

**AGENCY FOR VOLUNTEER SERVICE**  
義務工作發展局

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**AGENCY FOR VOLUNTEER SERVICE**  
義務工作發展局

**REPORT OF THE DIRECTORS**

The directors submit their report together with the audited financial statements of the Agency for Volunteer Service (the "Agency") for the year ended 31 March 2023.

**Principal activities**

The principal activities of the Agency are promoting and developing volunteer services in Hong Kong, including:

- (i) volunteer referral which refers appropriate volunteers to organisations requiring their services;
- (ii) volunteer action which provides managed service opportunities for individuals to participate as volunteers;
- (iii) provision of training for volunteers and volunteer users;
- (iv) provision of technical assistance for organisations to improve their use of volunteer manpower and skills;
- (v) publication, promotion and public education to promote volunteer service; and
- (vi) operation of the Western Garden Neighbourhood Elderly Centre.

**Results and appropriations**

The results of the Agency for the year are set out in the Statement of Profit or Loss and Other Comprehensive Income on page 11.

**Directors**

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

Ms. Pang Melissa Kaye, BBS, MH, JP	Chairman
Ms. Tsang Pui Kuen, Camilla	Vice-Chairman
Mr. Choi Chun Sze, Johnson	Vice-Chairman
Mr. Mo Tik Sang, Alex	Honorary Secretary
Ms. Lam Tyng Yih, Elizabeth	Honorary Treasurer
Sr. Chan Chi Ho, Sunny	
Mr. Chan Ka Hong, Roland	
Ms. Chea Shuk Mui, Candy, MH	
Ms. Chiu Fung Yi, Kitty, MH	
Mr. Hung Ngai, Stephen	
Mr. Lai Nin, Alan, GBS, JP	
Dr. Loh Yu Hang, Anne	
Dr. Shum Chi Wang, MH	
Mr. Wong Hay Yan, Samson	
Mr. Barretto Ruy Octavio, SC	(Resigned on 5 December 2022)
Mr. Fan Chor Ho, Paul, SBS, JP	(Resigned on 5 December 2022)
Dr. James Wong Kong Tin, BBS, JP	(Appointed on 5 December 2022)

In accordance with Articles 78, 79 and 80 of the Agency's Articles of Association, Sr. Chan Chi Ho, Sunny, Mr. Lai Nin, Alan, GBS, JP, Dr. Loh Yu Hang, Anne, Ms. Pang Melissa Kaye, BBS, MH, JP and Dr. Shum Chi Wang, MH retire from office at the forthcoming annual general meeting and are eligible for re-election.

**AGENCY FOR VOLUNTEER SERVICE**  
**義務工作發展局**

**REPORT OF THE DIRECTORS (CONTINUED)**

**Directors' material interests in transactions, arrangements and contracts that are significant to the Agency's operations**

No transactions, arrangements or contracts of significance in relation to the Agency's operations to which the Agency was a party and in which a director of the Agency had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

**Management contracts**

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

**Business review**

*Business Performance and Important Events*

The Agency for Volunteer Service (the "Agency") is a non-profit charitable organization incorporated in Hong Kong limited by guarantee. It is mainly financed by the Government, The Community Chest of Hong Kong and The Hong Kong Jockey Club Charities Trust (the "HKJC"). With the vision to build a civil society and caring community, the Agency is dedicated to playing a proactive and pivotal role in the promotion and development of sustainable volunteerism. It aims to provide value-added and quality volunteer services in partnership with all sectors of the community.

The outbreak of COVID-19 since early 2020 has presented severe challenges to the economy and businesses across various sectors. The Agency has worked hard to adapt to the changing environment and meet the community's needs by adopting new strategies such as virtual or hybrid modes of service delivery.

At the end of year 2022, COVID-19 control measures were relaxed, allowing our services to resume normal operations. Recognizing the importance of addressing evolving needs and better serving our community, in the year under review, the Agency implemented additional initiatives and programs in collaboration with partner organizations. We are committed to continuously improving our services and strive to provide the best possible service and support to our valued community.

In collaboration with the Home and Youth Affairs Bureau (the "HYAB"), the Agency launched the Hong Kong Volunteer Award (the "HKV-Award") during the year. The event was successfully held, with over 8,000 awards presented and the engagement of more than 130 prominent community leaders from different sectors.

Besides, the Agency collaborated for the first time with the Hong Kong Association of Athletics Affiliates to recruit and coordinate volunteer management for the Standard Chartered Hong Kong Marathon 2023. Nearly 1,000 volunteers were mobilized to support the event.

With the ease of the social distancing measures, the UNV-Hong Kong Universities Volunteer Internship Programme was reactivated in the year. This programme aims to provide participating university students with opportunities to contribute to global peace and development worldwide while enabling them to widen their international perspective and develop their personal capacities.

**AGENCY FOR VOLUNTEER SERVICE**  
**義務工作發展局**

**REPORT OF THE DIRECTORS (CONTINUED)**

**Business review (Continued)**

The Agency has always been actively engaged in establishing partnerships with various sectors of society and promoting the development of volunteer service. In March 2023, upon the invitation of the Civil Service Bureau, we introduced our services and work to approximately 70 government departments and shared our experience on volunteer service management, with an aim to encourage and support more government departments to establish volunteer teams and attract more civil servants to join volunteering.

As for our recurrent programmes, with the implementation of the 3-year strategic plan, registered volunteer members under the Hong Kong Community Volunteers recorded an increase and stood at 8,352 individuals and 331 organizations as at 31 March 2023. With the social distancing measures relaxed, more volunteer service opportunities were available for participation by members. In the year, more than 40,000 volunteering frequencies were referred to non-profit organizations for services, contributing over 170,000 volunteer service hours.

The Volunteer Talent Bank (the "VTB"), funded by the HKJC Community Project Grant (the "CPG"), aims to capitalize on the talents and special skills of volunteers to respond effectively to societal needs. During the year, the 13 self-managed volunteer teams delivered more than 30,000 volunteering hours to serve the needy. To wrap up the 3-year project, a volunteer recognition ceremony cum photo exhibition was held in early 2023 to commend volunteers for their accomplishments and services. The event was full of joy as various volunteer teams offered activities to the public.

Training services of the Hong Kong Institute of Volunteers (the "HKIoV") continued with the development of hybrid mode. To promote volunteerism, the Agency provided volunteer training services for 25,000 participants and rendered over 300 consultations and technical assistance to organizations and groups throughout the year.

The Western Garden Neighbourhood Elderly Centre has achieved all of its KPI. Much needed services were maintained as the service demand for the elderly was even higher during the pandemic. Door visits, phone contacts, personal care and small group activities were carried out with precautionary measures to protect against virus transmission.

*Principal Risks and Uncertainties*

The Agency continually faces the challenge of meeting growing service demands while operating within limited funding resources. As we strive to expand our services, the availability of office space becomes a critical constraint, hindering our ability to increase manpower. Addressing this issue, one of the Agency's major strategies is to strengthen information technology, which requires significant upfront costs for infrastructure development and increasing operating costs for system maintenance and upgrades.

## AGENCY FOR VOLUNTEER SERVICE

義務工作發展局

### REPORT OF THE DIRECTORS (CONTINUED)

#### Business review (Continued)

Embracing new-generation information technology is essential, but the lack of available talent in the recruitment pool poses a significant obstacle to seamless adoption. Despite this challenge, the Agency is committed to enhancing own capabilities in integrating information technology into the services. The HKIoV adopted diversified modes of training, including online and offline channels, to promote the Hong Kong Volunteer Charter and volunteering skills with the VR Game format to the community and schools.

High staff turnover poses another significant challenge for the Agency. The management acknowledged the challenge and has proactively taken steps to mitigate it. We initiated a comprehensive review of staff salaries and benefits to ensure that our remuneration packages remain competitive and attractive, allowing us to attract and retain talents within the workforce. We strive to create a more stable and fulfilling work environment, fostering employee loyalty and reducing turnover rates.

#### Future Development in Business

An important strategic direction of the Agency is to improve the operational efficiency and enhance user experience through innovation and technology. The development of the various IT systems has rendered satisfactory results. To catch up with the growing demand for digital transformation, more resources will be allocated to technological enhancement.

Youth volunteer development remains a main objective for the Agency. With the support of the HYAB, we will continue to collaborate with the United Nations Volunteers to organize the UNV-Hong Kong Universities Volunteer Internship Programme, contributing to the development of future leaders.

For the VTB, with the new round of the 3-year funding from the HKJC CPG, family and intergenerational volunteering will be the focus.

The Agency will further develop senior volunteering and encourage more first-time volunteers to join the volunteering workforce by introducing related new awards to the HKV-Award.

With regard to sport-volunteering initiatives, the Agency will continue its collaboration with the Hong Kong Association of Athletics Affiliates and develop new partnership with other organizations for more volunteering opportunities in this arena.

#### Financial Performance

Total income of HK\$34.6 million for the year ended 31 March 2023 (the "Year") was around 12% more than that (HK\$30.8 million) for the year ended 31 March 2022. The increase was mainly due to the increase in subventions and sponsorships for designated projects. Total expenditure increased by 24% from HK\$27.6 million in the previous year to HK\$34.2 million in the Year, largely attributed to the increase in programme expenditure. Total expenditure of HK\$34.2 million comprised of manpower costs of HK\$21.5 million (63%) and operational and programme costs of HK\$12.7 million (37%). Net surplus for the Year and previous year were about HK\$404,000 and HK\$3.2 million respectively.

## AGENCY FOR VOLUNTEER SERVICE

義務工作發展局

### REPORT OF THE DIRECTORS (CONTINUED)

#### Business review (Continued)

The Agency recorded reserves of HK\$17.4 million as at 31 March 2023, which included General Fund of HK\$9.11 million, the Operation Contingency Fund of HK\$2.94 million and the Agency Development Fund of HK\$5.35 million. The latter two funds are maintained to meet contingency or any unexpected financial needs and for the future development of the Agency.

#### Environmental Policies

The Agency has seen the effects of climate change and environmental degradation. We are supportive of the environmental green policy by encouraging staff and volunteer staff to save energy, reduce paper wastage and adopt green office environment with the implementation of the new IT systems. In pursuance of our commitment, we also promote green volunteering activities and encourage staff and volunteers to apply environmental protection practice in their daily life.

#### Compliance with Relevant Laws and Regulations

The Agency firmly upholds good corporate governance. We have strictly complied with all the relevant laws and regulations during the year under review, in particular, the Companies Ordinance, employment related legislations, the Lump Sum Grant Manual, the Best Practice Manual, the Service Quality Standards and Lotteries Fund Manual of the Social Welfare Department (the "SWD"), as well as the Memorandum of Administrative Arrangements entered into with the HAYB. The Agency has also observed all the respective guidelines agreed with the other funding bodies.

The Agency has established proper channels for complaints and maintained a complaint handling system which, where applicable, were in line with the Service Quality Standards and the Best Practice Manual as required by the SWD.

#### Key Relationships with Employees, Customers and Suppliers

To encourage continuous professional development, the Agency organized staff development programmes on different topics. We also supported and sponsored staff to attend overseas conference and training workshops, mostly online during the year, to enhance their professional knowledge, skills and experience.

To promote team spirit among staff and to strengthen the sense of belonging, the Agency gave full support to the Staff Club and its social and recreational activities through granting an annual subsidy and time off for staff joining the activities. Gift vouchers and birthday parties being allowed under the group gathering restriction were also subsidized as part of the staff welfare.

The Agency maintained good relationship with its members, volunteers, sponsors, partners, donors, service users and suppliers. During the year, despite the pandemic, they were kept in frequent contact and, as appropriate, were invited to the annual general meeting and related activities via virtual means to reduce health risks, where they could meet with the Board and Committee members, staff and volunteer staff and the management team.

REPORT OF THE DIRECTORS (CONTINUED)

**Permitted indemnity provisions**

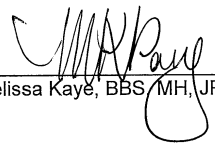
During the year, the Agency had in force a professional indemnity insurance for the benefit of the directors in respect of potential liabilities and costs associated with legal actions that might be brought against the directors.

**Auditors**

The financial statements have been audited by Union Power HK CPA Limited, who retire and, being eligible, offer themselves for re-appointment.

A resolution for the reappointment of Union Power HK CPA Limited as auditors of the Agency is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

  
Ms. Pang Melissa Kaye, BBS, MH, JP  
Chairman

Hong Kong, 26 September 2023



眾環香港會計師事務所有限公司  
**UNION POWER HK CPA LIMITED**

Chartered Accountants  
Certified Public Accountants

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
AGENCY FOR VOLUNTEER SERVICE**

義務工作發展局

(incorporated in Hong Kong limited by guarantee and not having a share capital)

**Opinion**

We have audited the financial statements of Agency for Volunteer Service (the "Agency") set out on pages 11 to 47, which comprise the Statement of Financial Position as at 31 March 2023, and the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Funds and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Agency as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Companies Ordinance.

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Agency in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the Report of the Directors, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
AGENCY FOR VOLUNTEER SERVICE (CONTINUED)**

義務工作發展局

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**Information Other than the Financial Statements and Auditor's Report Thereon (Continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Directors and Those Charged with Governance for the Financial Statements**

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Agency or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Agency's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
AGENCY FOR VOLUNTEER SERVICE (CONTINUED)**

義務工作發展局

(Incorporated in Hong Kong limited by guarantee and not having a share capital)

**Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Agency to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
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**Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Union Power HK CPA Limited**  
Certified Public Accountants

David Tze Kin Ng, Auditor  
Practising Certificate Number P00553

Hong Kong, 26 September 2023

**AGENCY FOR VOLUNTEER SERVICE**  
義務工作發展局

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023**

Note	2023				2022				
	Recurrent programmes HK\$	Designated projects HK\$	Allocated projects HK\$	Total HK\$	Recurrent programmes HK\$	Designated projects HK\$	Allocated projects HK\$	Total HK\$	
<b>Income</b>									
Government subventions and funds	5	17,543,536	1,804,260	-	19,347,796	17,389,604	261,700	-	17,651,304
Allocations, donations and fundraising income	6	7,830,829	5,381,152	-	13,211,981	7,674,884	3,747,718	-	11,422,602
Registration and service fee income		990,034	130,850	-	1,120,884	983,700	-	-	983,700
Other income	7	1,327,216	336	-	1,327,552	1,237,266	1	-	1,237,267
Less: Elimination of internal income		-	-	-	(421,193)	-	-	-	(452,504)
<b>Total income</b>		<u>27,691,615</u>	<u>7,316,598</u>	<u>-</u>	<u>34,587,020</u>	<u>27,285,454</u>	<u>4,009,419</u>	<u>-</u>	<u>30,842,369</u>
<b>Expenditure</b>									
Personal emoluments		20,139,861	1,316,829	-	21,456,690	19,207,542	464,160	-	19,671,702
General and administrative expenses		4,602,835	6,500	-	4,609,335	3,997,030	-	-	3,997,030
Expenses for fundraising projects		17,292	-	-	17,292	2,196	-	-	2,196
Service and programme expenses		2,145,606	6,277,489	-	8,423,095	2,050,214	2,290,954	-	4,341,168
Finance costs		97,401	-	-	97,401	51,632	-	-	51,632
Less: Elimination of internal expenses		-	-	-	(421,193)	-	-	-	(452,504)
<b>Total expenses</b>	8	<u>27,002,995</u>	<u>7,600,818</u>	<u>-</u>	<u>34,182,620</u>	<u>25,308,614</u>	<u>2,755,114</u>	<u>-</u>	<u>27,611,224</u>
<b>Surplus/(deficit) for the year</b>		<u>688,620</u>	<u>(284,220)</u>	<u>-</u>	<u>404,400</u>	<u>1,976,840</u>	<u>1,254,305</u>	<u>-</u>	<u>3,231,145</u>

The revenue and expenditure items are classified into (1) recurrent programmes for the general purpose to carry out the core activities of the Agency, (2) designated projects for purposes specified by the donors and managed under restricted funds of the Agency, and (3) allocated projects for funds set aside by the Agency for specific purposes.

The accompanying notes form an integral part of these financial statements.

AGENCY FOR VOLUNTEER SERVICE  
義務工作發展局

STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2023

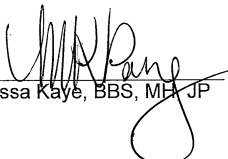
	Note	2023 HK\$	2022 HK\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	19,233	40,087
Right-of-use assets	10	3,177,921	3,074,823
Intangible assets	11	-	-
Prepayments and deposits		464,236	306,562
		<u>3,661,390</u>	<u>3,421,472</u>
<b>Current assets</b>			
Account and other receivables	12	1,530,955	398,086
Prepayments and deposits		549,190	357,898
Cash and cash equivalents	13	22,169,257	22,518,492
		<u>24,249,402</u>	<u>23,274,476</u>
<b>Total assets</b>		<u>27,910,792</u>	<u>26,695,948</u>
<b>FUNDS</b>			
<b>Agency's funds</b>			
General fund	14	9,107,743	7,845,393
Agency development fund	15	5,347,501	5,347,501
Operation contingency fund	16	2,940,000	2,940,000
		<u>17,395,244</u>	<u>16,132,894</u>
<b>Restricted funds</b>			
Other designated services	17	1,585,400	2,575,945
Block Grant reserve	18	455,453	421,136
Lump Sum Grant reserve	19	1,221,101	1,224,444
Provident fund reserve under Lump Sum Grant	20	311,011	304,696
HYAB subvention reserve	21	-	515,320
		<u>3,572,965</u>	<u>5,041,541</u>
<b>Total funds</b>		<u>20,968,209</u>	<u>21,174,435</u>


AGENCY FOR VOLUNTEER SERVICE  
義務工作發展局

STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT 31 MARCH 2023

	Note	2023 HK\$	2022 HK\$
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities	10	1,447,751	1,698,931
<b>Current liabilities</b>			
Account and other payables		1,562,703	1,629,234
Receipts in advance		1,581,258	257,060
Provision for employee benefit obligations		572,156	546,453
Lease liabilities	10	1,778,715	1,389,835
		<u>5,494,832</u>	<u>3,822,582</u>
<b>Total liabilities</b>		<u>6,942,583</u>	<u>5,521,513</u>
<b>Total funds and liabilities</b>		<u>27,910,792</u>	<u>26,695,948</u>

Approved and authorised for issue by the Board of Directors on 26 September 2023.

  
Ms. Pang Melissa Kaye, BBS, MEd, JP  
Chairman

  
Ms. Lam Tyng Yih, Elizabeth  
Honorary Treasurer

The accompanying notes form an integral part of these financial statements.

**AGENCY FOR VOLUNTEER SERVICE**  
義務工作發展局

**STATEMENT OF CHANGES IN FUNDS  
FOR THE YEAR ENDED 31 MARCH 2023**

	Agency's funds				Restricted funds				Total HK\$
	General fund	Agency development fund	Operation contingency fund	HYAB subvention reserve	Lump Sum Grant reserve	Provident fund reserve under Lump Sum Grant	Block Grant reserve	Other designated services	
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	
<b>Balance at 1 April 2021</b>	6,389,154	5,347,501	2,940,000	462,487	1,141,105	279,750	345,210	1,754,464	18,659,671
Surplus for the year	1,976,840	-	-	-	-	-	-	1,254,305	3,231,145
Transfer to/(from) General fund to/(from) Lump Sum Grant reserve, Provident fund reserve under Lump Sum Grant, and Block Grant reserve	(387,936)	-	-	-	83,339	24,946	75,926	-	(203,725)
Transfer to/(from) General fund to/(from) HYAB subvention reserve	(86,196)	-	-	52,833	-	-	-	-	(33,363)
Transfer to/(from) General fund to/(from) Other designated services	119,240	-	-	-	-	-	-	(481,160)	(361,920)
Transfers of funds upon completion of designated projects:									
- Financial Management System	(119,709)	-	-	-	-	-	-	119,676	(33)
- WGE Membership System	(46,000)	-	-	-	-	-	-	22,206	(23,794)
- SWD Subsidy for Organising Social Activities for Elderly	-	-	-	-	-	-	-	(3,494)	(3,494)
- SWD Subsidy for Time Limited Posts for Elderly & Rehabilitation Services	-	-	-	-	-	-	-	(7,407)	(7,407)
- "V-Union" Volunteer Programme II	-	-	-	-	-	-	-	(82,645)	(82,645)
<b>Balance at 31 March 2022</b>	<u>7,845,393</u>	<u>5,347,501</u>	<u>2,940,000</u>	<u>515,320</u>	<u>1,224,444</u>	<u>304,696</u>	<u>421,136</u>	<u>2,575,945</u>	<u>21,174,435</u>

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**AGENCY FOR VOLUNTEER SERVICE**  
義務工作發展局

**STATEMENT OF CHANGES IN FUNDS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023**

	Agency's funds				Restricted funds				Total HK\$
	General fund	Agency development fund	Operation contingency fund	HYAB subvention reserve	Lump Sum Grant reserve	Provident fund reserve under Lump Sum Grant	Block grant reserve	Other designated services	
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	
<b>Balance at 1 April 2022</b>	7,845,393	5,347,501	2,940,000	515,320	1,224,444	304,696	421,136	2,575,945	21,174,435
Surplus/(Deficit) for the year	688,620	-	-	-	-	-	-	(284,220)	404,400
Transfer (from)/to General fund to/(from) Lump Sum Grant reserve, Provident fund reserve under Lump Sum Grant, and Block Grant reserve	(19,659)	-	-	-	(20,973)	6,315	34,317	-	-
Transfer of Holding Account balance to Lump Sum Grant reserve (Note 19(b))	-	-	-	-	17,630	-	-	-	17,630
Transfer to General fund from HYAB subvention reserve	434,448	-	-	(515,320)	-	-	-	-	(80,872)
Transfers of funds upon completion of recurrent project									
- Volunteer Talent Bank 2020-23	(496,500)	-	-	-	-	-	-	-	(496,500)
Transfers of funds upon completion of designated projects:									
- "Let's do it" Volunteer Project	594,911	-	-	-	-	-	-	(594,911)	-
- Give a Day, Get a Disney Day	14,298	-	-	-	-	-	-	(14,298)	-
- Family Plus 2021/22	43,763	-	-	-	-	-	-	(43,763)	-
- Face Shield Design Competition	2,469	-	-	-	-	-	-	(2,469)	-
- SWD Subsidy for Time-Limited Post for Elderly and Rehabilitation Services	-	-	-	-	-	-	-	(29,677)	(29,677)
- SWDF3 – Training and Professional Development Programmes	-	-	-	-	-	-	-	(21,207)	(21,207)
<b>Balance at 31 March 2023</b>	<u>9,107,743</u>	<u>5,347,501</u>	<u>2,940,000</u>	<u>-</u>	<u>1,221,101</u>	<u>311,011</u>	<u>455,453</u>	<u>1,585,400</u>	<u>20,968,209</u>

The accompanying notes form an integral part of these financial statements.

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AGENCY FOR VOLUNTEER SERVICE  
義務工作發展局

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 HK\$	2022 HK\$
<b>Cash flows from operating activities</b>			
Surplus for the year		404,400	3,231,145
Adjustments for:			
COVID-19-related rent concessions	7	(687,856)	(902,900)
Depreciation of property, plant and equipment	9	24,243	32,843
Depreciation of right-of-use assets	10	1,813,393	1,630,030
Interest income	7	(295,774)	(30,219)
Interest expenses on lease liabilities	10	97,401	51,632
		<u>1,355,807</u>	<u>4,012,531</u>
Changes in working capital			
Account and other receivables		(1,132,869)	2,402,309
Prepayments and deposits		(348,966)	91,727
Account and other payables		(596,285)	(1,307,723)
Provision for employee benefit obligations		25,703	(242,450)
Receipts in advance		1,324,198	(4,788,616)
<b>Net cash generated from operating activities</b>		<u>627,588</u>	<u>167,778</u>
<b>Cash flows from investing activities</b>			
Additions of property, plant and equipment	9, 24	(316,148)	(571,559)
Additions of intangible assets	11	(1,305,400)	(1,552,840)
Increase in time deposits with original maturity of over three months		(4,671,571)	(433,480)
Interest income	7	295,774	30,219
<b>Net cash used in investing activities</b>		<u>(5,997,345)</u>	<u>(2,527,660)</u>
<b>Cash flows from financing activities</b>			
COVID-19-related rent concessions	7	687,856	902,900
Principal element of lease liabilities		(1,778,791)	(1,742,608)
Interest expenses on lease liabilities	10	(97,401)	(51,632)
Received from government grant and other funds and donations for property, plant and equipment and intangible assets		1,537,287	2,124,399
<b>Net cash generated from financing activities</b>		<u>348,951</u>	<u>1,233,059</u>
Net decrease in cash and cash equivalents		(5,020,806)	(1,126,823)
<b>Cash and cash equivalents at the beginning of the financial year</b>		<u>21,076,005</u>	<u>22,202,828</u>
<b>Cash and cash equivalents at the end of the financial year</b>	13	<u>16,055,199</u>	<u>21,076,005</u>

AGENCY FOR VOLUNTEER SERVICE  
義務工作發展局

STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023

	2023 HK\$	2022 HK\$
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at bank and on hand	4,908,891	3,726,070
Time deposits:		
- Original maturity of three months or less	11,146,308	17,349,935
- Original maturity of over three months	6,114,058	1,442,487
<b>Cash and cash equivalents as stated in the Statement of financial position</b>	<u>22,169,257</u>	<u>22,518,492</u>
Less: Time deposits with original maturity of over three months	(6,114,058)	(1,442,487)
<b>Cash and cash equivalents per Statement of cash flows</b>	<u>16,055,199</u>	<u>21,076,005</u>

The accompanying notes form an integral part of these financial statements.

**AGENCY FOR VOLUNTEER SERVICE**  
義務工作發展局

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**1. Company information**

The Agency for Volunteer Service (the "Agency") is a company incorporated and domiciled in Hong Kong limited by guarantee and not having a share capital. Its registered office and principal place of business is located at Room 602, Duke of Windsor Social Service Building, 15 Hennessy Road, Wanchai, Hong Kong.

The Agency is a non-profit organisation dedicated to playing a proactive and pivotal role in building a civil society and caring community through the promotion and development of sustainable volunteerism. It develops partnership with all sectors of the community to mobilise and facilitate individuals, groups and organisations to provide value-added and quality volunteer service.

The income and assets of the Agency must be applied solely towards the promotion of the objectives set out in the Agency's Articles of Association. In the event of the Agency being wound up, every member shall contribute to the assets of the Agency to the extent of HK\$100 each. The Agency's funds are not distributable to its members but shall be given or transferred to some other entities having charitable objectives similar to those of the Agency.

The Agency is a charitable institution of public character approved by the Inland Revenue Department and is exempt from Hong Kong profits tax by virtue of Section 88 of the Inland Revenue Ordinance.

These financial statements are presented in Hong Kong dollars (HK\$), unless otherwise stated.

**2. Summary of significant accounting policies**

**2.1 Basis of preparation**

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRSs") and the requirements of the Companies Ordinance Cap.622. The financial statements have been prepared on a historical cost basis.

**2.2 New and amended standards adopted by the Agency**

The Agency has applied the following standards and amendments for the annual reporting period commencing 1 April 2022:

Annual improvements projects 2018 - 2020 Cycle	Annual Improvements to HKFRSs 2018 - 2020 Cycle
Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts - Cost of Fulfilling a Contract
Amendments to HKFRS 16	COVID-19 - Related Rent Concessions beyond 2021

The amendments listed above did not have any significant impact on the amounts recognised in prior years and are not expected to have significant effect on the current or future periods.

**AGENCY FOR VOLUNTEER SERVICE**  
義務工作發展局

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**2. Summary of significant accounting policies (Continued)**

**2.3 New standards and interpretations not yet adopted**

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period and have not been early adopted by the Agency. The Agency's assessment of the impact of these new standards and interpretations is set out below:

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Disclosure of Accounting Estimates <sup>1</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>
HK Int 5 (Revised)	Hong Kong Interpretation 5 (Revised)
	Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>3</sup> Incorporated the references to Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and Amendments to HKAS 1 Non-current Liabilities with Covenants. Both amendments are to be applied as a package and are effective for annual periods beginning on or after 1 January 2024

The Agency has already commenced an assessment of the impact of these new or revised standards which are relevant to the Agency's operation. The Agency believes that the application of these amendments and interpretations is unlikely to have a material impact on the Agency's statements of financial position and performance as well as the disclosures in the future.

**2.4 Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Agency and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

2. Summary of significant accounting policies (Continued)

2.4 Property, plant and equipment (Continued)

Depreciation is calculated using the straight-line method to allocate their cost over their estimated useful lives as follows:

Computers	3 years
Furniture and equipment	5 years
Leasehold improvements	3 years

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period. The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.6). Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the statement of profit or loss and other comprehensive income.

2.5 Intangible assets

Intangible assets of the Agency represent the acquisition and development of software systems and applications and are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives.

Intangible assets are not amortised when their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

2.6 Impairment of non-financial assets

Property, plant and equipment and intangible assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing of assets, recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

2. Summary of significant accounting policies (Continued)

2.6 Impairment of non-financial assets (Continued)

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation and amortisation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in "Other income" of the statement of profit or loss and other comprehensive income.

2.7 Other financial assets

(a) Classification

The Agency classifies its financial assets as those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Agency reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Agency commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, and the Agency has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Agency measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Debt instruments

Subsequent measurement of debt instruments depends on the Agency's business model for managing the asset and the cash flow characteristics of the asset. There is one measurement category into which the Agency classifies its debt instruments.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as a separate line item in the statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

2. Summary of significant accounting policies (Continued)

2.7 Other financial assets (Continued)

(d) Impairment

The Agency assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For account and other receivables, the Agency applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.9 Account and other receivables

A receivable is recognised when the Agency has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Agency has an unconditional right to receive consideration, the amount is presented as a contract asset. Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

2.10 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions that are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

2.11 Account and other payables

Account payables represent liabilities for goods and services provided to the Agency prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Account and other payables are initially recognised at fair value and subsequently stated at amortised cost using the effective interest method, unless the effect of discounting is immaterial, in such case they are stated at cost.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

2. Summary of significant accounting policies (Continued)

2.12 Revenue recognition

- (a) Government subventions and funds are not recognised until there is reasonable assurance to the compliance with the conditions attaching to them and the collectability. Unless the expenses have already been incurred in previous period, revenue will compensate and match with the related cost over the periods on a systematic basis.
- (b) Grants and funds related to acquisition of assets are presented in the statement of financial position by deducting the grants and funds in arriving at the carrying amount of the assets.
- (c) Other allocations, donations and fund-raising income are recognised when there is reasonable certainty that the amounts will be received.
- (d) Registration and service fees are accounted for on accrual basis.
- (e) Membership subscriptions are recognised when received.
- (f) Interest income is recognised as other income as it accrues using the effective interest method.

2.13 Employee benefits

Salaries, annual bonuses and paid annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values. The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

For contributions to defined contribution plans, the Agency pays contributions to publicly administered pension insurance plans on a mandatory, contractual or voluntary basis. The Agency has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.14 Provisions

Provisions are recognised when the Agency has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

2. Summary of significant accounting policies (Continued)

2.14 Provisions (Continued)

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.15 Leases

Lease is recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Agency.

Contracts may contain both lease and non-lease components. The Agency allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

However, for leases of properties for which the Agency is a lessee, it has elected to separate lease and non-lease components and not to account for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable
- (b) variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- (c) amounts expected to be payable by the Agency under residual value guarantees
- (d) the exercise price of a purchase option if the Agency is reasonably certain to exercise that option, and
- (e) payments of penalties for terminating the lease, if the lease term reflects the Agency exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Agency, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

2. Summary of significant accounting policies (Continued)

2.15 Leases (Continued)

To determine the incremental borrowing rate, the Agency:

- (a) where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- (b) uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Agency, which does not have recent third-party financing, and
- (c) makes adjustments specific to the lease, e.g., term, country, currency and security.

The Agency is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- (a) the amount of the initial measurement of lease liability
- (b) any lease payments made at or before the commencement date less any lease incentives received
- (c) any initial direct costs, and
- (d) restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Agency is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2.16 Related parties

- (a) A person or a close member of that person's family, is related to the Agency if that person:
  - (i) has control or joint control of the Agency;
  - (ii) has significant influence over the Agency; and
  - (iii) is a member of the key management personnel of the Agency or the Agency's parent.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

2. Summary of significant accounting policies (Continued)

2.16 Related parties

(b) An entity is related to the Agency if any of the following conditions applies:

- (i) The entity and the Agency are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Agency or an entity related to the Agency;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) The entity (or any member of a group of which the entity is a part) provides key management personnel services to the Agency or the Agency's parent.

Close family members of an individual are those family members who may be expected to influence, or to be influenced by, that individual their dealings with the entity.

3. Financial and capital risks management

3.1 Fund management

The Agency's objectives when managing capital are to safeguard the Agency's ability to continue as a going concern, to support the Agency's stability and growth and to provide adequate fund for the purpose of achieving the Agency's objectives.

In particular, the Agency has set up the Agency Development Fund and the Operation Contingency Fund for the development of the Agency and to cope with unforeseeable circumstances.

The Agency defines total of all Agency's funds as its capital and is not subject to externally imposed capital requirements. The Agency regularly reviews and manages its fund structure and makes adjustments to the fund structure in light of changes in Agency's operating results. The Agency had no loan or trading debt as at 31 March 2023. It also maintains sufficient cash and cash equivalents to meet all its payment obligations.

3.2 Financial risk management

The Agency's activities expose it to a variety of financial risks: credit risk, interest rate risk and liquidity risk. The Agency's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Agency's financial performance.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

3. Financial and capital risks management (Continued)

3.2 Financial risk management

(a) Credit risk

The Agency's credit risk is primarily attributable to "account and other receivables", "cash and cash equivalents" and "deposits". The exposure to these credit risks is monitored on an ongoing basis.

The Agency measures loss allowances for receivables at an amount equal to the lifetime ECL. In the opinion of directors, the credit risk is considered to be low.

The Agency limits its exposure to credit risk in bank balance by rigorously selecting the deposit-takers. Deposit is placed only with creditworthy banks.

(b) Interest rate risk

The fair value or future cash flows of interest-bearing assets and liabilities of the Agency will fluctuate because of changes in market interest rates. It is the Agency's policy to minimise the interest rate risk by monthly review of the appropriate level of such assets and liabilities in view of the tendency of market interest rates.

(c) Liquidity risk

Liquidity risk is the risk that cash or another financial asset will not be available to meet liabilities as they fall due, and it results from maturity mismatch of assets and liabilities.

The Agency monitors its working capital requirements on an ongoing basis to ensure adequate cash for its operation.

Maturities of financial liabilities

The Agency's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Agency can be required to pay, are presented as follows:

	Within 1 year HK\$	1 to 5 years HK\$	Over 5 years HK\$	Total HK\$
<b>At 31 March 2023</b>				
Account and other payables	1,562,703	-	-	1,562,703
Lease liabilities	1,847,400	1,468,442	-	3,315,842
<b>Total</b>	<b>3,410,103</b>	<b>1,468,442</b>	<b>-</b>	<b>4,878,545</b>
<b>At 31 March 2022</b>				
Account and other payables	1,629,384	-	-	1,629,384
Lease liabilities	1,455,531	1,737,300	-	3,192,831
<b>Total</b>	<b>3,084,915</b>	<b>1,737,300</b>	<b>-</b>	<b>4,822,215</b>

**AGENCY FOR VOLUNTEER SERVICE**  
**義務工作發展局**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**3. Financial and capital risks management (Continued)**

**3.3 Fair value estimation**

The carrying values of financial assets and liabilities are a reasonable approximation of their fair values.

**4. Critical accounting estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets and liabilities affected in the future.

Estimates and judgments are continually evaluated based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The recoverable amounts of property, plant and equipment have been determined based on value-in-use calculations, taking into account the latest market information and past experience.

(b) ECL on receivables

ECLs are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Agency has used relevant historical information and loss experience to determine the probability of default of the instruments and incorporated forward looking information, including significant changes in external market indicators which involved significant estimates and judgements.

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**5. Government subventions and funds**

	2023			2022		
	Recurrent programmes	Designated projects	Total	Recurrent programmes	Designated projects	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
<b>Home and Youth Affairs Bureau</b>						
- Subvention (note a)	10,929,384	-	10,929,384	11,039,782	-	11,039,782
- Other grants and funds	-	1,690,910	1,690,910	-	-	-
<b>Social Welfare Department</b>						
- Lump Sum Grant (note b)	6,511,152	-	6,511,152	6,245,822	-	6,245,822
- Other grants and funds	-	100,150	100,150	-	200,500	200,500
<b>Lotteries Fund</b>						
- Furniture and Equipment Replenishment and Minor Works Block Grant (note 18)	103,000	-	103,000	104,000	-	104,000
- Social Welfare Development Fund	-	-	-	-	48,000	48,000
- Pilot Project on Provision of Wi-Fi Service	-	13,200	13,200	-	13,200	13,200
	<u>17,543,536</u>	<u>1,804,260</u>	<u>19,347,796</u>	<u>17,389,604</u>	<u>261,700</u>	<u>17,651,304</u>

Notes:

- (a) The subvention from Home and Youth Affairs Bureau (the "HYAB") for recurrent programmes was for the operation of the Agency and providing services on promotion of volunteerism.
- (b) The Lump Sum Grant (the "LSG") was for the operation of the Western Garden Neighbourhood Elderly Centre (the "WGE").

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6. Allocations, donations and fundraising income

	2023				2022			
	Recurrent programmes	Designated projects	Allocated projects	Total	Recurrent programmes	Designated projects	Allocated projects	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
The Community Chest	5,029,200	-	-	5,029,200	5,029,200	-	-	5,029,200
The Hong Kong Jockey Club Charities Trust	2,015,000	1,392,890	-	3,407,890	2,015,000	1,573,303	-	3,588,303
Fund raising income	520,725	-	-	520,725	133,570	-	-	133,570
Sponsorship/donation income	265,904	3,988,262	-	4,254,166	497,114	2,174,415	-	2,671,529
	<u>7,830,829</u>	<u>5,381,152</u>	<u>-</u>	<u>13,211,981</u>	<u>7,674,884</u>	<u>3,747,718</u>	<u>-</u>	<u>11,422,602</u>

7. Other income

	2023				2022			
	Recurrent programmes	Designated projects	Allocated projects	Total	Recurrent programmes	Designated projects	Allocated projects	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Interest income	295,438	336	-	295,774	30,218	1	-	30,219
Membership subscriptions	26,400	-	-	26,400	11,101	-	-	11,101
Administration support recovery	297,275	-	-	297,275	280,287	-	-	280,287
COVID-19-related rent concessions	687,856	-	-	687,856	902,900	-	-	902,900
Sundry income	20,247	-	-	20,247	12,760	-	-	12,760
	<u>1,327,216</u>	<u>336</u>	<u>-</u>	<u>1,327,552</u>	<u>1,237,266</u>	<u>1</u>	<u>-</u>	<u>1,237,267</u>

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8. Expenditure

	2023				2022			
	Recurrent programmes	Designated projects	Allocated projects	Total	Recurrent programmes	Designated projects	Allocated projects	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
<u>Personal emoluments</u>								
Salaries	19,025,745	1,238,006	-	20,263,751	18,248,380	441,425	-	18,689,805
Provident fund	1,111,586	55,650	-	1,167,236	1,201,612	22,735	-	1,224,347
Provision for employee benefit obligations	2,530	23,173	-	25,703	(242,450)	-	-	(242,450)
	<u>20,139,861</u>	<u>1,316,829</u>	<u>-</u>	<u>21,456,690</u>	<u>19,207,542</u>	<u>464,160</u>	<u>-</u>	<u>19,671,702</u>
<u>General &amp; administration expenses</u>								
Audit fee	57,000	6,500	-	63,500	55,000	-	-	55,000
Agency's affairs	186,242	-	-	186,242	78,714	-	-	78,714
Depreciation								
- Property, plant and equipment	24,243	-	-	24,243	32,843	-	-	32,843
- Right-of-use assets	1,813,393	-	-	1,813,393	1,630,030	-	-	1,630,030
General office expenses	877,789	-	-	877,789	812,506	-	-	812,506
Insurance	89,639	-	-	89,639	119,074	-	-	119,074
Rent	209,302	-	-	209,302	185,844	-	-	185,844
Rates	47,594	-	-	47,594	47,593	-	-	47,593
Management fee	243,996	-	-	243,996	205,422	-	-	205,422
Repairs and maintenance	319,739	-	-	319,739	201,544	-	-	201,544
Staff development and welfare	211,928	-	-	211,928	223,470	-	-	223,470
Staff recruitment	156,521	-	-	156,521	42,926	-	-	42,926
Utilities	240,235	-	-	240,235	206,221	-	-	206,221
Volunteer staff support	125,214	-	-	125,214	155,843	-	-	155,843
	<u>4,602,835</u>	<u>6,500</u>	<u>-</u>	<u>4,609,335</u>	<u>3,997,030</u>	<u>-</u>	<u>-</u>	<u>3,997,030</u>
<u>Expenses for fundraising projects</u>								
	<u>17,292</u>	<u>-</u>	<u>-</u>	<u>17,292</u>	<u>2,196</u>	<u>-</u>	<u>-</u>	<u>2,196</u>
<u>Service and programme expenses</u>								
	<u>2,145,606</u>	<u>6,277,489</u>	<u>-</u>	<u>8,423,095</u>	<u>2,050,214</u>	<u>2,290,954</u>	<u>-</u>	<u>4,341,168</u>
<u>Finance costs</u>								
Interest expenses on lease liabilities	97,401	-	-	97,401	51,632	-	-	51,632
Less: Elimination of internal charges	-	-	-	(421,193)	-	-	-	(452,504)
	<u>27,002,995</u>	<u>7,600,818</u>	<u>-</u>	<u>34,182,620</u>	<u>25,308,614</u>	<u>2,755,114</u>	<u>-</u>	<u>27,611,224</u>



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9. Property, plant and equipment

	Computers HK\$	Furniture and equipment HK\$	Leasehold improvements HK\$	Total HK\$
<b>Cost</b>				
At 1 April 2022	3,568,918	1,278,930	4,990,389	9,838,237
Additions	93,257	222,891	-	316,148
Written off	(56,219)	(17,300)	-	(73,519)
At 31 March 2023	<u>3,605,956</u>	<u>1,484,521</u>	<u>4,990,389</u>	<u>10,080,866</u>
<b>Less: Government grant related assets</b>				
At 1 April 2022	2,458,731	867,297	4,795,054	8,121,082
Transfer to Government grant related assets	57,334	209,753	-	267,087
Written off	(29,389)	(13,840)	-	(43,229)
At 31 March 2023	<u>2,486,676</u>	<u>1,063,210</u>	<u>4,795,054</u>	<u>8,344,940</u>
<b>Less: Other fund and donation related assets</b>				
At 1 April 2022	639,699	40,769	-	680,468
Transfer to Other fund and donation related assets	32,534	13,138	-	45,672
Written off	(1,600)	-	-	(1,600)
At 31 March 2023	<u>670,633</u>	<u>53,907</u>	<u>-</u>	<u>724,540</u>
<b>Less: Accumulated depreciation</b>				
At 1 April 2022	444,996	356,269	195,335	996,600
Charge for the year	18,900	5,343	-	24,243
Written off	(25,230)	(3,460)	-	(28,690)
At 31 March 2023	<u>438,666</u>	<u>358,152</u>	<u>195,335</u>	<u>992,153</u>
<b>Net book value</b>				
At 31 March 2023	<u>9,981</u>	<u>9,252</u>	<u>-</u>	<u>19,233</u>

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9. Property, plant and equipment (Continued)

	Computers HK\$	Furniture and equipment HK\$	Leasehold improvements HK\$	Total HK\$
<b>Cost</b>				
At 1 April 2021	3,148,765	1,184,411	4,990,389	9,323,565
Additions	466,063	105,496	-	571,559
Written off	(45,910)	(10,977)	-	(56,887)
At 31 March 2022	<u>3,568,918</u>	<u>1,278,930</u>	<u>4,990,389</u>	<u>9,838,237</u>
<b>Less: Government grant related assets</b>				
At 1 April 2021	2,036,778	796,783	4,795,054	7,628,615
Transfer to Government grant related assets	425,522	76,912	-	502,434
Written off	(3,569)	(6,398)	-	(9,967)
At 31 March 2022	<u>2,458,731</u>	<u>867,297</u>	<u>4,795,054</u>	<u>8,121,082</u>
<b>Less: Other fund and donation related assets</b>				
At 1 April 2021	599,158	12,185	-	611,343
Transfer to Other fund and donation related assets	40,541	28,584	-	69,125
At 31 March 2022	<u>639,699</u>	<u>40,769</u>	<u>-</u>	<u>680,468</u>
<b>Less: Accumulated depreciation</b>				
At 1 April 2021	462,174	353,168	195,335	1,010,677
Charge for the year	25,163	7,680	-	32,843
Written off	(42,341)	(4,579)	-	(46,920)
At 31 March 2022	<u>444,996</u>	<u>356,269</u>	<u>195,335</u>	<u>996,600</u>
<b>Net book value</b>				
At 31 March 2022	<u>25,492</u>	<u>14,595</u>	<u>-</u>	<u>40,087</u>

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**10. Right-of-use assets and lease liabilities**

(a) Amounts recognised in the statement of financial position

(i) Right-of-use assets

The carrying amounts of the Agency's right-of-use assets of buildings and the movements during the year are as follows:

	2023 HK\$	2022 HK\$
Balance brought forward	3,074,823	1,418,720
Additions	1,916,491	3,286,133
Depreciation for the year	<u>(1,813,393)</u>	<u>(1,630,030)</u>
Balance carried forward	<u>3,177,921</u>	<u>3,074,823</u>

(ii) Lease liabilities

The carrying amounts of the lease liabilities and the movements during the year are as follows:

	2023 HK\$	2022 HK\$
Balance brought forward	3,088,766	1,545,241
Additions	1,916,491	3,286,133
Interest expenses	97,401	51,632
Payments	<u>(1,876,192)</u>	<u>(1,794,240)</u>
Balance carried forward	3,226,466	3,088,766
Less: current portion	<u>(1,778,715)</u>	<u>(1,389,835)</u>
Non-current portion	<u>1,447,751</u>	<u>1,698,931</u>

(b) Amounts recognised in the statement of profit or loss and other comprehensive income

	2023 HK\$	2022 HK\$
Depreciation of right-of-use assets	1,813,393	1,630,030
Interest expenses on lease liabilities	97,401	51,632
Expenses related to short-term and low-value leases	<u>209,302</u>	<u>185,844</u>
	<u>2,120,096</u>	<u>1,867,506</u>

(c) Cash outflow for leases

	2023 HK\$	2022 HK\$
Within operating activities	209,302	185,844
Within financing activities	<u>1,188,336</u>	<u>891,340</u>
	<u>1,397,638</u>	<u>1,077,184</u>

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**10. Right-of-use assets and lease liabilities (continued)**

(d) The Agency's leasing activities

The Agency leases various office and warehouse properties. Rental contracts are typically made for fixed periods of 2 years to 3 years.

Termination options are included in a number of property leases. These are used to maximise operational flexibility in terms of managing the assets used in the Agency's operations.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

**11. Intangible assets**

	2023 HK\$	2022 HK\$
<b>Cost</b>		
At beginning of year	5,146,826	3,593,986
Additions	1,305,400	1,552,840
Transfer to Property, plant and equipment	-	-
At end of year	<u>6,452,226</u>	<u>5,146,826</u>
<b>Less: Government grant related assets</b>		
At beginning of year	187,520	187,520
Transfer to Government grant related assets	-	-
At end of year	<u>187,520</u>	<u>187,520</u>
<b>Less: Other fund and donation related assets</b>		
At beginning of year	4,959,306	3,406,466
Transfer to Other fund and donation related assets	1,305,400	1,552,840
Transfer to Property, plant and equipment	-	-
At end of year	<u>6,264,706</u>	<u>4,959,306</u>
<b>Less: Accumulated depreciation</b>		
At beginning of year	-	-
Charge for the year	-	-
At end of year	<u>-</u>	<u>-</u>
<b>Net book value</b>		
At end of year	<u>-</u>	<u>-</u>

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12. Account and other receivables

Included in account and other receivables as at 31 March 2023 was HK\$1,305,400 in relation to the Volunteer Hong Kong project, HK\$738,400 of which was settled and the reimbursement of the remaining amount is in progress as at the reporting date.

13. Cash and cash equivalents

	2023 HK\$	2022 HK\$
Cash at bank	4,885,217	3,702,240
Cash on hand	23,674	23,830
Time deposits with original maturity of three months or less	<u>11,146,308</u>	<u>17,349,935</u>
<b>Cash and cash equivalents as presented in the Statement of cash flows</b>	16,055,199	21,076,005
Time deposits with original maturity of over three months	<u>6,114,058</u>	<u>1,442,487</u>
<b>Cash and cash equivalents as presented in the Statement of financial position</b>	<u>22,169,257</u>	<u>22,518,492</u>

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13. Cash and cash equivalents (continued)

**Reconciliation of liabilities arising from financing activities**

The table below details changes in the Agency's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Agency's statement of cash flows as cash flows from financing activities.

	Lease liabilities HK\$
<b>At 1 April 2021</b>	1,545,241
Changes from cash flows:	
Principal element of lease liabilities paid	(1,742,608)
Interest element of lease liabilities paid	(51,632)
Other changes:	
New leases	3,286,133
Interest on lease liabilities	<u>51,632</u>
<b>At 31 March 2022</b>	<u>3,088,766</u>
<b>At 1 April 2022</b>	3,088,766
Changes from cash flows:	
Principal element of lease liabilities paid	(1,778,791)
Interest element of lease liabilities paid	(97,401)
Other changes:	
New leases	1,916,491
Interest on lease liabilities	<u>97,401</u>
<b>At 31 March 2023</b>	<u>3,226,466</u>

14. General fund

General fund represented the accumulated surplus of the Agency.

15. Agency development fund

Agency development fund has been assigned for the Agency's future development relating to improvement of service quality and efficiency enhancement.

16. Operation contingency fund

Operation contingency fund has been set up to meet contingencies and any unforeseen financial needs of the Agency.

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**17. Other designated services**

	2023 HK\$	2022 HK\$
6 <sup>th</sup> Round of UNV-Hong Kong Universities Volunteer Internship Programme (note a)	167,805	-
HKV-Award (note b)	138,644	-
Care for the Elderly Charity Ticket Campaign - 敬老護老愛心券慈善義賣 (note c)	211,598	196,545
Elderly Service Enhancement Fund	55,000	-
Hong Kong Volunteer Award (note d)	807,118	815,672
Hong Kong Volunteer Awardees Society (note e)	292,396	321,417
Hong Kong Volunteer Awardees Society Elderly Services Project	45,522	45,522
4C Youth Volunteer Leadership Project "Self-initiated Service Subsidy Scheme"	29,960	37,735
"Share-Your-Dreams" Volunteer Project (note f)	(167,146)	291,073
The 25 <sup>th</sup> Standard Chartered HK Marathon (note g)	(161,119)	-
VR Volunteers Learning Kit (note h)	93,134	-
Volunteer Together	40,000	-
Yi Miao Project	6,318	-
Lotteries Fund Pilot Project on Provision of Wi-Fi Service (note i)	26,170	23,170
Social Welfare Development Fund Phase III (Training and Professional Development Programmes) (note j)	-	30,210
SWD Subsidy for Time-Limited Post for Elderly and Rehab Services Phase II	-	31,677
SWD Subsidy for Stepping up Preventive Measures Against the Spread of COVID-19 (6 <sup>th</sup> Round)	-	20,000
Give a Day, Get a Disney Day	-	14,298
Family Plus 2021/22	-	46,325
"Let's do it" Volunteer Project (note k)	-	702,301
Volunteer Hong Kong (note l)	-	-
V-HK Illustration Design Competition and Elderly Home Visiting (note m)	-	-
	<u>1,585,400</u>	<u>2,575,945</u>

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**17. Other designated services (Continued)**

Balances of government grants and funds, other donations and sponsorships were for service projects with designated purposes. The services with material movements during the year or balances as at 31 March 2023 were disclosed below:

(a) 6<sup>th</sup> Round of UNV-Hong Kong Universities Volunteer Internship Programme

In collaboration with the United Nations Volunteers (the "UNV") and funded by the HYAB, the programme enabled undergraduate volunteers to participate in volunteer assignments aboard. Funding was allocated to cover the operation cost incurred by the Agency and the fieldwork for the undergraduate volunteers. The programme was deferred due to the outbreak of COVID-19 and was resumed in late 2022. Movements during the year were as follows:

	2023 HK\$	2022 HK\$
Balance brought forward	-	361,920
Total income for the year	1,445,910	-
Total expenditure for the year	(1,278,105)	-
Surplus for the year	<u>167,805</u>	-
Refund	-	(361,920)
Balance carried forward	<u>167,805</u>	-

(b) HKV-Award

HKV-Award, co-organized by the HYAB and the Agency, is dedicated to recognizing the contributions and achievements of outstanding volunteers, corporations, organizations from different sectors, and cross-sectoral partnership projects. Movements during the year were as follows:

	2023 HK\$
Total income for the year	3,126,400
Total expenditure for the year	(2,987,756)
Surplus for the year	<u>138,644</u>
Balance carried forward	<u>138,644</u>

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**17. Other designated services (Continued)**

(c) Care for the Elderly Charity Ticket Campaign (敬老護老愛心券慈善義賣)

Sales proceeds from the Elderly Charity Tickets are specifically used for provision of needed elderly service. Movements during the year were as follows:

	<b>2023</b>	<b>2022</b>
	<b>HK\$</b>	<b>HK\$</b>
Balance brought forward	<u>196,545</u>	<u>166,693</u>
Total income for the year	22,000	36,000
Total expenditure for the year	<u>(6,947)</u>	<u>(6,148)</u>
Surplus for the year	<u>15,053</u>	<u>29,852</u>
Balance carried forward	<u>211,598</u>	<u>196,545</u>

(d) Hong Kong Volunteer Award

The Hong Kong Volunteer Award was to recognise contributions and achievements of outstanding volunteers so as to raise public awareness of the value of volunteering, and to facilitate the development of sustainable volunteerism in Hong Kong. Awards were presented to individuals, volunteer groups and business corporations selected by the Award Judging Panel biennially. Movements during the year were as follows:

	<b>2023</b>	<b>2022</b>
	<b>HK\$</b>	<b>HK\$</b>
Balance brought forward	<u>815,672</u>	<u>1,677,710</u>
Total income for the year	-	-
Total expenditure for the year	<u>(8,554)</u>	<u>(751,648)</u>
Deficit for the year	<u>(8,554)</u>	<u>(751,648)</u>
Transferred to Hong Kong Volunteer Award Story Book	-	<u>(110,390)</u>
Balance carried forward	<u>807,118</u>	<u>815,672</u>

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**17. Other designated services (Continued)**

(e) Hong Kong Volunteer Awardees Society

The Society aims at pooling the strengths and experience of the Hong Kong Volunteer Awardees, provides a platform for exchange and spreading the spirit of volunteerism in support of the Agency's initiatives. Movements during the year were as follows:

	<b>2023</b>	<b>2022</b>
	<b>HK\$</b>	<b>HK\$</b>
Balance brought forward	<u>321,417</u>	<u>225,437</u>
Total income for the year	20,852	100,000
Total expenditure for the year	<u>(49,873)</u>	<u>(4,020)</u>
(Deficit)/surplus for the year	<u>(29,021)</u>	<u>95,980</u>
Balance carried forward	<u>292,396</u>	<u>321,417</u>

(f) "Share-Your-Dreams" Volunteer Project

With a budget of HK\$1,800,000 sponsored by the Hongkong Bank Foundation and an aim to fulfil 40 dreams for the elderly and children beneficiaries. A total of 235 HSBC volunteers and 54 AVS volunteer leaders were engaged in the project. All 40 dream cases were accomplished by the end of April 2023. Movements for the year were as follows:

	<b>2023</b>	<b>2022</b>
	<b>HK\$</b>	<b>HK\$</b>
Balance brought forward	<u>291,073</u>	<u>-</u>
Total income for the year	720,000	720,000
Total expenditure for the year	<u>(1,178,219)</u>	<u>(428,927)</u>
Surplus for the year	<u>(458,219)</u>	<u>291,073</u>
Balance carried forward	<u>(167,146)</u>	<u>291,073</u>

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**17. Other designated services (Continued)**

(g) The 25<sup>th</sup> Standard Chartered Hong Kong Marathon

The Hong Kong Association of Athletics Affiliates invited the Agency to be the Volunteer Coordinator for the 25<sup>th</sup> Standard Chartered Hong Kong Marathon. This first-time partnership demonstrated the Agency's leading and pivotal roles in mobilizing and managing volunteers for mega sporting events. Movements for the year were as follows:

	<b>2023</b>
	<b>HK\$</b>
Total income for the year	-
Total expenditure for the year	<u>(161,119)</u>
Deficit for the year	<u>(161,119)</u>
Balance carried forward	<u>(161,119)</u>

(h) VR Volunteers Learning Kit

The HYAB approved a fund of \$245,000 for the development of a Learning Kit with a VR Online Game, with the aim to utilize virtual reality technology to allow existing and aspiring volunteers to learn and strengthen essential skills of volunteering, bridging the gap between theory and practice in social service delivery. Movements for the year were as follows:

	<b>2023</b>
	<b>HK\$</b>
Total income for the year	245,000
Total expenditure for the year	<u>(151,866)</u>
Surplus for the year	<u>93,134</u>
Balance carried forward	<u>93,134</u>

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**17. Other designated services (Continued)**

(i) Lotteries Fund Pilot Project on Provision of Wi-Fi Service

An allocation of HK\$97,800 was approved by the Social Welfare Department (the "SWD") to make Wi-Fi platforms available to the public and the members of the WGE. Movements during the year were as follows:

	<b>2023</b>	<b>2022</b>
	<b>HK\$</b>	<b>HK\$</b>
Income		
Lotteries Fund Grant	<u>13,200</u>	<u>13,200</u>
Expenditure		
Technical set-up and installation cost	-	-
Operating expenses	<u>(10,200)</u>	<u>(12,684)</u>
Total expenditure	<u>(10,200)</u>	<u>(12,684)</u>
Surplus/(deficit) for the year	<u>3,000</u>	<u>516</u>
Cumulated income brought forward	84,600	71,400
Cumulated expenditure brought forward	<u>(61,430)</u>	<u>(48,746)</u>
Cumulated surplus brought forward	<u>23,170</u>	<u>22,654</u>
Cumulated surplus carried forward	<u>26,170</u>	<u>23,170</u>

(j) Social Welfare Development Fund Phase III (3<sup>rd</sup> round) (Training and Professional Development Programmes)

With the aim to provide training courses for board members and LSG subvented staff, the SWDF3 of the SWD approved a grant of HK\$60,000 for the relevant usage. Movements during the year were as follows:

	<b>2023</b>	<b>2022</b>
	<b>HK\$</b>	<b>HK\$</b>
Balance brought forward	<u>30,210</u>	<u>8,252</u>
Allocation from the SWDF3 for the year	-	48,000
Interest received for the year	336	1
Total expenditure for the year	<u>(9,339)</u>	<u>(26,043)</u>
(Deficit)/surplus for the year	<u>(9,003)</u>	<u>21,958</u>
Refund	<u>(21,207)</u>	-
Balance carried forward	<u>-</u>	<u>30,210</u>

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**17. Other designated services (Continued)**

(k) "Let's do it" Volunteer Project

The China Gas Charity Foundation donated HK\$1 million for the volunteer project "Let's do it" which was carried out during COVID-19. Volunteers were recruited to pay visits to deliver the anti-epidemic service bags and meal boxes and to make comfort calls to the needy elderly. Movements for the year were as follows:

	2023 HK\$	2022 HK\$
Balance brought forward	702,301	-
Total income for the year	-	1,000,000
Total expenditure for the year	(107,390)	(297,699)
Surplus for the year	(107,390)	702,301
Transferred to General fund	(594,911)	-
Balance carried forward	-	702,301

(l) Volunteer Hong Kong

A grant of HK\$7,080,000 was approved by the Hong Kong Jockey Club Charities Trust in 2018 for the establishment of a new volunteer engagement system. The new system was launched in March 2021 with subsequent continuous enhancement. The grant is received based on the actual claim of project expenditure. Movements for the year were as follows:

	2023 HK\$	2022 HK\$
Balance brought forward	-	(1,271,900)
Total income for the year	1,305,400	1,573,303
Total expenditure for the year	(1,305,400)	(182,163)
Surplus/(deficit) for the year	-	1,391,140
Transferred to General fund	-	(119,240)
Balance carried forward	-	-

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**17. Other designated services (Continued)**

(m) V-HK Illustration Design Competition and Elderly Home Visiting

The Committee on the Promotion of Civic Education approved a fund of \$105,000 for the launch of the V-HK Illustration Design Competition and Elderly Home Visiting, with the aim to promote civic education through volunteerism. Movements for the year were as follows:

	2023 HK\$
Total income for the year	100,411
Total expenditure for the year	(100,411)
Surplus for the year	-
Balance carried forward	-

**18. Block Grant reserve**

	2023 HK\$	2022 HK\$
Balance of the Block Grant reserve brought forward from previous financial year	421,136	345,210
Add: Block Grant received during the year	103,000	104,000
Interest income received	333	8
	103,333	104,008
Less: Expenditure during the year:		
Minor Works Projects	(4,056)	(9,700)
Furniture & Equipment	(64,960)	(18,382)
	(69,016)	(28,082)
Surplus for the year	34,317	75,926
Balance of Block Grant reserve carried forward to the next financial year	455,453	421,136

Block Grant was allocated by the SWD from the Lotteries Fund for furniture and equipment replenishment and minor works at the WGE.

At 31 March 2023, there were no outstanding commitments in respect of Furniture and Equipment Replenishment and Minor Works related to the Block Grant. (2022: Nil)

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**19. Lump Sum Grant reserve**

	2023 HK\$	2022 HK\$
Balance brought forward	1,224,444	1,141,105
Net cash (deficit)/surplus for the year	(14,658)	312,010
Net changes in amount refundable for LSG surplus exceeding the prescribed ceiling	-	(203,725)
Provident fund surplus transfer to Provident Fund reserve under LSG	(6,315)	(24,946)
Transfer of LSG Holding Account to LSG reserve (note b)	17,630	-
Balance carried forward	<u>1,221,101</u>	<u>1,224,444</u>

Notes:

- (a) The LSG was received from the SWD for operation of the WGE.
- (b) The amount kept in the Holding Account is for honouring the Agency's contractual commitments to Snapshot Staff following the implementation of the Lump Sum Grant Subvention System. This balance was transferred to the LSG reserve as recommended by the SWD.

**20. Provident fund reserve under Lump Sum Grant**

The reserve represented subvention balance designated for Provident fund of the subvented staff under the LSG.

The reserve is used for increase in personal emoluments or adjusting Provident fund contribution rates of staff subvented under the LSG.

**21. HYAB subvention reserve**

The reserve represented subvention fund balance from the HYAB.

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**22. Key management personnel's remuneration of the Agency**

	2023 HK\$	2022 HK\$
Salaries	3,975,720	3,444,481
Provident fund	178,004	238,983
Provision for employee benefit obligations	<u>(7,801)</u>	<u>12,113</u>
	<u>4,145,923</u>	<u>3,695,577</u>

- (a) There are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities. (2022: Nil)
- (b) No director of the Agency had a material interest, directly or indirectly, in any significant transactions, arrangements and contracts in relation to the Agency's operation to which the Agency was or is a party that subsisted at the end of the year or at any time during the year. (2022: Nil)

**23. Commitments**

The future aggregate minimum lease payments under non-cancellable operating leases as at 31 March 2023 and 2022 are as follows:

	2023 HK\$	2022 HK\$
Within 1 year	<u>97,652</u>	<u>92,924</u>

**24. Notes to statement of cash flows**

During the year, purchases of property, plant and equipment were HK\$316,148 (2022: HK\$571,559), in which HK\$80,872 (2022: HK\$33,363) were made with funding from HYAB subvention reserve.

**25. Comparative figures**

Certain comparative figures have been reclassified to conform with the current year's presentation.