

HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2009

**LOUIS LAI & LUK
CERTIFIED PUBLIC ACCOUNTANTS**

HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

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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 9, which comprise the balance sheet as at March 31, 2009, the income and expenditure account and cash flow statement 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.

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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, 2009 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 4, 2009.

HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2009

	<u>NOTES</u>	<u>2009</u>	<u>2008</u>
		HK\$	HK\$
INCOME			
Membership fees	(6)	88,100	82,400
Bank interest income		<u>7,246</u>	<u>21,742</u>
Total revenue recognized		95,346	104,142
		-----	-----
LESS: EXPENDITURE			
Auditors' remuneration		4,000	4,000
Bank charges		750	750
Deficit from EIA regional conference activities	(7)	33,844	23,235
Deficit from institute activities	(8)	32,052	11,194
Donation		3,600	-
Entertainment		4,628	-
Postage		270	354
Printing and stationery		320	1,533
Sundry expenses		400	3,590
Website charges		<u>1,536</u>	<u>-</u>
		81,400	44,656
		-----	-----
SURPLUS FOR THE YEAR		<u>13,946</u>	<u>59,486</u>
		=====	=====

THE NOTES ON PAGE 6 TO 9 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

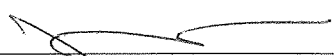
HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

BALANCE SHEET

AS AT MARCH 31, 2009

	<u>NOTES</u>	<u>2009</u>	<u>2008</u>
		HK\$	HK\$
CURRENT ASSETS			
Other receivables		2,286	1,286
Bank fixed deposit	(9)	630,000	620,521
Bank balances		<u>187,727</u>	<u>189,460</u>
		820,013	811,267
		-----	-----
CURRENT LIABILITIES			
Subscription in advance		-	5,200
Accruals		<u>4,000</u>	<u>4,000</u>
		4,000	9,200
		=====	=====
NET ASSETS ATTRIBUTABLE TO MEMBERS		816,013	802,067
		=====	=====
Financed by:			
ACCUMULATED FUND	(10)	816,013	802,067
		=====	=====

APPROVED BY MANAGEMENT COMMITTEE OF THE INSTITUTE ON MAY 4, 2009.



 CHAIRMAN



 HON. TREASURER

THE NOTES ON PAGE 6 TO 9 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2009

	<u>2009</u>	<u>2008</u>
	HK\$	HK\$
CASH FLOWS FROM INSTITUTE OPERATING		
Surplus for the year	13,946	59,486
Adjustments for:		
Interest income	(<u>7,246</u>)	(<u>21,742</u>)
Surplus before changes in working capital	6,700	37,744
(Increase)/Decrease in other receivables	(1,000)	3,284
Decrease in subscription in advance	(<u>5,200</u>)	(<u>200</u>)
Cash generated from institute operations	500	40,828
Interest received	<u>7,246</u>	<u>21,742</u>
Net cash generated from institute activities	<u>7,746</u>	<u>62,570</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	7,746	62,570
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>809,981</u>	<u>747,411</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>817,727</u>	<u>809,981</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank fixed deposit	630,000	620,521
Bank balances	<u>187,727</u>	<u>189,460</u>
	<u>817,727</u>	<u>809,981</u>

THE NOTES ON PAGE 6 TO 9 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, accounting principles generally accepted in Hong Kong.

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

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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note (5) to the financial statements.

In 2009, the Institute adopted the new and revised HKFRSs below, which are relevant to its operations.

- HK (IFRIC) - Int. 11 HKFRS 2 - Group and Treasury Share Transactions
- HK (IFRIC) - Int. 12 Service Concession Arrangements
- HK (IFRIC) - Int. 14 HKAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the above HKFRSs has had no material impact on the principal accounting policies of the Institute and the methods of computation in the Institute’s financial statements. As such, no 2008 comparatives have been amended as a result from adopting the captioned HKFRSs.

HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

NOTES TO THE FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

b. Impact of issued but not yet effective HKFRSs

The Institute has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

- | | |
|-----------------------------------|---|
| • HKFRS (Amendments) | Improvements to HKFRSs ⁽¹⁾ |
| • HKAS 1 (Revised) | Presentation of Financial Statements ⁽²⁾ |
| • HKAS 23 (Revised) | Borrowing Costs ⁽²⁾ |
| • HKAS 27 (Revised) | Consolidated and Separate Financial Statements ⁽⁵⁾ |
| • HKAS 32 and HKAS 1 (Amendments) | Puttable Financial Instruments and Obligations Arising on Liquidation ⁽²⁾ |
| • HKAS 39 (Amendment) | Financial Instruments: Recognition and Measurement - Eligible Hedged Items ⁽⁵⁾ |
| • HKFRS 1 (Revised) | First-time Adoption of HKFRS ⁽⁵⁾ |
| • HKFRS 1 and HKAS27 (Amendment) | Consolidated & Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly Controlled Entity and Associates ⁽²⁾ |
| • HKFRS 2 (Amendment) | Share-based Payments - Vesting Conditions and Cancellation ⁽²⁾ |
| • HKFRS 3 (Revised) | Business Combinations ⁽⁵⁾ |
| • HKFRS 8 | Operating Segments ⁽²⁾ |
| • HK (IFRIC) - Int.13 | Customer Loyalty Programmes ⁽³⁾ |
| • HK (IFRIC) - Int.15 | Agreements for the Construction of Real Estate ⁽²⁾ |
| • HK (IFRIC) - Int.16 | Hedges of a Net Investment in a Foreign Operation ⁽⁴⁾ |
| • HK (IFRIC) - Int.17 | Distributions of Non-cash Assets to Owners ⁽⁵⁾ |

Notes:

- (1) Effective for annual periods beginning on or after 1 January 2009, except the amendments to HKFRS 5 which are effective for annual periods beginning on or after 1 July 2009
- (2) Effective for annual periods beginning on or after 1 January 2009
- (3) Effective for annual periods beginning on or after 1 July 2008
- (4) Effective for annual periods beginning on or after 1 October 2008
- (5) Effective for annual periods beginning on or after 1 July 2009

The management committee anticipate that all of the above new and revised standards, amendments or interpretations will be adopted in the Institute's financial statements for the period commencing April 1, 2009 and that the adoption of those new and revised standards, amendments or interpretations will have no material impact on the financial statements of the Institute in the period of initial application.

HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

NOTES TO THE FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

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.

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. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgment are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimate of fair value of current assets and liabilities

The nominal value of current assets and liabilities are assumed to approximate their fair value.

HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

NOTES TO THE FINANCIAL STATEMENTS

6.	<u>MEMBERSHIP FEES</u>	<u>2009</u>	<u>2008</u>
		HK\$	HK\$
	Fellow members	20,000	10,000
	Ordinary members	61,000	64,800
	Associated members	6,500	6,000
	Student members	-	1,200
	Accredited monitoring professional	<u>600</u>	<u>400</u>
		88,100	82,400
		=====	=====
7.	<u>DEFICIT FROM EIA REGIONAL CONFERENCE ACTIVITIES</u>		
	Income	-	-
	Less: Expenses	<u>33,844</u>	<u>23,235</u>
	Deficit	<u>33,844</u>	<u>23,235</u>
		=====	=====
8.	<u>DEFICIT FROM INSTITUTE ACTIVITIES</u>		
	Income	10,960	-
	Less: Expenses	<u>43,012</u>	<u>11,194</u>
	Deficit	<u>32,052</u>	<u>11,194</u>
		=====	=====
9.	<u>BANK FIXED DEPOSIT</u>		
	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.		
10.	<u>ACCUMULATED FUND</u>	<u>2009</u>	<u>2008</u>
		HK\$	HK\$
	Balance at April 1	802,067	742,581
	Surplus for the year	<u>13,946</u>	<u>59,486</u>
	Balance at March 31	<u>816,013</u>	<u>802,067</u>
		=====	=====