

HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2006

**LOUIS LAI & LUK
CERTIFIED PUBLIC ACCOUNTANTS**

HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

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**REPORT OF THE AUDITORS
TO THE MEMBERS OF
HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT
(Registered as a society in accordance with the provisions of section 5 (A) 1 of the
Societies Ordinance (Chapter 151))**

We have audited the financial statements on pages 3 to 6 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective responsibilities of management committee and auditors

The Institute's constitution and by-laws require the management committee to prepare financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

We are engaged to form an independent opinion, based on our audit, on those statements and to report our opinion to you, as a body, and for no other purpose. We do not assume responsibility forwards or accept liability to any other person for the contents of this report.

Basis of opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the management committee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Institute, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

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REPORT OF THE AUDITORS (CONT'D)
TO THE MEMBERS OF
HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT
(Registered as a society in accordance with the provisions of section 5 (A) 1 of the
Societies Ordinance (Chapter 151))

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Institute as at March 31, 2006 and of its deficit for the year then ended and have been properly prepared in accordance with the constitution and by-laws of the Institute.



Louis Lai & Luk
Certified Public Accountants

Hong Kong, May 10, 2006.

HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED MARCH 31, 2006

	<u>NOTES</u>	<u>2006</u>	<u>2005</u>
		HK\$	HK\$
INCOME			
Membership fees	(3)	48,200	83,000
Bank interest income		<u>9,783</u>	<u>1,666</u>
 Total revenue recognised		 <u>57,983</u>	 <u>84,666</u>
 LESS: EXPENDITURE			
Auditors' remuneration		2,500	2,500
Deficit from institute activities	(4)	70,952	2,939
Meeting expenses		19,864	29,697
Newsletter handling fee		-	911
Postage		480	359
Printing and stationery		523	760
Sundry expenses		-	120
Website charges		<u>1,536</u>	<u>19,114</u>
		 <u>95,855</u>	 <u>56,400</u>
 CHANGE IN NET ASSET ATTRIBUTABLE TO MEMBERS			
		 <u>(37,872)</u>	 <u>28,266</u>

THE NOTES ON PAGE 5 TO 6 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

BALANCE SHEET

AS AT MARCH 31, 2006

	<u>NOTES</u>	<u>2006</u>	<u>2005</u>
		HK\$	HK\$
CURRENT ASSETS			
Other receivables		7,072	1,621
Bank fixed deposit	(5)	557,782	554,457
Bank balances		<u>120,639</u>	<u>163,987</u>
		685,493	720,065
		-----	-----
CURRENT LIABILITIES			
Subscription in advance		3,300	-
Accrued auditors' remuneration		<u>2,500</u>	<u>2,500</u>
		5,800	2,500
		=====	=====
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>679,693</u>	<u>717,565</u>
Financed by:			
ACCUMULATED FUND	(6)	<u>679,693</u>	<u>717,565</u>

APPROVED BY MANAGEMENT COMMITTEE OF THE INSTITUTE ON MAY 10, 2006.


CHAIRMAN


HON. TREASURER

THE NOTES ON PAGE 5 TO 6 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

NOTES TO THE FINANCIAL STATEMENTS

1. LEGAL STATUS

The Hong Kong Institute of Environmental Impact Assessment (“the Institute”) is registered as a society in accordance with the provisions of section 5A(1) of the Societies Ordinance (Chapter 151) on October 15, 1997. The activities of the Institute consisted principally of the promotion of the advancement of the knowledge and management of environmental impact assessment. The registered address of the Institute is Room 1004 Tung Wai Commercial Building, 109 to 111 Gloucester Road, Hong Kong.

2. PRINCIPAL ACCOUNTING POLICIES

a. Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the accounting principals generally accepted in Hong Kong except that the Institute has not adopted HKAS 7 “Cash Flow Statement” to prepare a cash flow statement. This non-compliance is due to the fact that the Institute’s Income and Expenditure Account has been basically prepared on a cash basis apart from the year-end accrual adjustments on accrued/unearned membership fee income.

In 2006, the Institute adopted the new/revised standards and interpretations of HKFRS below, which are relevant to its operations. The 2004 comparatives have been amended as required, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statement
HKAS 8	Accounting Policies, Change in Accounting
HKAS 10	Events after Balance Sheet Date
HKAS 18	Revenue
HKAS 32	Financial Instruments, Disclosure and Presentation
HKAS 39	Financial Instruments: Recognition and Measurement

The adoption of the above new /revised standards did not result in substantial change to the Institute’s accounting policies on the following grounds.

1. The institute’s major financial assets are bank fixed deposit and bank balances of which the nominal value approximate their fair value.
2. Apart from the bank balances, other financial assets and liabilities of the Institute are negligible.

As above, no critical accounting judgement and assumption has been applied in the preparation of these financial statements.

HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

NOTES TO THE FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

b. Revenue Recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Institute and when the revenue can be measured reliably, on the bases as follows:

- Membership fees is recognized when on an accrual basis.
- Interest income from bank deposits is accrued on a time proportion basis on the principal outstanding and at the applicable rate.

c. Cash and Bank Balances

Cash and bank balances comprise cash held by the Company and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair values.

3. <u>MEMBERSHIP FEES</u>	<u>2006</u>	<u>2005</u>
	HK\$	HK\$
Fellow members	10,000	18,000
Ordinary members	34,200	52,200
Associated members	2,000	7,400
Student members	600	-
Accredited monitoring professional	<u>1,400</u>	<u>5,400</u>
	<u>48,200</u>	<u>83,000</u>

4. DEFICIT FROM INSTITUTE ACTIVITIES

Income	26,172	2,100
Less: Expenses	<u>97,124</u>	<u>5,039</u>
Deficit	<u>70,952</u>	<u>2,939</u>

5. BANK FIXED DEPOSIT

The bank fixed deposit is to be matured within the coming twelve months from the balance sheet date. The carrying amount of the bank fixed deposit approximates its fair value.

6. <u>ACCUMULATED FUND</u>	<u>2006</u>	<u>2005</u>
	HK\$	HK\$
Balance at April 1	717,565	689,299
(Deficit)/Surplus for the year	<u>(37,872)</u>	<u>28,266</u>
Balance at March 31	<u>679,693</u>	<u>717,565</u>

HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

JOURNAL ADJUSTMENTS

FOR THE YEAR ENDED MARCH 31, 2006

	Dr.	Cr.	Effect on I & E A/C
	HK\$	HK\$	HK\$
1. HKBC Fixed deposit	3,324.53		
Interest receivable		(1,621.28)	
Bank interest income		(1,703.25)	1,703.25
Being interest income received from fixed deposit during the year			
<hr/>			
2. Interest receivable	7,072.37		
Bank interest income		(7,072.37)	7,072.37
Being interest income received and receivable from fixed deposit during the year			
<hr/>			
3. HKB C/A #024-161622-001	110,000.00		
HKB S/A #024-7-050933		(31,320.91)	
Subscription in advance		(3,300.00)	
Membership income		(48,200.00)	48,200.00
Interest income		(1,007.09)	1,007.09
Institute activity		(26,172.00)	26,172.00
Being HKB S/A movement for the year			
<hr/>			
4. Accruals	2,500.00		
Institute activity	97,123.90		(97,123.90)
Meeting expenses	19,864.20		(19,864.20)
Postage	480.00		(480.00)
Printing & stationery	522.50		(522.50)
Web Site charges	1,536.00		(1,536.00)
HKB S/A #024-7-050933		(110,000.00)	
HKB C/A #024-161622-002		(12,026.60)	
Being HKB S/A movement for the year			
<hr/>			
5. Auditors' remuneration	2,500.00		(2,500.00)
Accrual		(2,500.00)	
Being provide audit fee for the year			
<hr/>			
Deficit for the year			(37,871.89)