

THE SOCIETY OF CONSTRUCTION LAW HONG KONG

Financial Statement for the year ended 31 March 2018

1 PRINCIPAL ACTIVITIES

The principal activities of the Society consisted of organising talks and holding conferences to promote, on a non-profit making basis, the advancement of education, for the public benefit, through education, study and research (and publication of the results of such research) in the field of construction law and related subjects.

2 FINANCIAL POSITION

The financial results of the Society for the financial year ended 31 March 2018 are set out in the Income and Expenditure Account on page 4.

3 COUNCIL MEMBERS

The members of the Council during the year were as follows:

Edmund Wan	Anel Idriz*	Ben Burley	Sheona Campbell	Alan Chan
Venna Cheng	Calvin Cheuk	Shiao Ling Chow	Ian Cocking	Donovan Ferguson
Ashley Howlett	Thomas Lee	James Longbottom	Simon Wu	Albert Yeu
Ian Pennicott	Patrick Daley*	Tim Cradock*	Keith Wingard	

* (Co-opted members from 4th July 2017)

4 FINANCIAL SUMMARY

4.1 Total Balance

Total Balance HK\$1,093,210 as at year end

Assets as at year end were as follows:

- The bank balance was HK\$1,042,794
- PayPal balance & prepayment were HK\$50,416

4.2 Current liabilities

Other monies payable were HK\$106,251 as at year end.

4.3 Income

Total income was HK\$ 872,369.

During the last financial year, the Society organised a one-day annual conference, 8 evening seminars, 1 half day workshop and the Christmas cocktail event. The Society was grateful for

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the 5 chambers and 15 law firms that sponsored the annual conference and cocktail event respectively.

There was a change in the membership composition which has contributed to the decreased income from membership this year.

4.4 Expenses

The total expenses were HK\$1,105,867.

These comprised Administration fees including a monthly fee of HK\$3,000 paid to Hong Kong International Arbitration Centre, other out-of-pocket expenses, costs of events, AGM expenses, auditor's remuneration, expenses for the Society's website and Internet maintenance costs and printing and postage of seminar papers.

This year we issued three scholarship fund to assist pupil barristers pursuing an interest in construction law.

4.5 Deficit

This year there has been a deficit of HK\$233,498 which when compared with the previous year's surplus of HK\$81,194, this did achieve the Societies aims for the year and to reduce the net asset.

After taking the net assets of HK\$1,220,457 carried forward from previous years into account, this leads to net assets of HK\$986,959 at the year end.

4.6 Taxation

The Society has attained confirmation on the 25th March 2013 from the Charitable Donations Section of the Inland Revenue Department that as of 11 December 2012 the Society is an exempt charitable body under Section 88 of the Inland Revenue Ordinance, and therefore exempt from all taxes payable under the Ordinance.

4.7 Advancement of the Society's Charitable Objects

Throughout the year, the Society has been liaising with the universities and polytechnics in Hong Kong, to identify courses which align with the Society's Constitution and charitable objects for the advancement of education. The immediate focus of this was to redirect funds towards annual education sponsorship/awards, such as the University Prize, to be made to the best student and runner up of their respective courses, and the Society of Construction Law Scholarship, to support pupil barristers who are actively training in the field of construction law.

The Society has currently agreed and formalised the following:

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- Three awards with the Hong Kong University (Department of Real Estate and Construction);
- Two award with the Hong Kong University (Department Civil Engineering)
- Two awards with The Chinese University of Hong Kong (School of Architecture);
- Three awards with City University of Hong Kong (Department of Civil and Architectural Engineering);
- Three awards with Hong Kong Polytechnic University (Department of Building and Real Estate);
- One award with Hong Kong University of Science and Technology (Department of Civil and Environmental Engineering); and
- Three awards for the SCLHK Bar Scholarship.

These sponsorships / awards were presented throughout the academic year.

5 NOTES TO FINANCIAL STATEMENT

Summary of significant accounting policies:

5.1 Basis of accounting

The financial statements are prepared under the historical cost convention.

5.2 Income

Income arising from sponsorship, members' subscriptions and events are recognised on a cash basis.

5.3 Expenditure

Expenditure is taken up only when the amount is incurred.

Signed



Date 15 June 2018

Chow Shiao Ling
Treasurer
Society of Construction Law Hong Kong

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INCOME AND EXPENDITURE ACCOUNT (Year ended 31 March 2018)

	<u>2018</u>	<u>2017</u>
	<u>HK\$</u>	<u>HK\$</u>
INCOME		
Members' fee	341,411	361,297
Sponsorship	124,500	65,000 ⁽¹⁾
Event	406,458	585,185
Other Income	-	-
	<u>872,369</u>	<u>1,011,482</u>
EXPENSES		
Administration Fees	62,600	36,000 ⁽²⁾
AGM expenses	0	0
Auditor's remuneration	3,000	4,020 ⁽³⁾
Bank charges	700	1,915
Cost of events	717,122	658,327 ⁽⁴⁾
University prize expenses	81,000	81,000
Scholarship	135,000	135,000 ⁽⁵⁾
Internet expenses	44,984	6,876 ⁽⁶⁾
Printing and stationary	59,951 ⁽⁷⁾	-
Sundry	1,510	7,150
	<u>1,105,867</u>	<u>930,288</u>
SURPLUS / (DEFICIT) FOR THE YEAR (BEFORE TAX)	<u>(233,498)</u>	<u>81,194</u>
PROVISION FOR PROFITS TAX	<u>0</u>	<u>0</u>
SURPLUS/(DEFICIT) FOR THE YEAR (AFTER PROVISION FOR TAX)	<u>(233,498)</u>	<u>81,194</u>
ACCUMULATED SURPLUS AT BEGINNING OF THE YEAR	<u>1,220,457</u>	<u>1,139,263</u>
ACCUMULATED SURPLUS AT END OF THE YEAR	<u>986,959</u>	<u>1,220,457</u>

Notes:

- (1) The increase in sponsorship monies is mainly attributed to the change in sponsorship for the one day conference whereby it was categorised under Event income in 2016/17, and is now categorised under Sponsorship income.
- (2) The increase in administration fees is mainly attributed to the general secretarial support (charged by HKIAC on hourly basis and is not related to a specific event) whereby it was categorised under Event expenses, and is now categorised under Administrative Fees.

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- (3) The decrease in auditor's remuneration is mainly attributed to the out of pocket expenses whereby it was categorised under auditor's remuneration in 2016/17, and is now categorised under sundry expenses.
- (4) The increase in cost of events is attributed to the increase in venue rental.
- (5) Three scholarships funded to assist pupil barristers this year.
- (6) The increase in internet expenses is mainly attributed to the online events registration for SCLHK website (totals \$30,400), in addition to the regular web, database hosting maintenance and domain name renewal
- (7) The increase in printing and stationary is mainly attributed to the costs of printing SCLHK papers, new member's package, postage, envelopes and labels, however the cost was previously allocated under "Cost of events" in 2016/17.