HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2011

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 statement of financial position as at March 31, 2011, the income and expenditure account, statement of changes in fund 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 of financial statements that give a true and fair view 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-law, and for such internal control as the management committees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 of financial statements that give a true and fair view 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 LAI & LUK CERTIFIED PUBLIC ACCOUNTANTS

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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, 2011 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 16, 2011.

HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2011

	NOTES	2011	2010
		HK$	HK$
INCOME			
Membership fees	(5)	114,600	91,100
Bank interest income		641	1,296
Other income		98	-
Total revenue recognised		115,339	92,396
LESS: EXPENDITURE			
Auditors' remuneration		4,000	4,000
Bank charges		950	750
Deficit from EIA regional conference activities	(6)	15,600	11,439
Deficit from institute activities	(7)	32,502	44,621
Entertainment		1,400	650
Meeting expenses		-	1,658
Postage		270	815
Printing and stationery		1,560	360
Sundry expenses		-	162
Website charges		1,536	1,536
		57,818	65,991
SURPLUS FOR THE YEAR TRNASFERED TO SURPLUS FUND		57,521	26,405

THE NOTES ON PAGE 7 TO 9 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2011

	NOTES	2011	2010
		HK$	HK$
CURRENT ASSETS			
Other receivables		86	53
Bank fixed deposit	(8)	800,000	630,576
Bank balances		106,153	220,989
		906,239	851,618
CURRENT LIABILITIES			
Subscription in advance		2,300	5,200
Accruals		4,000	4,000
		6,300	9,200
NET ASSETS ATTRIBUTABLE TO MEMBERS		899,939	842,418
Financed by:			
SURPLUS FUND	(9)	899,939	842,418

APPROVED BY MANAGEMENT COMMITTEE OF THE INSTITUTE ON MAY 16, 2011.

CHAIRMAN

HON. TREASURER

THE NOTES ON PAGE 7 TO 9 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

STATEMENT OF CHANGES IN FUND

FOR THE YEAR ENDED MARCH 31, 2011

	Surplus Fund	Total
	HK$	HK$
At April 1, 2009	816,013	816,013
Surplus for the year	26,405	26,405
At March 31, 2010	842,418	842,418
Surplus for the year	57,521	57,521
At March 31, 2011	899,939	899,939

THE NOTES ON PAGE 7 TO 9 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, 2011

	2011	2010
	HK$	HK$
CASH FLOWS FROM INSTITUTE OPERATING ACTIVITIES		
Surplus for the year	57,521	26,405
Adjustments for:		
Interest income	(641)	(1,296)
Surplus before changes in working capital	56,880	25,109
(Increase)/Decrease in other receivables	(33)	2,233
(Decrease)/Increase in subscription in advance	(2,900)	5,200
Cash generated from institute operations	53,947	32,542
Interest received	641	1,296
Net cash generated from institute activities	54,588	33,838
NET CHANGE IN CASH AND CASH EQUIVALENTS	54,588	33,838
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	851,565	817,727
CASH AND CASH EQUIVALENTS AT END OF YEAR	906,153	851,565
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank fixed deposit	800,000	630,576
Bank balances	106,153	220,989
	906,153	851,565

THE NOTES ON PAGE 7 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). 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 recognised 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 recognised 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.
- Other income is recognised on a receipt basis.

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 six 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. FUND RISK MANAGEMENT

The Institute objectives when managing fund 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 fund structure, the Institute may request contributions from members.

5. MEMBERSHIP FEES	2011	2010
	HK$	HK$
Fellow members	13,000	14,000
Ordinary members	82,800	63,000
Associated members	17,000	12,500
Student members	600	1,200
Accredited monitoring professional	1,200	400
	114,600	91,100

6. DEFICIT FROM EIA REGIONAL CONFERENCE ACTIVITIES

	2011	2010
	HK$	HK$
Income	-	-
Less: Expenses	15,600	11,439
Deficit	15,600	11,439

7. DEFICIT FROM INSTITUTE ACTIVITIES

Income	5,435	18,824
Less: Expenses	37,937	63,445
Deficit	32,502	44,621

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. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorized for issue by the Institution members on May 16, 2011.

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