



## 6. Report from the Honorary Treasurer

# Summary of **Total Income & Expense** | **FY2024-25**

Total Income/Expense	Budgeted (HK\$)	Actual + Projection [Apr 24-Feb 25] + [Mar 25] (HK\$)	Variance (%)
Total Income	22,873,830	23,147,423	1%
Total Expense	(26,694,938)	(25,407,932)	(5%)
Total Surplus / (Deficit)	(3,821,108)	(2,260,509)	(41%)

# Incomes | FY2024-25

Incomes	Budgeted (HK\$)	Actual + Projection [Apr 24-Feb 25] + [Mar 25] (HK\$)	Achieved (%)
Membership Fees (Members & RPs)	12,545,700	12,133,475	97%
Sales, Interest & Sundry	468,000	445,611	95%
Boards and Ad Hoc Projects	9,860,130	10,568,337	107%
Total	22,873,830	23,147,423	101%

# Expenses | FY2024-25

Expenses	Budgeted (HK\$)	Actual + Projection [Apr 24-Feb 25] + [Mar 25] (HK\$)	Achieved (%)
Admin and Operation	(3,221,792)	(3,613,787)	112%
BJO Office	(393,000)	(373,418)	95%
Rent & Rates	(1,950,156)	(1,952,016)	100%
Staff Cost	(9,673,160)	(9,147,317)	95%
Boards and Ad Hoc Projects	(11,456,830)	(10,321,393)	90%
Total Expenses	(26,694,938)	(25,407,932)	95%

# Financial Year 2025-26

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## Financial Status



Over the past two years, HKIA has faced a significant structural deficit (**over HK\$2M**), which has adversely affected our financial stability and long-term sustainability.

Implementation of a series of **financial strategy**:

- **Cost Reduction**
- **Revenue Generation**

# Financial Strategy | FY2025-26



## 1. Operational Efficiency Review

- **Process Optimization**  
Implement lean management principles to streamline operations
- **Technology Integration**  
Invest in automation and technology solutions that can enhance productivity and reduce labor costs over time



# Financial Strategy | FY2025-26



## 2. Budget Reassessment

- **Zero-based Budgeting**

Transition to a zero-based budgeting approach where each board/committee/group must justify its budget from scratch

- **Prioritization of Expenditures**

Identify and prioritize essential programs and services. Non-essential programs may require scaling back or temporary suspension





# Financial Strategy | FY2025-26



## 3. Staffing and Human Resources

- **Workforce Assessment**

Conduct a comprehensive analysis of staffing requirements, identifying essential roles versus those that may be redundant



# Financial Strategy | FY2025-26



## 4. Expense Control Measures

- **Rental Agreement of HKIA Premises**  
Successfully negotiated the renewal terms (3 years) at a lower price
- **Travel and Event Policies**  
Implement stricter policies on travel and events to reduce associated costs, emphasizing virtual participation when feasible and applying for appropriate fundings from government



# Financial Strategy | FY2025-26

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## 5. Revenue Enhancement

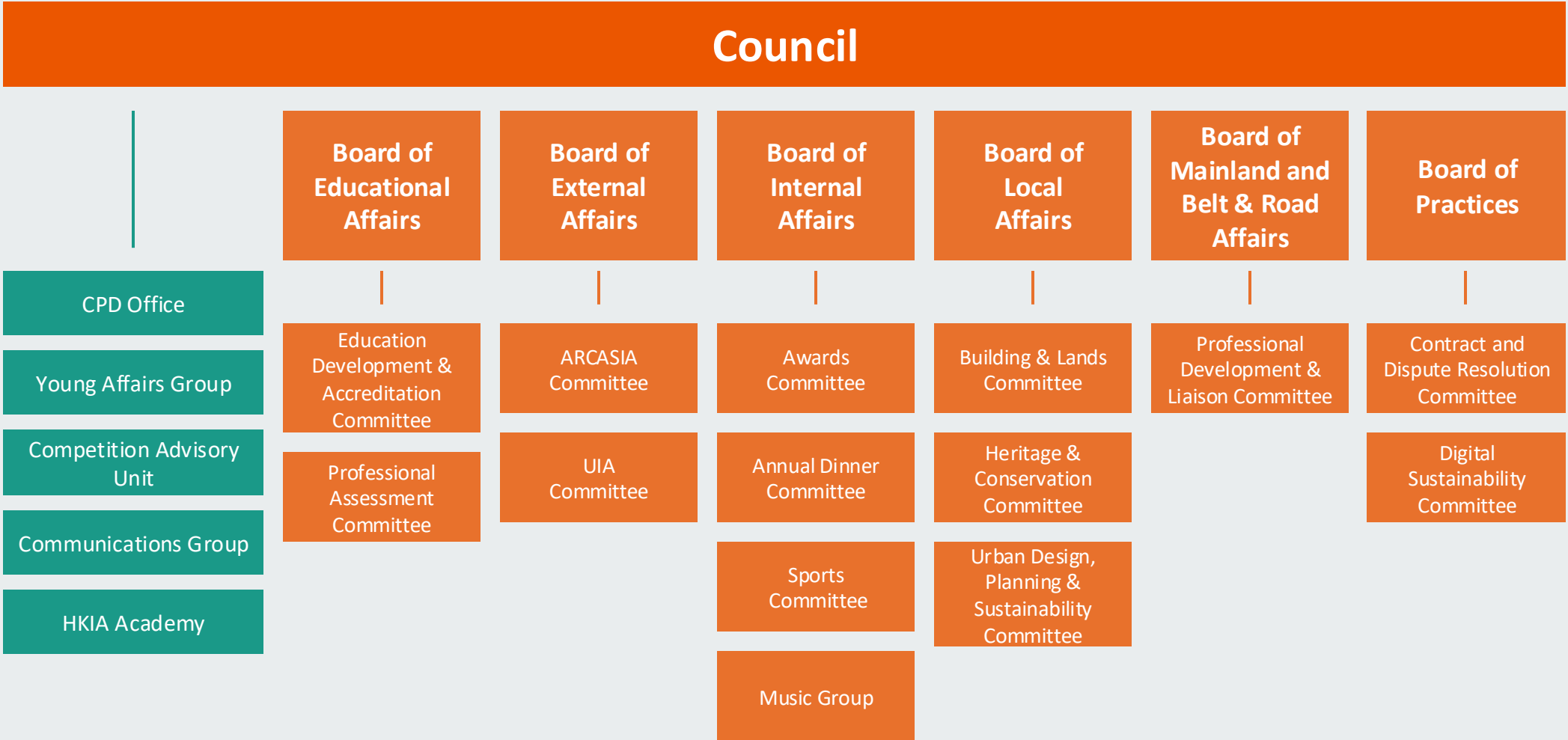
- **Diversification of Revenue Streams**

Identify new revenue opportunities, such as sponsorships, or service fees, to supplement existing funding sources

- a. Centralised Sponsorship Form
- b. Industry Partnership Scheme
- c. CPD Events
- d. Usage of HKIA Premises
- e. HKIA Academy



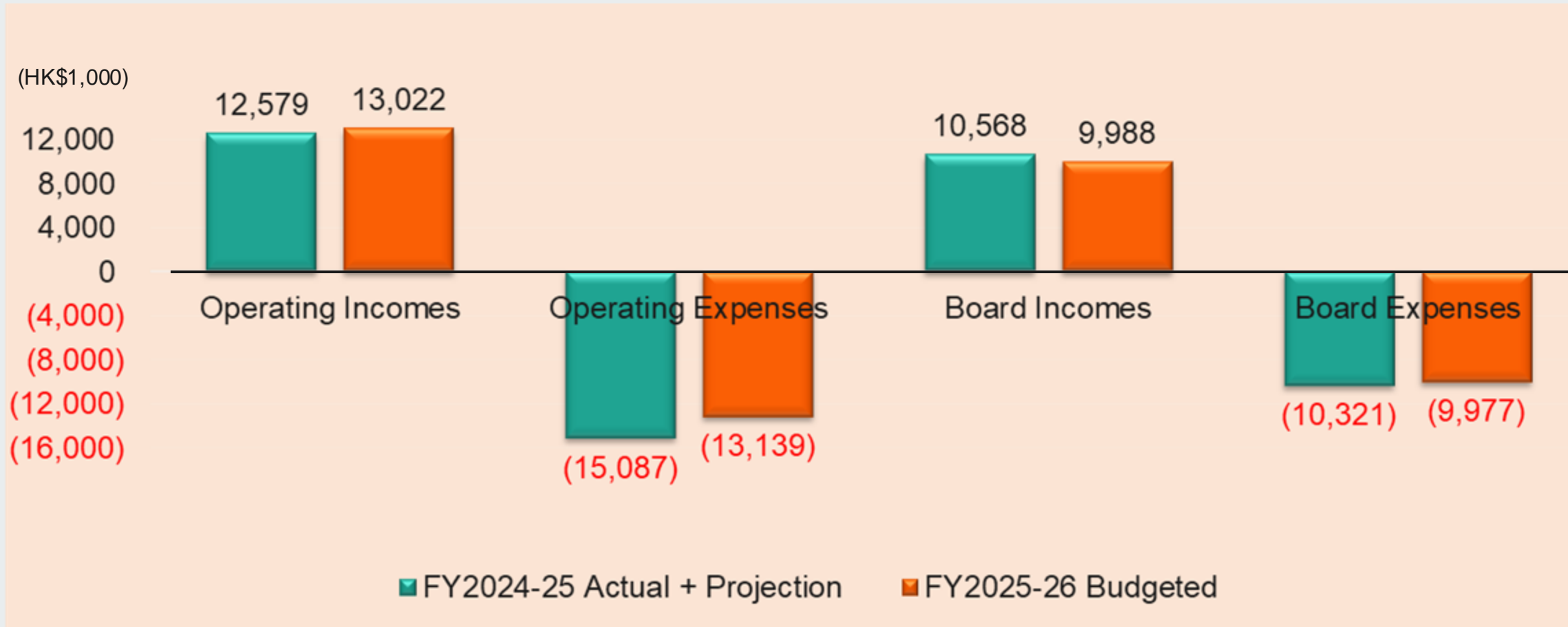
# New Structure | Council/Board/Committee/Group/Unit



# Summary of Budget Plan | FY2025-26

Budget Items	FY2024-25 Actual+Projection (HK\$)	FY2025-26 Budgeted (HK\$)	Change (%)
Operating Incomes	12,579,086	13,022,400	4%
Operating Expenses	(15,086,539)	(13,139,210)	13%
<u>Operating Surplus/(Deficit)</u>	<u>(2,507,453)</u>	<u>(116,810)</u>	<u>95%</u>
Council/Board Incomes	10,568,337	9,988,011	(5%)
Council/Board Expenses	(10,321,393)	(9,976,906)	3%
<u>Council/Board Surplus/(Deficit)</u>	<u>246,944</u>	<u>11,105</u>	<u>(95%)</u>
<b>Total</b>	<b>(2,260,509)</b>	<b>(105,705)</b>	<b>95%</b>

# Summary of Budget Plan | FY2025-26



# Details of Budget Plan | FY2025-26

Budget Items	FY2024-25 Actual+Projection (HK\$)	FY2025-26 Budgeted (HK\$)	Change (%)
Operation	(2,507,453)	(116,810)	95.3%
Council	(825,499)	(544,000)	34.1%
Board of Educational Affairs	2,287,137	1,247,701	(45.4%)
Board of External Affairs	(451,796)	(430,900)	4.6%
Board of Internal Affairs	(916,004)	(206,530)	77.5%
Board of Local Affairs	(53,398)	(37,500)	29.8%
Board of Mainland and Belt & Road Affairs	(147,216)	(197,780)	(34.3%)
Board of Practices	353,719	(137,900)	(140.0%)
Special Project	-	382,164	-
***Groups under Council: (CPD Office, Young Affairs Group, Competition Advisory Unit, Communications Group, HKIA Academy	-	(64,150)	-
Total	(2,260,509)	(105,705)	95%

# The Way Forward



- To achieve long-term financial sustainability
- To create more collaboration opportunities
- To provide more benefits to HKIA members

**Thank you very much!**