HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2014

LOUIS LAI & LUK CPA LIMITED
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, 2014, 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 about 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.

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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 the Institute's affairs as at March 31, 2014 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 CPA Limited
Certified Public Accountants

Luk Wing Hay
Practising Certificate Number P01623

Hong Kong, June 10, 2014.

HONG KONG INSTITUTE OF ENVIRONMENTAL IMPACT ASSESSMENT

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2014

	NOTES	2014	2013
		HK$	HK$
SUBSCRIPTION INCOME	(5)	238,100	215,900
BANK INTEREST INCOME		525	662
OTHER INCOME		469	504
SURPLUS FROM EIA REGIONAL CONFERENCE ACTIVITIES	(8)	127,898	-
TOTAL REVENUE RECOGNISED		366,992	217,066
LESS: EXPENDITURE			
Auditors' remuneration		6,700	6,500
Bank charges		3,040	1,000
Deficit from EIA regional conference activities	(8)	-	34,267
Deficit from institute activities	(9)	97,065	78,699
Postage		270	452
Printing and stationery		400	1,171
Sundry expenses		1,000	3,400
Website charges		31,536	1,536
		140,011	127,025
SURPLUS FOR THE YEAR TRANSFERRED TO SURPLUS FUND		226,981	90,041

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, 2014

	NOTES	2014	2013
		HK$	HK$
ASSETS			
Current assets			
Other receivables		58	62
Accounts receivable		201,000	161,100
Bank fixed deposit	(10)	500,756	500,251
Bank balances		548,677	366,597
		1,250,491	1,028,010
Current liabilities			
Subscription receipt in advance		600	5,300
Accruals		6,700	6,500
		7,300	11,800
NET ASSETS ATTRIBUTABLE TO MEMBERS		1,243,191	1,016,210
Represented by:			
SURPLUS FUND		1,243,191	1,016,210

APPROVED BY MANAGEMENT COMMITTEE ON JUNE 10, 2014 AND SIGNED ON BEHALF OF THE INSTITUTE BY:

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, 2014

	Surplus Fund	Total
	HK$	HK$
At April 1, 2012	926,169	926,169
Surplus for the year	90,041	90,041
At March 31, 2013	1,016,210	1,016,210
Surplus for the year	226,981	226,981
At March 31, 2014	1,243,191	1,243,191

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, 2014

	2014	2013
	HK$	HK$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	226,981	90,041
Adjustments for:		
Interest income	(525)	(662)
Surplus before working capital changes	226,456	89,379
Increase in accounts receivable	(39,900)	(161,100)
Decrease in other receivables	4	152
Decrease in subscription receipt in advance	(4,700)	(1,400)
Increase in accruals	200	2,500
Cash generated from operations	182,060	(70,469)
Interest received	525	662
Net cash generated from/(used in) operating activities	182,585	(69,807)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	182,585	(69,807)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	866,848	936,655
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,049,433	866,848
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank fixed deposit	500,756	500,251
Bank balances	548,677	366,597
	1,049,433	866,848

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 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. There are no areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

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. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liability are recognised on the Institute's Statement of Financial Position when the Institute becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

d. Financial Assets

The Institute's financial asset consists other receivable and bank balance.

e. Financial Liabilities

The Institute's financial liabilities include accruals and receipt in advance which are subsequently measured at amortized cost, using the effective interest method.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

f. 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:

- Subscription income is recognised when the subscriptions are received and receivable from the members.
- 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.

g. 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's 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. SUBSCRIPTION INCOME

	2014	2013
	HK$	HK$
Fellow members	24,000	27,000
Ordinary members	175,800	150,600
Associated members	37,500	35,500
Student members	800	1,600
Accredited monitoring professional	-	1,200
	238,100	215,900

6. MANAGEMENT COMMITTEES' REMUNERATION

	2014	2013
	HK$	HK$
Fees	-	-
Other emoluments	-	-
	-	-

7. TAXATION

No Hong Kong profits tax has been provided in the financial statements as the Institution is exempted from profits tax under Section 24 of the Hong Kong Inland Revenue Ordinance.

8. SURPLUS/(DEFICIT) FROM EIA REGIONAL CONFERENCE ACTIVITIES

	2014	2013
	HK$	HK$
Income	492,978	-
Less: Expenses	365,080	34,267
Surplus/(Deficit)	127,898	(34,267)

9. DEFICIT FROM INSTITUTE ACTIVITIES

Income	11,855	46,414
Less: Expenses	108,920	125,113
Deficit	97,065	78,699

10. BANK FIXED DEPOSIT

The bank fixed deposit is to be matured within the coming twelve months from the end of reporting period. The carrying amount of the bank fixed deposit approximates its fair value.

11. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorized for issue by the Institution members on June 10, 2014.