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Mission Statement

Civic Exchange is a public policy think tank and a registered Hong Kong charity. It was established by Christine Loh and Lisa Hopkinson in September 2000.

Its aims are:

1. To promote civic education amongst members of the community and for such purpose to conduct research and publicize the results so as to provide objective and balanced information to the public concerning economic, social and environmental issues.
2. To undertake research on development of economic, social and political policies and practices to help shape the breadth and depth of public policy debate and so to provide well-founded and reasoned arguments on the issues identified above.



Christine Loh, Chief Executive Officer



The past year has been busy and invigorating. We are stretching our abilities and producing work of high quality that we are proud of despite modest resources. In the midst of our hectic schedule, we had our first birth and our first marriage. Congratulations to Lisa Hopkinson for her best work yet in producing Lydia Bea, and to Julia Gilkes for her transformation to Julia Surman. A key project

for the coming year is to design a playroom at Number 69 Wyndham Street so that Lydia can visit often.

It has become clearer to us over the year where our strength lies. We are among the very few in Hong Kong who have had direct political experience and are keen on policy. That experience enables us to understand how public policy decisions are made and thus how to influence the policy agenda. Moreover, our board and team of “Thinkers, Researchers and Facilitators” are comprised of people with diverse and flexible skills who together produce work of high quality that cuts across various disciplines. We have exceptional presentation and design skills that help us to put our views across effectively to the varied audiences we have a chance to interact with. A key ingredient that makes Civic Exchange coalesce as a group of talented individuals is that we are keenly aware of the public interest and that is our guide in all that we do.

We have our weaknesses. Running high on octane, we are not always able to get all the administrative work done on time since the priority goes to “thinking and doing”. We have been able to do as much as we have because of the tireless support of our administrator Esther Lam, and our financial controller, Kylie Uebergang. We are also enormously grateful to management consultant, Peter Keogh, who examined our blemishes and suggested a course of treatment. In the coming year, we hope to plug gaps in the system and put the octane to even higher use.



Christine Loh, Chief Executive Officer

Everyday we have fun because we appreciate the people we work with. Two need special mention. We cannot function without Yip Yan Yan and Elizabeth Hutton who are our constant guardian angels. They make sure almost everything that we do is done on time and they essentially run Civic Exchange's community outreach networking.

We look forward to the coming year when we can put what we have learnt in the past year to good use. For example, we are working on competition policy, using the public transportation and telecommunications sectors as case studies. We also expect to work on a project to examine options for democratic reform and hope to be able to generate widespread public participation.

We look forward to working with all the folks in our network again and to making new friends.

Christine Loh
November 2002



Lisa Hopkinson, Head of Research



The past year has seen Civic Exchange really flourish in terms of the diversity and number of projects on the go. We published over 25 reports last year on topics as varied as sustainability, government accountability and visual arts. A few of these were major studies, for example those on sustainable transport, conservation and land policy, incorporating stakeholder workshops. We try to make all of

our research projects as collaborative as possible. By including stakeholders in the research and discussion process, we benefit from the collective ideas and experience in the community, get greater buy-in of the solutions and a better chance of real policy change.

Research is one part of what Civic Exchange does and community building is the other complementary role. In early 2002 we had a flurry of large facilitated stakeholder workshops involving government officials, industry, private sector, NGOs, academics and consultants. We try to learn from each experience and improve the ways in which we get different people to open up and talk to each other. This experience has been included in our first Civic Exchange book "Getting Heard" published by Hong Kong University Press, which is a practical handbook for community organisations to help them have more of a say in policy making.

Having a baby has meant that I have had less time this year to devote to Civic Exchange (though the baby does see a lot of the office!). Consequently much of the work has passed on to other capable hands and I want to personally thank Esther, Kylie, Yan Yan and Elizabeth, as well as Jennifer Lee, Julia Surman and Rachel Stern for their tireless and generous commitment to Civic Exchange. The management review that was conducted this year revealed the unity of purpose and positive values amongst the people that work for Civic Exchange.



Lisa Hopkinson, Head of Research

There are also a large number of volunteers (many of the above included) and interns who have contributed a significant amount of time, energy and intellect, largely because they are driven by an interest in public issues and want to contribute something to Hong Kong. As is true in so many non-profit organisations, we would not have achieved half of what we have done without them.

I would never have imagined that in two years we could have come so far. One of my favourite quotes by anthropologist Margaret Mead sums up Civic Exchange: "Never doubt that a few committed individuals can change the world. Indeed, it is the only thing that ever has."

Lisa Hopkinson

November 2002



Kylie Uebergang, Financial Controller



We have managed to raise over HK\$6 million in funding during the past year and we believe we have spent that money very wisely. While our success is largely measured qualitatively, I still believe it is worth mentioning that we have produced over 25 reports and publications, facilitated 15 workshops and round table discussions, arranged 12 community events involving some 900 people, written

a book (and a great one at that!), developed our website to a degree that makes us proud and collaborated on too many conferences, boards, discussions and panels to count up.

Anyone with a bit of operations experience will also be able to tell that our costs are kept well below what is reasonable given our output and support. The reason we have been able to do this is because we have been fortunate enough to acquire many great people that work for us FOR FREE and many others that should be paid much more than they are! Nobody is complaining, a fact that constantly amazes me.

Our physical space is also very deceiving as many of our researchers and 'doers' work remotely, sometimes from the other side of the world. During the past year we directly engaged 33 researchers and consultants and accepted the assistance of more than 20 volunteers, in addition to 20 interns. We have also sought information and opinions from countless experts and laymen, from trash collectors to principal officials.



Kylie Uebergang, Financial Controller

Our job for 2002/03 is both an exciting and daunting one as we would like to focus on the question of how we can become more effective given our limited resources. We would also like to improve our internal communication, which is more difficult when many of us work remotely, and to bring together the “best practices” that we have developed over the past two years. We hope to be able to share our skills and improve our efficiency in doing what we do so that we can reach out further. We also need to find better ways to support Christine so she has time to get out of the office and we can ensure she will be around for the long-term!

Overall, we think we’ve got our work cut out for the next year and that is just how we like it – no one wants to be bored!

Kylie Uebergang

November 2002



Yip Yan Yan, Researcher



The year 2002 has been fruitful for Civic Exchange, an organisation which just passed its second anniversary very quietly. Unfortunately, there was no celebration party as everyone was too busy to take the initiative to organise one!

Looking back, I am amazed by what this young think tank has achieved and the many subject areas it has covered. In 2002, Civic Exchange built on existing groundwork to further encourage public dialogue, foster community participation and develop new projects to test our ideas. The network of people working with Civic Exchange has been growing and that provides me with an opportunity to meet and work with the many talented newcomers. I see and learn a lot.

Our schedule for the year has been very jam-packed, but working with Civic Exchange is a valuable experience for all of us. I hope that the existing network of people can be maintained and further strengthened to enable Civic Exchange to continue to produce good work. I enjoy working with Civic Exchange and look forward to working on more exciting and meaningful projects with other researchers/facilitators in the year 2003. Perhaps one of my projects next year will be to organise a mini-gathering to celebrate Civic Exchange's third anniversary!

Yip Yan Yan

November 2002



Elizabeth Hutton, Researcher



It is very exciting to see how many different projects Civic Exchange has taken on board over the past year. The list certainly seems impressive to us!

At the same time, although our “numbers” are an indication of the volume of work that we do, they do not adequately reflect the quality and importance of what we do. The value of our work is in quality communication and partnership with a wide variety of individuals and organisations. Civic Exchange believes that finding better ways to communicate and work with each other will increase our collective resources and allow us to find long-term solutions to problems. This is the concept behind our first book, *Getting Heard: A Handbook for Hong Kong Citizens*, which will be published by Hong Kong University Press in January 2003.

The best part of what we do at Civic Exchange is the people with whom we work. Our “thinkers and doers” provide us with tremendous energy and creativity – and the excellent support we receive allows us to stay on top of everything we do! Special thanks to Esther and Kylie, and also to Rana Dias, Estella Li and our other collaborators.

Elizabeth Hutton

November 2002



Stephen Brown, Director



If there is a primary objective for Civic Exchange it is to promote informed debate about issues that are pertinent to our society. It is by this yardstick that we should judge our efforts and not by the number of our own research reports and policy proposals that are accepted or rejected.

Over the last twelve months we have helped provide a platform for stakeholders in the community to express themselves and articulate their views. To that extent I believe that we have had a very good year.

My principle enjoyment from being involved with Civic Exchange continues to be the fact that the association enables me to widen my perspectives through meeting experts from all imaginable areas. I am amazed by the range of talented people that live in our community. And, of course, I continue to learn, which is the greatest pleasure.

Everyone we have come across in the last twelve months has participated with their hearts and their minds to a degree that I always thought existed here, but had, personally, never previously seen exhibited.

I cannot tell what the next year will bring, apart from the fact that Christine and her team will be doing enormous amounts of work, as will all the people in the Civic Exchange universe. But if there is one thing we achieve – I hope that we can continue to build on our progress in encouraging increased community participation in public policy, participation characterized by being constructive and selfless.

Stephen Brown

November 2002

Winston Chu, Director



As one of its directors, I am amazed that Civic Exchange has managed to achieve so much in the past year despite its very limited resources. The many reports and studies it has published on important issues and their favourable reception by the community as well as by the Government testify to the useful and constructive role that Civic Exchange is performing. It has found a niche and is fulfilling a function which has been wanting in Hong Kong.

The main reason for the success of Civic Exchange must be the calibre and indefatigable energies of our Chief Executive Officer Christine Loh. Her work was certainly made easier by our dedicated network who supported her in every way and all the way. To them and to Christine I say: "Many thanks and keep up the good work!"

A special message of appreciation must be extended to our sponsors as well as the many volunteers who supported our work. By working together through Civic Exchange, we are promoting a better Hong Kong and helping to develop a deeper community spirit. The success of Civic Exchange has shown that Hong Kong people do care and that they are prepared to make personal sacrifices for and selfless commitments to the welfare of the community.

The future is very much in our own hands and Civic Exchange has demonstrated that by working together we can make a difference.

Winston K.S. Chu
November 2002



Esther Lam, Office Manager



I joined Civic Exchange as Office Manager in December 2001. At that time, there were already many ongoing projects – it took me some time to find out what was going on and to come to terms with my daily work!

My job purview includes book-keeping, office administration and providing support and coordination for workshops

and other projects. As a non-profit organisation, we are running on limited resources and my work would not be possible without great leadership and cooperation from all of the people at Civic Exchange. I appreciate all the help that is extended to me.

Now that I have a better understanding of the work of Civic Exchange and have had a chance to read some of the reports, I feel that Civic Exchange is indispensable to the government and to the public on policy-making matters. The reports contain a lot of information for the government to use in thinking more deeply about policies before making a final decision. Therefore, I find the job quite meaningful.

Esther Lam

November 2002



People Involved

Julia Surman	Rita So	Pooja Pradhan	Andrew Taylor
Cecilia Chu	Rana Dias	Jennifer Lee	Charles Wang
Bill Barron	Tobias Forster	Estella Li	Peter Keogh
Simon Ng	Rachel Stern	Angel Cheung	Joanna Clark
Steve Bronstein	Geoffrey Kwok	Genevieve Anderson	Richard Gilbert
Dick Rooks	Wordpower	The Quicksilver Team	Richard Israel
Anthony Lau			

Many people assume Civic Exchange is a green group because of the longstanding interest of its two founders in environmental protection. Many of our projects do deal with environmental issues, but this is only one aspect of our expertise. We have also done significant work in other areas. In all our projects, however, we are guided by the fundamental truth that the Earth and the ecological services she provides sustain life for all of us. Therefore, awareness of the need to reverse environmental degradation and promote ecological restoration is at the forefront of all we do.

We are a public policy "*think and do tank*." The *thinking* part of this work refers to policy research and the *doing* part refers to developing and using projects to test the feasibility of our ideas in practise. We see thinking and doing as parts of the same exercise. We actively seek out opportunities to experiment with our ideas. In many cases, what we are trying to explore is how to change mindset and behaviour. Our community building projects aim to identify how we can be more effective in this kind of work. Ultimately, it is people who provide solutions to problems – we see that by empowering people with the information and tools to self-organize, many things become possible.



What we have done in the past year

Like a puzzle, the parts make up the whole. You can only see the full picture when you put all the parts of our work together. Our experience indicates that things are very much inter-connected. An example of disconnection is when we separate the environment and the economy as unrelated areas of endeavour. In reality, the economy is always a subset of the environment. The environment supplies everything that we require for our economic activities. Indeed, nature provides the sustenance for all life on Earth. This simple and indisputable truth is too often overlooked.

Political Analysis

- Peking's View of Hong Kong
- Principal Officials Accountability System

Environmental Research

- Air pollution and health
- Scientific research on regional air quality
- Nature and heritage conservation
- Household waste
- Energy use in buildings
- Surveys of environmental attitudes in Hong Kong and the PRD

Economic Analysis

- "Hong Kong's manufacturing SMEs"
- "Regional logistics and Hong Kong's integration with the Pearl River Delta"
- "Political Economy of Land"
- "Housing Policy"

Planning and Transportation

- Transport and air pollution
- Transport planning
- Sustainable transport policy
- Transport strategies for the New Territories

Community Building

- Corporate social responsibility
- Measuring corporate "sustainability"
- Handbook on community participation
- Workshops on "Sustainability Tools"
- Clean Environment Campaign projects
- Status of the visual arts in Hong Kong



Do people read our reports ?

Yes, because the stakeholders are part of the “thinking and doing” process. The creation of Civic Exchange’s reports launches multiple opportunities for collective learning about a policy area and provides a forum for dialogue among stakeholders.

A frequent question is whether the right individuals read our reports and come to our gatherings and workshops. The research process itself is a dynamic one that involves multi-layered discussions and interviews with key people and institutions, and provides numerous opportunities for interaction among these stakeholders. The process gives them a choice to articulate their views and concerns. Workshops provide a face-to-face forum for the stakeholders to exchange ideas and identify solutions.

Having gone through the process, the final policy document provides a useful reference for all the stakeholders and for the public at large. Since no one piece of work can be definitive, one project leads to the next where all interested parties can come together again for collective deliberation and learning. The people that Civic Exchange connects with become part of our growing network, whose expertise and goodwill we can call upon for future collaboration.



What are our strengths ?

The secret of success is to produce work of quality. Those responsible for policy will read reports and attend events if they feel key stakeholders take them seriously.

We only take on projects where we have the level of expertise needed to contribute new insights and knowledge. We believe people pay attention to our work precisely because they have come to expect quality and depth. Our core competence is to be able to integrate a variety of disciplines when examining an issue. For example, in transport policy, we integrate planning, environment, economics and finance.

Another strength is our familiarity with the political landscape in Hong Kong. Knowing how decisions are made and which government agencies are involved allows us to focus our influence where it matters. While the media is one channel for influencing policy, we do not see this as the main or even the most effective channel, particularly when the policy issues are complex and there is no short-term news value from the point of view of media organisations. Having said that, maintaining good relations with the media is an essential part of our work.



● ————— **How do we work ?**

We do not take clients. We are a non-profit “*think and do tank*” that considers public policy issues in terms of the larger public interest. We do not lobby for other organisations.

We are prepared to help people and organisations who we think have a legitimate cause by sharing expertise and information with them when it may be appropriate to do so. We see value in research that helps stakeholders and the public understand complex subjects and in discussion forums that help stimulate public debate. The only kind of “consulting” we do is to help design and facilitate dialogue processes on matters we think are important in order to engage stakeholders and the public. When we are invited to address decision-making bodies, such as the Legislative Council, the ideas and research we put forward are solely our own.



How do we “do” what we do ?

Apart from workshops and other meetings, which are directly linked to specific areas of policy research, Civic Exchange has several community projects. We view these projects as part of our research on community-building – an area in which we are very interested. For example, as part of our Clean Environment Campaign (CEC), we have launched Adopt-A-Beach projects at Waterfall Bay in Pokfulam and Tai Long Wan in Sai Kung. While these projects provide an opportunity for community members to participate in environmental clean-ups, they also allow us to explore the following policy-related issues:

Why are Hong Kong’s beaches so dirty?

What needs to change so that in-shore waters and beaches will remain clean?

How can the public and private sectors collaborate to change behaviour?

What strategies will be more effective?

A related CEC initiative is the Clean Harbour - Aberdeen Project (CHAP), which uses Aberdeen as a pilot site for exploring strategies to keep the harbour area clean on a long-term basis. Having spent nearly a year investigating the environmental situation in Aberdeen and talking to local stakeholders and the government, we now have a good understanding of the current situation. Over the course of the next year, we will be exploring ways to bring various stakeholders together to encourage local participation in the project and foster the conditions needed for a sustainable solution.



Overview of Civic Exchange

We are grateful to management consultant Peter Keogh for taking the time to take a good look at Civic Exchange in order to understand who we are, what we do and how we can do it better. Our organisation is small but growing – we recognize that it is important for the individuals who make up Civic Exchange to be able to manage the growth process. Lisa Hopkinson and Kylie Uebergang are spearheading efforts to strengthen our administrative structure. We hope that before the end of the coming year we will be able to put a coherent management system in place.

"Civic Exchange is an extraordinary organisation. It utilizes a number of intelligent and resourceful individuals to produce reports and other outputs of a high standard. The level of detail and depth in the reports is considerable. The reports must make a valuable contribution to the political debates in Hong Kong and to the understanding of those who have an interest in Hong Kong."

"The key to success lies within the character of Christine Loh, who has the classical part of a charismatic leader of a new start-up company. As well as being very able, Christine Loh also has a wide range of contacts around Hong Kong and the sense of determination to use those to increase the range of contacts further. Christine is also a source of inspiration for the people who work in Civic Exchange. This then is a particular strength of the organisation. It is also a significant weakness when considering further growth of the organisation."

"It appears that the span of control of all the projects is promising to move beyond the limit of one person with the present paradigm. It is useful then to consider more formalized procedures and methods that will allow greater leverage to Christine Loh's abilities and will allow ... others of her nature to also work within the team. It is useful to look to see how greater autonomy can be given to project managers while maintaining the high levels of quality currently achieved without introducing undue risks."

"Introducing change needs to be done with care since the present freedoms within the team are highly valued by the team and they should not be diminished without good reason. Each procedure introduced to increase [administrative] control should be readily justifiable in the context of the health of the organisation."

Peter Keogh

August 2002



Civic Exchange 's response

How can Civic Exchange “grow” ?

I am not too focussed on “growth” in the traditional sense that we do more work, have larger budgets and take on more people. I would like to see better management of the organisation so that we can produce better work and create an energizing learning environment where people have a chance to grow intellectually and personally. Perhaps it’s because of my fear of larger organisations where individuals get lost that I fear “growth” as the word is normally understood. I would like to see Civic Exchange as an organisation where we provide the platform for people in our network to be creative in public policy issues and community-building.

I wanted to start a public policy think tank because Hong Kong has limited expertise in public policy research and debate. I think having good public policy research is crucial to Hong Kong’s long-term political development. Public policy research is different from academic research as it is not a theoretical exercise. Recommendations need to be workable and there should be an appreciation of the political dynamics of decision-making. Having been in political life for nine years, I am closest to that sensitivity within Civic Exchange. That is the key reason why I have to spend time framing issues and reviewing the work of others. I am also engaged in research work directly, which can be time consuming, although this exercise is also a good way to help others to learn.

Christine Loh



Civic Exchange's response

Management Review

Peter Keogh's report provided a useful analysis of where Civic Exchange is now and how to structure it for future growth. It was very encouraging to see the energy of the people involved with Civic Exchange come through in the report.

As with many small charities, Civic Exchange has done so much on so little – using pro bono researchers and pared down budgets to achieve a large number of quality projects. Yet being mean and lean has its drawbacks. Peter's report provided a number of suggestions for improvements to project management that are now being implemented. One important suggestion is to ensure that we have a proper evaluation after a project is finished so that we can learn from our mistakes. Giving project managers more autonomy will also free up a lot of Christine's time in the day-to-day running of projects.

Fundraising is becoming a big issue for Civic Exchange. While we have survived this far with only one permanent staff member, the need to preserve our intellectual capital and for people to eat rice means it is necessary to fund a number of projects at any given time. Christine has single-handedly raised nearly HK\$6 million for Civic Exchange during the last 12 months, a tremendous feat in the current economic environment. However, as Christine needs to sleep, we recognise that we need a more systematic fundraising system, looking ahead at projects two or three years down the line. This is going to require more forward planning and force us to become more focussed on what we want to achieve.

Lisa Hopkinson



The Next Generation

We believe our mission statement embodies our values and ideals. Apart from thinking and doing public policy, we also see ourselves as a learning organisation that seeks to involve the next generation in public policy research. We do this through two types of activities: providing direct learning opportunities and student internships.

Direct Learning

Together with The Quicksilver Group, we ran two memory workshops in October 2002 for the Chinese International School and St Paul's Co-Educational College. Students and their parents came together for a workshop to learn skills to improve memory. Improving memory frees up the brain to be more creative.

Internship Programme

We have an active and well-established internship programme that is proving to be popular with both local and international students. We work with committed students from the high school to the post-graduate levels to help them develop their abilities as writers and researchers and learn about public policy. Internships can be for any length of time. Interns are expected to produce a written piece on a public policy area of interest to them, to be supervised by Civic Exchange. The views expressed in these pieces are those of our interns – our role is to help them develop their critical faculties. We publish their work on our website and where the work is exceptionally strong, also publish it as a Civic Exchange publication.

We have standing relationships with Wellesley College and the Worcester Polytechnic Institute, both in the US, to take students every year.



Community Participation

We are particularly proud to have written our first book this year, to be published by Hong Kong University Press. *Getting Heard: A Handbook for Hong Kong Citizens* is our effort to share our experience in public policy work and community participation with the public. We find that many Hong Kong people are concerned about public issues but often do not know how to get involved.

The bilingual Handbook provides practical tips for individuals and organisations, including information on how to learn more about an issue, run a meeting, write a press release, host a press conference, form an organisation, raise money and work with government bodies and legislative representatives.

We are also very pleased to have had the chance to work with Hong Kong's own hero, Jackie Chan, in producing a TV advertisement about the need to keep Hong Kong clean. We are grateful to Jackie Chan for donating his time, Angelina Chen for pro-bono direction and Pacific Coffee for funding necessary production expenses.



Network of Collaborators

Our effectiveness as an organisation is greatly enhanced by the support we receive from collaborating organisations and institutions. We take this opportunity to acknowledge them:



Bloomberg – for the use of their wonderful auditorium



IS Department Limited – for regular IT support



Sound By Design – for design support



Hong Kong Discovery Magazine – for a regular column in their publication



The Polytechnic University of Hong Kong’s School of Design – for design of our Annual Reports



Wellesley College – for supporting our intern programme



Worcester Polytechnic Institute – for supporting our intern programme



Hong Yip Holdings – for participating in so many Civic Exchange community events



Marine Department and Food and Environmental Hygiene Department, HKSAR Government – for partnership on our Adopt-A-Beach scheme and Clean Harbour-Aberdeen Project



Pacific Coffee – for working with us on a Clean Environment TV advertisement featuring Jackie Chan



Chinese International School – for allowing us to work with their students on a memory workshop



St Paul’s Co-Educational College – for allowing us to work with their students on a memory workshop



The Quicksilver Group – for designing and facilitating various gatherings for us, including the memory workshops for schools

Jackie Chan – for his time and use of studio to create the Clean Environment TV advertisement



Funders and Donors

Civic Exchange would not be able to work on so many research and community-building projects without the generous support of many funding organisations and donors. We wish to give them our heartiest thanks for their support over the past year:

Individuals:

Stephen Brown

Angelina Chen

Jackie Chan

Winston Chu

Craig Ehrlich

Christine Loh

Bill Barron

Vera & Christoph Michel

Peter J. Thompson

Andrew Sheng

Diane Wilcoxon

Ivy Ning

Jimmy Master

Hardy Lok

Ravi Gidumal

Richard Pearson

Timothy D. Dattels

Ann Lam

James Leung

Allen Lee

Chien Lee

Catherine Mead

Toni Zen

Mario Francescotti

Roger King

Thomas Kwok

Charles Lee

T. S. Kwok

Raymond Kwok

Leo Kung

George Tong

Lincoln Soo

Charles K. K. Chan

Henry Cheng

Peter Lee

Jacqueline Leung

Miao Tai Wai

Patrick T.K. Ma

Kan Wing-ching

Evelyn Chu

Polly Cheung

Vernon Moore

Iris Tam

Maurien Yau



Funders and Donors

Organisations:

- Rockefeller Brothers Fund (USA)
- Sun Hung Kai Properties Charitable Fund Limited
- Alternative Development Asia Ltd.
- The Hong Kong & Shanghai Banking Corporation Ltd.
- Sino Land Company Ltd.
- The Asia Foundation (USA)
- Mandarin Associates Ltd.
- Exxon Mobile (HK) Ltd.
- Shell Hong Kong Ltd.
- Swire Group
- OSI Development Foundation (Switzerland)
- Tom King & Associates Ltd.
- The Aberdeen Marina Club
- Dunwell Enviro-Tech (Holdings) Ltd.
- CLP Power Hong Kong Limited
- Wellsley College (USA)
- University of Akron/Lincoln Institute (USA)
- Kadoorie Farm & Botanic Gardens
- The Hong Kong Jockey Club Charities Trust
- Kerry Properties Limited
- Ogilvy & Mather (HK) Pte Ltd.
- CC Wu International Co. Ltd.
- Super Type Development Ltd.
- The Kadoorie Charitable Foundation
- Hong Kong Marina Limited
- Jebsen & Co. Ltd.
- City Planning Consultants Ltd.
- Crown Worldwide Holdings Ltd.
- National Democratic Institute for International Affairs (USA)
- Winston Chu & Co.



Annual Accounts

CIVIC EXCHANGE LIMITED

Page 1

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the company for the year ended 30th September 2002.

FINANCIAL STATEMENTS

The results for the year are set out in the income statement on page 3.

The state of affairs of the company at 30th September 2002 is set out in the balance sheet on page 4.

PRINCIPAL ACTIVITIES

The principal activities of the company are to promote civic education, public awareness and participation in governance and to undertake research and development of economic, social and political policies.

There have been no significant changes in the nature of these activities during the year.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the year are set out in note 7 to the financial statements.

DIRECTORS

The directors during the year and up to the date of this report were:

CHU Ka Sun, Winston
Stephen James BROWN

In accordance with the Company's Articles of Association, all directors retire, and being eligible, offer themselves for re-election.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the company were entered into or existed during the year.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance, to which the company, its fellow subsidiaries or its holding company was a party and in which a director of the company had a material interest, subsisted at the end of the year or at any time during the year.

DIRECTORS' BENEFITS FROM RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the company, its fellow subsidiaries or its holding company a party to any arrangements to enable the directors of the company to acquire benefits by means of acquisition of debentures of the company or any other body corporate.

AUDITORS

The auditors, Messrs. William Po & Co., Certified Public Accountants, retire and, being eligible, offer themselves for reappointment.

On behalf of the board

CHU Ka Sun, Winston
Chairman

8th November 2002



Annual Accounts

**CIVIC EXCHANGE LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30TH SEPTEMBER 2002**

Page 3

	Notes	2002 HK\$	2001 HK\$
INCOME			
Project donations	3	5,633,196	1,675,852
General donations		169,951	170,104
Membership fee		200	400
Service income		327,369	-
Sub-letting income		73,044	40,675
		5,603,760	1,887,031
LESS: EXPENDITURE			
Agency fee		-	6,800
Audit fees		11,000	7,000
Bank charges		496	216
Business registration fee		2,250	-
Computer running costs		2,135	-
Courier and postage		644	48
Depreciation		6,239	4,399
Insurance		1,309	-
Internet charges		10,768	-
Legal and professional fees		660	-
Mandatory provident fund		1,833	3,834
Membership fee		7,900	-
Office supplies		24,051	3,456
Printing and stationery		14,780	796
Project costs	4	5,218,444	1,698,075
Rates		2,305	1,912
Rent		113,509	84,000
Repairs and maintenance		7,140	5,400
Salaries and related costs		109,272	84,332
Stamp duty on tenancy agreement		-	423
Sundry expenses		15,492	5,392
Telecommunications expenses		11,118	5,933
Travelling expenses - Overseas		3,966	728
Utilities		16,047	-
Website expenses		17,350	-
		5,598,708	1,912,744
SURPLUS(DEFICIT) FOR THE YEAR		5,052	(25,713)
GENERAL FUND BROUGHT FORWARD		(25,713)	-
GENERAL FUND CARRIED FORWARD		(20,661)	(25,713)

The notes on pages 5 to 9 form an integral part of these accounts.



Annual Accounts

CIVIC EXCHANGE LIMITED

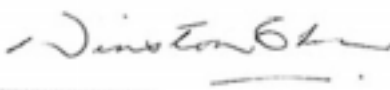
Page 4

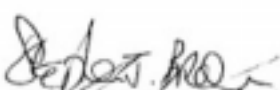
BALANCE SHEET
AT 30TH SEPTEMBER 2002

	Notes	2002 HK\$	2001 HK\$
ASSETS			
Non-current assets			
Property, plant and equipment	7	20,558	17,597
Current assets			
Accounts receivable		652,425	-
Prepayments and other receivables	8	46,510	39,400
Cash and cash equivalents	9	365,565	991,860
<i>Total current assets</i>		1,064,500	1,031,260
<i>Total assets</i>		1,085,058	1,048,857
EQUITY AND LIABILITIES			
Capital and reserves			
General fund		(20,661)	(25,713)
Current liabilities			
Accounts payable		480,109	-
Accruals and other payables	10	625,610	1,074,570
<i>Total current liabilities</i>		1,105,719	1,074,570
<i>Total equity and liabilities</i>		1,085,058	1,048,857

Approved by the board of directors on 8th November 2002

On behalf of the Board


 CHU Ka Sun, Winston
 Director


 Stephen James BROWN
 Director

The notes on pages 5 to 9 form an integral part of these accounts.



Annual Accounts

CIVIC EXCHANGE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2002

1. COMPANY LIMITED BY GUARANTEE

The Company has been incorporated under the Companies Ordinance as a company limited by guarantee without share capital. Under the provision of its Memorandum and Articles of Association, every member shall, in the event of the Company being wound up, contribute such amount as may be required to meet the liabilities of the Company but not exceeding the sum of HK\$100 each.

2. PRINCIPAL ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention. The principal accounting policies which have been adopted in the preparation of the financial statements and which conform with accounting principles generally accepted in Hong Kong are as follows:

(a) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

The cost of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the property, plant and equipment to working condition and location for their intended use. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to the income statement in the year in which they are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the property, plant and equipment, the expenditure is capitalised as an additional cost of the property, plant and equipment.

Where property, plant and equipment are sold or retired, their cost and accumulated depreciation are removed from the accounts and any gain or loss resulting from their disposal is included in the income statement.

Depreciation on property, plant and equipment is provided using the straight line method at consistent rates calculated to write off the cost of the property, plant and equipment over their expected useful lives. The principal annual rates used for this purpose are:

Office equipment	20%
Furniture and fixture	20%

Fully depreciated property, plant and equipment are retained in the accounts until they are no longer in use.

(b) Operating lease

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to the income statement as incurred over the lease term.

(c) Deferred taxation

The charge for taxation is based on the result for the year as adjusted for items which are non-assessable or disallowable. Timing differences arise from the recognition for tax purposes of certain items of income and expense in a different accounting period from that in which they are recognised in the financial statements. The tax effect of timing differences, computed under the liability method, is recognised in the financial statements to the extent it is probable that a liability or an asset will crystallise in the foreseeable future.



Annual Accounts

CIVIC EXCHANGE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30TH SEPTEMBER 2002

2. PRINCIPAL ACCOUNTING POLICIES (cont'd)

(d) Recognition of Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the company and when revenue can be measured reliably, on the following bases:

- * on the rendering of services, based on the stage of completion of the transaction, provided that this and the costs incurred as well as the estimated costs to completion can be measured reliably. The stage of completion of a transaction associated with the rendering of services is established by reference to the costs incurred to date as compared to the total costs that would be incurred under the transaction.
- * donations and membership fees are recognised when the right to receive payment is established.

3. PROJECT DONATIONS

	2002 HK\$	2001 HK\$
APEC Case studies (HK & China)	-	15,523
Clean environment campaign	486,731	242,280
Clean vehicle strategy	-	410,000
Conservation of the natural and cultural heritage of Hong Kong	260,000	210,000
Emissions trading in China	38,500	1,500
Enhancing environmental education in schools with the support of information technology	-	7,000
Environmental pilot website	-	70,000
Freedom forum workshops	-	38,744
Hong Kong/China environmental expert visit	116,314	-
Live reef fish trade consultancy	-	65,805
Measuring sustainability	23,282	-
NDI joint publication	98,027	-
Transport strategies for the North West New Territories	602,600	-
Hong Kong and Pearl River Delta air monitoring	2,069,041	-
RBF - Public dialogue	143,848	-
RBF - Sustainability tools	222,350	40,000
Sustainable public transport strategy for Hong Kong	884,503	575,000
Website development and management	86,000	-
Total for the year	5,033,196	1,675,852



Annual Accounts

CIVIC EXCHANGE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30TH SEPTEMBER 2002

4. PROJECT COSTS

	2002 HK\$	2001 HK\$
Agency fee	-	13,706
Bank charge	1,912	400
Business registration fee	-	2,250
Computer running costs	-	3,183
Consultancy fees	-	50,000
Courier and postage	7,709	1,810
Insurance	-	1,779
Mandatory provident fund	167	666
Office supplies	-	8,665
Photography	-	7,989
Printing & stationery	362,354	40,417
Project management & research fees	3,923,527	1,437,208
Public relations	-	15,000
Rental of venue for conference	99,660	-
Rent & Rates	54,491	1,912
Repair and maintenance	-	7,000
Research report expenses	-	5,260
Salaries	32,992	16,501
Sundry expenses	2,428	130
Office supplies	3,185	-
Telecommunications	-	13,786
Translation fee	188,506	20,000
Travelling expenses	244,014	43,507
Utilities	-	6,906
Workshop facilitation fee	297,498	-
Total for the year	5,218,444	1,698,075

5. DIRECTORS' EMOLUMENTS

During the years ended 30th September 2001 and 30th September 2002, no amounts have been paid in respect of directors' emoluments, directors' or past directors' pensions or for any compensation to directors or past directors in respect of loss of office.

6. TAXATION

No provision for Hong Kong profits tax is made in the accounts as the company is an approved charitable institution, and has obtained exemption from Hong Kong profits tax since 25th March 2002.



NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30TH SEPTEMBER 2002

7. PROPERTY, PLANT AND EQUIPMENT

	Office equipment HK\$	Furniture and fixtures HK\$	Total HK\$
Cost:			
At 1st October 2001	17,846	4,150	21,996
Additions	9,200	-	9,200
At 30th September 2002	27,046	4,150	31,196
Depreciation:			
At 1st October 2001	3,569	830	4,399
Charge for year	5,409	830	6,239
At 30th September 2002	8,978	1,660	10,638
Net book value:			
At 30th September 2002	18,068	2,490	20,558
At 30th September 2001	14,277	3,320	17,597

8. PREPAYMENTS AND OTHER RECEIVABLES

	2002 HK\$	2001 HK\$
Deposits	32,200	32,200
Prepayments	14,310	-
Sundry debtors	-	7,200
	46,510	39,400

9. CASH AND CASH EQUIVALENTS

	2002 HK\$	2001 HK\$
Included in current assets:		
Cash at bank	365,565	991,732
Cash in hand	-	128
	365,565	991,860

10. ACCRUALS AND OTHER PAYABLES

	2002 HK\$	2001 HK\$
Accruals	11,037	7,000
Receipt in advance for projects	614,573	1,067,570
	625,610	1,074,570



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CIVIC EXCHANGE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30TH SEPTEMBER 2002

11. OPERATING LEASE COMMITMENTS

At the balance sheet date, the company had the following annual operating leases commitments in respect of:

	2002 HK\$	2001 HK\$
Land and buildings which expire as follows:		
Within one year	84,000	-
Within two to five years	-	168,000
	<u>84,000</u>	<u>168,000</u>



THE HONG KONG
POLYTECHNIC UNIVERSITY
香港理工大學

Design Team



We are a group of students studying Multimedia Design and Technology at Hong Kong Polytechnic University. This project aims to create Civic Exchange's second annual report into web page, CD-Rom and printable pdf formats. We have gained experience throughout the whole working process. It provided us with an opportunity to put the design concepts and computer skills and that we learnt from classes into practice. The most valuable experiences are the trouble shooting and problem solving techniques that we acquired during this project. Lastly, we would like to thank Mr. Fung Ho Yin and Ms. Chrisitne Loh for their advice and guidance.

