

**HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT**

**REPORT**

**AND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2010**

**LOUIS LAI & LUK  
CERTIFIED PUBLIC ACCOUNTANTS**

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**INDEPENDENT AUDITOR'S REPORT  
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 of Hong Kong Institute of Environmental Impact Assessment set out on pages 3 to 8, which comprise the statement of financial position as at March 31, 2010, the income and expenditure account and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

**Management committee's responsibility for the financial statements**

The management committees are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Institute's constitution and by-laws. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institute's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management committees, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

LOUIS K.M. LAI CPA FCCA

黎劍民會計師

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**INDEPENDENT AUDITOR'S REPORT (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, 2010 and of its surplus and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards 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 7, 2010.

# HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

## INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2010

	<u>NOTES</u>	<u>2010</u>	<u>2009</u>
		HK\$	HK\$
<b>INCOME</b>			
Membership fees	(5)	91,100	88,100
Bank interest income		<u>1,296</u>	<u>7,246</u>
Total revenue recognized		92,396	95,346
		-----	-----
<b>LESS: EXPENDITURE</b>			
Auditors' remuneration		4,000	4,000
Bank charges		750	750
Deficit from EIA regional conference activities	(6)	11,439	33,844
Deficit from institute activities	(7)	44,621	32,052
Donation		-	3,600
Entertainment		650	4,628
Meeting expenses		1,658	-
Postage		815	270
Printing and stationery		360	320
Sundry expenses		162	400
Website charges		<u>1,536</u>	<u>1,536</u>
		65,991	81,400
		-----	-----
<b>SURPLUS FOR THE YEAR</b>		<u>26,405</u>	<u>13,946</u>
		=====	=====

THE NOTES ON PAGE 6 TO 8 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

# HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

## STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2010

	<u>NOTES</u>	<u>2010</u>	<u>2009</u>
		HK\$	HK\$
<b>CURRENT ASSETS</b>			
Other receivables		53	2,286
Bank fixed deposit	(8)	630,576	630,000
Bank balances		<u>220,989</u>	<u>187,727</u>
		851,618	820,013
		-----	-----
<b>CURRENT LIABILITIES</b>			
Subscription in advance		5,200	-
Accruals		<u>4,000</u>	<u>4,000</u>
		9,200	4,000
		-----	-----
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u>842,418</u>	<u>816,013</u>
		=====	=====
Financed by:			
<b>ACCUMULATED FUND</b>	(9)	<u>842,418</u>	<u>816,013</u>
		=====	=====

APPROVED BY MANAGEMENT COMMITTEE OF THE INSTITUTE ON MAY 7, 2010.

  
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CHAIRMAN

  
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HON. TREASURER

THE NOTES ON PAGE 6 TO 8 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

# HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2010

	<u>2010</u>	<u>2009</u>
	HK\$	HK\$
<b>CASH FLOWS FROM INSTITUTE OPERATING</b>		
Surplus for the year	26,405	13,946
Adjustments for:		
Interest income	( 1,296)	( 7,246)
Surplus before changes in working capital	25,109	6,700
Decrease/(Increase) in other receivables	2,233	( 1,000)
Increase/(Decrease) in subscription in advance	<u>5,200</u>	<u>( 5,200)</u>
Cash generated from institute operations	32,542	500
Interest received	<u>1,296</u>	<u>7,246</u>
Net cash generated from institute activities	33,838	7,746
	=====	=====
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	33,838	7,746
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>817,727</u>	<u>809,981</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	851,565	817,727
	=====	=====
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Bank fixed deposit	630,576	630,000
Bank balances	<u>220,989</u>	<u>187,727</u>
	851,565	817,727
	=====	=====

THE NOTES ON PAGE 6 TO 8 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 (EIA). The registered address of the Institute is 11/F., Grand Central Plaza, Tower 2, 138 Shatin Rural Committee Road, Shatin, New Territories.

### 2. PRINCIPAL ACCOUNTING POLICIES

#### a. Basis of Preparation

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS(s)") (which also include Hong Kong Accounting Standards ("HKAS(s)") and interpretations ("Int(s)")) issued by the Hong Kong Institute of Certified Public Accountants and accounting principles generally accepted in Hong Kong.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Institute's accounting policies. There are no areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

The financial statements have been prepared under the historical cost convention.

#### b. Impact of issued but not yet effective HKFRSs

The Institute has not applied the new and revised HKFRSs (hereinafter collectively referred as "the new HKFRSs"), that have been issued but are not yet effective, in these financial statements. The management committee state these new HKFRSs would not have a significant impact on its results of operations and financial position.

#### c. 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 on a cash basis.
- Interest income from bank deposits is accrued on a time proportion basis on the principal outstanding and at the applicable rate.

# HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

## NOTES TO THE FINANCIAL STATEMENTS

### 2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

#### d. Cash and Bank Balances

Cash and bank balances comprise cash held by the Institute 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. FINANCIAL RISK MANAGEMENT

The Institute's activities do not expose it to significant financial risks (including foreign exchange risk, interest rate risk and credit risk). The Institute minimizes liquidity by maintaining sufficient cash to meet current and expected liquidity so as to enable it to meet its liabilities as and when they fall due and to continue operating for the foreseeable future. For interest rate risk, except for the interest bearing cash and cash equivalents, the Institute has no other significant interest-bearing assets and liabilities.

### 4. CAPITAL MANAGEMENT

The Institute objectives when managing capital are to safeguard the Institute's ability to continue as a going concern in order to carry out its principal activities. The Institute's overall strategy remains unchanged from prior years.

In order to maintain or adjust the capital structure, the Institute may request contributions from members.

5. <u>MEMBERSHIP FEES</u>	<u>2010</u>	<u>2009</u>
	HK\$	HK\$
Fellow members	14,000	20,000
Ordinary members	63,000	61,000
Associated members	12,500	6,500
Student members	1,200	-
Accredited monitoring professional	<u>400</u>	<u>600</u>
	91,100	88,100
	=====	=====
6. <u>DEFICIT FROM EIA REGIONAL CONFERENCE ACTIVITIES</u>		
Income	-	-
Less: Expenses	<u>11,439</u>	<u>33,844</u>
Deficit	11,439	33,844
	=====	=====



# HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

## NOTES TO THE FINANCIAL STATEMENTS

7. <u>DEFICIT FROM INSTITUTE ACTIVITIES</u>	<u>2010</u>	<u>2009</u>
	HK\$	HK\$
Income	18,824	10,960
Less: Expenses	<u>63,445</u>	<u>43,012</u>
Deficit	<u>44,621</u>	<u>32,052</u>

### 8. 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.

9. <u>ACCUMULATED FUND</u>	<u>2010</u>	<u>2009</u>
	HK\$	HK\$
Balance at April 1	816,013	802,067
Surplus for the year	<u>26,405</u>	<u>13,946</u>
Balance at March 31	<u>842,418</u>	<u>816,013</u>

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