HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2012

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 (the "Institute") set out on pages 3 to 9, which comprise the statement of financial position as at March 31, 2012, 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 information.

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, 2012 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, June 7, 2012.

HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2012

	NOTES	2012	2011
		HK$	HK$
INCOME			
Membership fees	(5)	82,300	114,600
Bank interest income		695	641
Other income		176	98
Total revenue recognised		83,171	115,339
LESS: EXPENDITURE			
Auditors' remuneration		4,000	4,000
Bank charges		1,562	950
Deficit from EIA regional conference activities	(6)	22,230	15,600
Deficit from institute activities	(7)	24,486	32,502
Entertainment		1,750	1,400
Postage		270	270
Printing and stationery		507	1,560
Sundry expenses		600	-
Website charges		1,536	1,536
		56,941	57,818
SURPLUS FOR THE YEAR TRANSFERRED TO SURPLUS FUND		26,230	57,521

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, 2012

	NOTES	2012	2011
		HK$	HK$
CURRENT ASSETS			
Other receivables		214	86
Bank fixed deposit	(8)	800,000	800,000
Bank balances		136,655	106,153
		936,869	906,239
CURRENT LIABILITIES			
Subscription in advance		6,700	2,300
Accruals		4,000	4,000
		10,700	6,300
NET ASSETS ATTRIBUTABLE TO MEMBERS		926,169	899,939
Financed by:			
SURPLUS FUND		926,169	899,939

APPROVED BY MANAGEMENT COMMITTEE OF THE INSTITUTE ON JUNE 7, 2012.

CHAIRMAN

HON. TREASURER

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HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

STATEMENT OF CHANGES IN FUND

FOR THE YEAR ENDED MARCH 31, 2012

	Surplus Fund	Total
	HK$	HK$
At April 1, 2010	842,418	842,418
Surplus for the year	57,521	57,521
At March 31, 2011	899,939	899,939
Surplus for the year	26,230	26,230
At March 31, 2012	926,169	926,169

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, 2012

	2012	2011
	HK$	HK$
CASH FLOWS FROM INSTITUTE OPERATING ACTIVITIES		
Surplus for the year	26,230	57,521
Adjustments for:		
Interest income	(695)	(641)
Surplus before changes in working capital	25,535	56,880
Increase in other receivables	(128)	(33)
Increase/(Decrease) in subscription in advance	4,400	(2,900)
Cash generated from institute operations	29,807	53,947
Interest received	695	641
Net cash generated from institute activities	30,502	54,588
NET CHANGE IN CASH AND CASH EQUIVALENTS	30,502	54,588
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	906,153	851,565
CASH AND CASH EQUIVALENTS AT END OF YEAR	936,655	906,153
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank fixed deposit	800,000	800,000
Bank balances	136,655	106,153
	936,655	906,153

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

	2012	2011
	HK$	HK$
Fellow members	18,000	13,000
Ordinary members	48,600	82,800
Associated members	14,500	17,000
Student members	600	600
Accredited monitoring professional	600	1,200
	82,300	114,600

6. DEFICIT FROM EIA REGIONAL CONFERENCE ACTIVITIES

	2012	2011
	HK$	HK$
Income	-	-
Less: Expenses	22,230	15,600
Deficit	22,230	15,600

7. DEFICIT FROM INSTITUTE ACTIVITIES

Income	8,975	5,435
Less: Expenses	33,461	37,937
Deficit	24,486	32,502

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 June 7, 2012.

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