by Divisions

	(1) Allocation 2007/08 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 2008 HK\$ (Note 3)
Associate Members Committee	59,918	23,564	-	459	83,941	53,996	29,945
Biomedical Division	38,000	47,091	-	2,699	87,790	53,047	34,743
Building Division	65,000	288,863	-	30,651	384,514	89,344	295,170
Building Services Division	105,000	888,308	-	68,820	1,062,128	105,443	956,685
Control, Automation & Instrumentation Division	55,000	188,338	-	15,944	259,282	111,843	147,439
Civil Division	150,000	941,385	-	50,668	1,142,053	363,053	779,000
Electrical Division	81,000	716,490	-	16,328	813,818	263,258	550,560
Electronics Division	54,000	110,951	-	14,847	179,798	2,608	177,190
Environmental Division	101,000	552,851	-	18,577	672,428	149,564	522,864
Gas & Energy Division	47,000	9,196	-	5,890	62,086	(11,177)*	73,263
Geotechnical Division	97,000	260,587	-	15,100	372,687	(67,928)*	440,615
Information Technology Division	78,000	344,265	-	11,114	433,379	229,750	203,629
Materials Division	41,000	100,605	-	16,640	158,245	82,890	75,355
Manufacturing & Industrial Division	46,000	39,538	-	3,225	88,763	(39,450)*	128,213
Mechanical, Marine, Naval Architecture & Chemical Division	75,000	106,677	-	6,932	188,609	67,321	121,288
Nuclear Division	35,000	12,793	-	5,435	53,228	24,764	28,464
Safety Specialist Committee	87,000	83,103	-	-	170,103	50,066	120,037
Structural Division	114,000	282,744	-	6,421	403,165	(7,158)*	410,323
Student Chapter – The University of Hong Kong	14,659	-	-	-	14,659	2,482	12,177
Young Members Committee	96,000	211,289	-	4,863	312,152	101,368	210,784
Total	1,439,577	5,208,638	-	294,613	6,942,828	1,625,084	5,317,744

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.