

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 2015 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:

Mike Allen*	Kim Barton	Alan Chan*	Venna Cheng	Calvin Cheuk*
John Cock	Ian Cocking	Nicholas Cooney	Colin Dodd	Tong Kwok*
Thomas Lee	James Longbottom	Graham McNeil	Ian Pennicott	Ken Somerville
Nicholas Turner	Edmund Wan	Doug Wardale	Keith Wingard	Simon Wu

* (Co-opted members from 9th July 2014)

4 FINANCIAL SUMMARY

4.1 Total Balance

Total Balance HK\$1,254,855 as at year end

Assets as at year end were as follows:

- The bank balance was HK\$1,152,817
- PayPal balance was HK\$96,650
- Other Receivables at HK\$5,388

4.2 Current liabilities

Other monies payable were HK\$108,962 as at year end.

THE SOCIETY OF CONSTRUCTION LAW HONG KONG

Financial Statement for the year ended 31 March 2015

4.3 Income

Total income was HK\$759,259.

During the last financial year, the Society organised a one-day annual conference, 11 evening seminars and the Christmas cocktail event. The Society was grateful for the 8 chambers and 13 law firms that sponsored the annual conference and cocktail event respectively.

There was an increase in membership subscriptions to 315 members, compared to 306 for 2013-14.

There was also an increase in the sponsorship income, due to an increase in the number of sponsoring Chambers, which covered the expenses of bringing an overseas speaker for the One Day International Conference.

4.4 Expenses

The total expenses were HK\$637,737.

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.

4.5 Surplus

Surplus before tax this year was HK\$121,522 which has decreased when compared with the previous year's surplus of HK\$211,434. The main contributory factor which has led to this decrease was the introduction of the University Prize and refund of the surplus from the one day conference sponsorship.

After taking the net assets of HK\$1,024,371 carried forward from previous years into account, this leads to net assets of HK\$1,145,893 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.

THE SOCIETY OF CONSTRUCTION LAW HONG KONG

Financial Statement for the year ended 31 March 2015

4.7 Advancement of the Society's Charitable Objects

Throughout 2013 and 2014, 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: two awards with the Hong Kong University (Department of Civil Engineering); one award with The Chinese University of Hong Kong (Faculty of Law); three awards with City University of Hong Kong (Department of Civil and Architectural Engineering); and two awards with Hong Kong Polytechnic University (Department of Building and Real Estate). 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 10th June 2015



Simon Wu
Treasurer
Society of Construction Law Hong Kong

THE SOCIETY OF CONSTRUCTION LAW HONG KONG

Financial Statement for the year ended 31 March 2015

INCOME AND EXPENDITURE ACCOUNT (Year ended 31 March 2015)

	<u>2015</u>	<u>2014</u>
	<u>HK\$</u>	<u>HK\$</u>
INCOME		
Members' fee	281,129 ⁽¹⁾	267,578
Sponsorship	145,676 ⁽²⁾	188,850
Event	326,066	366,508
Other Income	5,388	4,000
	<u>759,259</u>	<u>796,936</u>
EXPENSES		
Administration Fees	54,489	36,000
AGM expenses	1,146	4,818
Auditor's remuneration	3,987	6,831
Bank charges	660	425
Cost of events	460,606	513,778
University prize expenses	40,000 ⁽³⁾	0
Internet expenses	17,316 ⁽⁴⁾	9,876
Printing and stationary	55,303	8,241
Sundry	4,230	5,533
	<u>637,737</u>	<u>585,502</u>
SURPLUS / (DEFICIT) FOR THE YEAR (BEFORE TAX)	<u>121,522</u>	<u>211,434</u>
PROVISION FOR PROFITS TAX	<u>0</u> ⁽⁵⁾	<u>1054</u>
SURPLUS / (DEFICIT) FOR THE YEAR (AFTER PROVISION FOR TAX)	<u>121,522</u>	<u>210,380</u>
ACCUMULATED SURPLUS AT BEGINNING OF THE YEAR	<u>1,024,371</u>	<u>813,991</u>
ACCUMULATED SURPLUS AT END OF THE YEAR	<u>1,145,893</u>	<u>1,024,371</u>

THE SOCIETY OF CONSTRUCTION LAW HONG KONG

Financial Statement for the year ended 31 March 2015

BALANCE SHEET (Year ended 31 March 2015)

	<u>2015</u>	<u>2014</u>
	<u>HK\$</u>	<u>HK\$</u>
CURRENT ASSETS	<u>1,254,855</u>	<u>1,100,725</u>
Bank	1,152,817	1,031,668
Receivables and prepayment	102,038	69,057
Current tax assets	0	0
CURRENT LIABILITIES	<u>108,962</u>	<u>76,354</u>
Other payables	108,962	76,354
Current tax liabilities (provision)	<u>0</u>	<u>0</u>
NET ASSETS / FUNDS EMPLOYED	<u>1,145,893</u>	<u>1,024,371</u>

Notes:

- (1) The increase in membership incomes is attributed to the increase of 9 members (new applications and renewals)
- (2) The decrease in sponsorship monies is mainly attributed to the increase from four (4) to eight (8) sponsors for the one day conference which lead to a surplus which was returned to the sponsors.
- (3) Previously Essay Prize Expense which ceased after 2013
- (4) Internet expenses included regular web, database hosting maintenance and domain name renewal
- (5) Refer to Notes 4(h) and 6 of the Notes to the Financial Statements (pp.13 & 15) in respect of provision for profits tax.