

THE SOCIETY OF CONSTRUCTION LAW HONG KONG

Financial Statement for the year ended 31 March 2016

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 2016 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	Sheona Campbell	Alan Chan	Venna Cheng
Calvin Cheuk	Shiao Ling Chow*	John Cock	Ian Cocking	Colin Dodd
Tim Hallworth*	Thomas Lee	James Longbottom	Richard Lyons	Graham McNeil
Ian Pennicott	Edmund Wan	Doug Wardale	Keith Wingard	Simon Wu

* (Co-opted members from 9th July 2015)

4 FINANCIAL SUMMARY

4.1 Total Balance

Total Balance HK\$1,211,266 as at year end

Assets as at year end were as follows:

- The bank balance was HK\$1,185,968
- PayPal balance was HK\$25,298

4.2 Current liabilities

Other monies payable were HK\$72,003 as at year end.

4.3 Income

Total income was HK\$ 841,451.

During the last financial year, the Society organised a one-day annual conference, 5 evening seminars, 1 half day workshop and the Christmas cocktail event. The Society

was grateful for the 6 chambers and 12 law firms that sponsored the annual conference and cocktail event respectively.

There was a decrease in membership subscriptions from 315 for 2014-15 to 311 members but the subscription fee increase which increased the income from membership this year.

Also, for this year, there was a change in policy to the One Day International Conference sponsorship whereby any surplus, covering the expenses of bringing an overseas speaker, would not be returned to the sponsors. This has contributed to the increase from sponsorship income from last year.

4.4 Expenses

The total expenses were HK\$848,081.

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 was the inaugural year of our scholarship fund to assist pupil barristers pursuing an interest in construction law.

4.5 Deficit

This year there has been a deficit of HK\$6,630 which when compared with the previous year's surplus of HK\$121,522, has achieved the Societies aims for the year and to reduce the net asset. The main contributory factor which has led to this decrease was the increase in the University Prize and the scholarship fund.

After taking the net assets of HK\$1,145,893 carried forward from previous years into account, this leads to net assets of HK\$1,139,263 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

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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:

- Four awards with the Hong Kong University (Department of Civil Engineering);
- Two awards and one biennial with The Chinese University of Hong Kong (Faculty of Law);
- 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); and
- One award with Hong Kong University of Science and Technology (Department of Civil and Environmental Engineering).

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



15th June 2016

Simon Wu
Treasurer
Society of Construction Law Hong Kong

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INCOME AND EXPENDITURE ACCOUNT (Year ended 31 March 2016)

	<u>2016</u>	<u>2015</u>
	<u>HK\$</u>	<u>HK\$</u>
INCOME		
Members' fee	303,241 ⁽¹⁾	281,129
Sponsorship	184,447 ⁽²⁾	145,676
Event	353,762	326,066
Other Income	-	5,388
	<u>841,451</u>	<u>759,259</u>
EXPENSES		
Administration Fees	68,666	54,489
AGM expenses	0	1,146
Auditor's remuneration	4,208	3,987
Bank charges	1250	660
Cost of events	548,011	460,606
University prize expenses	82,500	40,000
Scholarship	90,000 ⁽³⁾	-
Internet expenses	14,437 ⁽⁴⁾	17,316
Printing and stationary	29,593	55,303
Sundry	9,416	4,230
	<u>848,081</u>	<u>637,737</u>
SURPLUS / (DEFICIT) FOR THE YEAR (BEFORE TAX)	<u>(6,630)</u>	<u>121,522</u>
PROVISION FOR PROFITS TAX	<u>0⁽⁵⁾</u>	<u>0</u>
SURPLUS/(DEFICIT) FOR THE YEAR (AFTER PROVISION FOR TAX)	<u>(6,630)</u>	<u>121,522</u>
ACCUMULATED SURPLUS AT BEGINNING OF THE YEAR	<u>1,145,893</u>	<u>1,024,371</u>
ACCUMULATED SURPLUS AT END OF THE YEAR	<u>1,139,263</u>	<u>1,145,893</u>

Notes:

- (1) The increase in membership incomes is attributed to the increase in membership fee
- (2) The increase in sponsorship monies is mainly attributed to a change in sponsorship for the one day conference whereby a surplus is not returned to the sponsors, such was the case last year.
- (3) Inaugural year of scholarship fund to assist pupil barristers
- (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.12 & 15) in respect of provision for profits tax.