

AGENCY FOR VOLUNTEER SERVICE

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2016



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

Chartered Accountants
Certified Public Accountants

捷安國際會計師聯盟成員
An independent member of AGN International

AGENCY FOR VOLUNTER SERVICE

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

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香港灣仔告士打道50號馬來西亞大廈2字樓202室

Unit 202, 2/F., Malaysia Building, 50 Gloucester Road, Wanchai, Hong Kong.
Tel: (852) 2528 1768 (23 lines) Fax: (852) 2520 6180 E-mail: a@upicpa-hk.com

REVIEW REPORT

TO THE BOARD OF DIRECTORS OF AGENCY FOR VOLUNTEER SERVICE

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

We have audited the financial statements of Agency for Volunteer Service (the "Agency") for the year ended 31 March 2016 and have issued an unqualified auditor's report dated 22 SEP 2016.

We conducted our review of the attached Annual Financial Report on pages 3 to 8 of the Agency for the year ended 31 March 2016 in accordance with Practice Note 851 "Review of the Annual Financial Reports of Non-governmental Organisations" issued by the Hong Kong Institute of Certified Public Accountants. The review includes considering the procedures and records relevant to the preparation of the Annual Financial Report and performing procedures to satisfy ourselves that the Annual Financial Report has been properly prepared from the books and records of the Agency, on which the above audited financial statements of the Agency are based.

Review conclusions

On the basis of the results of our review and having regard to the audit procedures performed by us in relation to the audit of the financial statements of the Agency for the year ended 31 March 2016:

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of the Agency; and
- b. no matters have come to our attention during the course of our review, which cause us to believe that the Agency has not:
 - i. properly accounted for the receipt of Lump Sum Grant, Provident Fund and other social welfare subventions and expenditure in respect of Funding and Services Agreement activities and support services;
 - ii. kept separate Operating Income and Expenditure Account for each subvented service unit as required by the Lump Sum Grant Manual (LSG Manual) published by the Social Welfare Department of the Government of the HKSAR;
 - iii. prepared the Annual Financial Report in accordance with the format and requirements set out in the LSG Manual; and
 - iv. employed the staff quoted in the Provident Fund arrangements during the year ended 31 March 2016.



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REVIEW REPORT

**TO THE BOARD OF DIRECTORS OF
AGENCY FOR VOLUNTER SERVICE**

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

Review conclusions (Continued)

This report is intended for filing with the Social Welfare Department of the Government of the HKSAR and should not be used for any other purpose.

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

**Yuen Shu Tong, Auditor
Practicing Certificate Number P2140**

Hong Kong, 22 SEP 2016

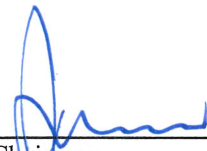
ANNUAL FINANCIAL REPORT

AGENCY FOR VOLUNTEER SERVICE

FOR THE YEAR FROM 1 APRIL 2015 TO 31 MARCH 2016

	<u>Notes</u>	<u>Total</u> <u>2015-16</u> \$	<u>Total</u> <u>2014-15</u> \$
A. INCOME			
1. Lump Sum Grant			
a) Lump Sum Grant (excluding Provident Fund)	1b	3,115,201	2,112,095
b) Provident Fund	1c	184,298	120,568
2. Special One-off Grant		-	-
3. Fee Income	2	12,692	12,243
4. Central Items	3	-	61,587
5. Rent and Rates	4	675,038	674,232
6. Other Income	5	301,924	221,571
7. Interest Received		3	4
TOTAL INCOME		<u>4,289,156</u>	<u>3,202,300</u>
B. EXPENDITURE			
1. Personal Emoluments			
a) Salaries		2,677,123	1,268,903
b) Provident Fund	1c	157,415	78,296
c) Allowances		-	-
Sub-total	6	<u>2,834,538</u>	<u>1,347,199</u>
2. Other Charges	7	557,862	512,167
3. Central Items	3	-	33,259
4. Rent and Rates	4	972,528	866,864
5. Special One-off Grant Payments		-	-
TOTAL EXPENDITURE		<u>4,364,928</u>	<u>2,759,489</u>
C. (DEFICIT)/SURPLUS FOR THE YEAR	8	<u><u>(75,772)</u></u>	<u><u>442,811</u></u>

Signature


 Chairman
 Date: 22 SEP 2016


 Chief Executive Officer
 Date: 22 SEP 2016

**ANNUAL FINANCIAL REPORT
AGENCY FOR VOLUNTEER SERVICE
NOTES TO THE ANNUAL FINANCIAL REPORT
FOR THE YEAR FROM 1 APRIL 2015 TO 31 MARCH 2016**

1. Lump Sum Grant

a. Basis of preparation

The Annual Financial Report (AFR) is prepared on cash basis, that is, income is recognised upon receipt of cash and expenditure is recognised when expenses are paid. Non-cash items like depreciation, provisions and accruals have not been included in AFR.

b. Lump Sum Grant (excluding Provident Fund)

This represents LSG (excluding Provident Fund) received for the year.

c. Provident Fund

- (i) This is Provident Fund received and contributed during the year.
- (ii) Snapshot staff are defined as those staff occupying recognised or holding against subvented posts as at 1 April 2000.
- (iii) 6.8% and other posts represent those staff that are employed after 1 April 2000.
- (iv) PF received and contributed for staff under the Central Items are shown under note 3.

Details are analysed below:

<u>Provident Fund Contribution</u>	<u>Snapshot Staff</u>	<u>6.8% and Other Posts</u>	<u>Total</u>
	\$		\$
Subvention Received	-	184,298	184,298
Provident Fund Contribution Paid during the Year	-	(157,415)	(157,415)
Surplus for the Year	-	26,883	26,883
Add: Surplus/(Deficit) b/f	-	42,272	42,272
Surplus/(Deficit) c/f	-	69,155	69,155

2. Fee Income

This represents social welfare fee income received for the year in respect of the fees and charges recognised for the purpose of subvention as set out in the LSG Manual.

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3. Central Items

These are subvented service activities which are not included in LSG and are subject to their own procedures as set out in other SWD's papers and correspondence with the NGOs. The PF received and contributed for staff under the Central Items have been separately included as part of the income and expenditure of the relevant items (paragraph 3.13 of LSG Manual). The income and expenditure of each of the Central Items are as follows:

	<u>2015-16</u>	<u>2014-15</u>
<u>Income</u>	\$	\$
Programme Assistant	-	61,587
Total	<u>-</u>	<u>61,587</u>
 <u>Expenditure</u>		
Programme Assistant	-	33,259
Total	<u>-</u>	<u>33,259</u>

4. Rent and Rates

This represents the amount paid by Social Welfare Department ("SWD") in respect of premises recognised by SWD. Expenditure on rent and rates in respect of premises not recognised by SWD have not been included in AFR.

5. Other Income

This includes programme income and all income other than recognised social welfare fee income received during the year. Non-SWD subventions and donations received have not been included as Other Income in AFR.

	<u>2015-16</u>	<u>2014-15</u>
Details breakdown		\$
Programme Service income	301,924	221,571
	<u>301,924</u>	<u>221,571</u>

6. Personal Emoluments

Personal Emoluments include salary, provident fund, salary-related allowances.
All post of Personal Emoluments are under HK\$500,000 per annum.

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FOR THE YEAR FROM 1 APRIL 2015 TO 31 MARCH 2016**

7. Other Charges

	<u>2015-16</u>	<u>2014-15</u>
<u>Other Charges</u>	\$	\$
a) Utilities	41,915	25,794
b) Food	-	-
c) Administrative Expenses	45,286	(6,473)
d) Stores and Equipment	-	4,500
e) Repair and Maintenance	35,277	111,181
f) Special Allowances	-	-
g) Volunteer Staff System	8,640	8,640
h) Programme expenses	398,253	289,734
i) Transportation and Travelling	759	226
j) Insurance	14,298	5,646
k) Miscellaneous	13,434	72,919
Total	<u>557,862</u>	<u>512,167</u>

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AGENCY FOR VOLUNTEER SERVICE
NOTES TO THE ANNUAL FINANCIAL REPORT
FOR THE YEAR FROM 1 APRIL 2015 TO 31 MARCH 2016

8. Analysis of Reserve Fund

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG) \$	Special One-off Grant (SOG) \$	Rent and Rates \$	Central Item \$	Total \$
Income					
Lump Sum Grant	3,299,499	-	-	-	3,299,499
Special One-off Grant	-	-	-	-	-
Fee Income	12,692	-	-	-	12,692
Other Income	301,924	-	-	-	301,924
Interest Received (Note (1))	3	-	-	-	3
Rent and Rates	-	-	675,038	-	675,038
Central Items	-	-	-	-	-
Total Income (a)	3,614,118	-	675,038	-	4,289,156
Expenditure					
Personal Emoluments	2,834,538	-	-	-	2,834,538
Other Charges	557,862	-	-	-	557,862
Rent and Rates	-	-	972,528	-	972,528
Central Items	-	-	-	-	-
Total Expenditure (b)	3,392,400	-	972,528	-	4,364,928
Surplus/(Deficit) for the Year (a) - (b)	221,718	-	(297,490)	-	(75,772)
Less: Surplus/(Deficit) of Provident Fund	26,883	-	-	-	26,883
	194,835	-	(297,490)	-	(102,655)
Surplus/(Deficit) b/f (Note (2))	730,683	-	(375,430)	29,624	384,877
	925,518	-	(672,920)	29,624	282,222
Less: Refund to Government	-	-	-	(1,296)	(1,296)
Surplus/(Deficit) c/f (Note (3) & (4))	925,518	-	(672,920)	28,328	280,926

- Notes: (1) All the interest received on LSG and PF reserves, rent and rates, central items, Special One-off Grant is included as one item under LSG; and the item is considered as part of LSG reserve.
- (2) Accumulated balance of Lump Sum Grant Surplus b/f from previous years and all interest received in previous years are included in the surplus b/f under LSG.
- (3) The level of LSG cumulative reserves (i.e. S) will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for the year.
- (4) The Surplus \$925,518 was represented by the prescribed ceiling \$808,747 (shown in the Schedule of Investment) and \$116,771 included in "Accounts and Other Payable" in the audited Financial Statements 2015/16.

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AGENCY FOR VOLUNTEER SERVICE
NOTES TO THE ANNUAL FINANCIAL REPORT
FOR THE YEAR FROM 1 APRIL 2015 TO 31 MARCH 2016

9. Analysis of Income and Expenditures by Programme Area and Funding and Service Agreements
(including support services)

	INCOME						EXPENDITURE						Remarks
	LSG	Fee Income	Central Items	Rent and Rates	Other Income	Total Income (1)	Personal Emoluments	Other Charges	Central Items	Rent and Rates	Total Expenditure (2)	Surplus/ (Deficits) (1)-(2)	
Programme Area 1 Service Unit 1029	\$ 3,299,499	\$ 12,692	\$ -	\$ 675,038	\$ 301,924	\$ 4,289,153	\$ 2,834,538	\$ 557,862	\$ -	\$ 972,528	\$ 4,364,928	\$ (75,775)	
Sub-total SOG	3,299,499	12,692	-	675,038	301,924	4,289,153	2,834,538	557,862	-	972,528	4,364,928	(75,775)	
Interest Received	-	-	-	-	-	-	-	-	-	-	-	-	
Total	3,299,502	12,692	-	675,038	301,924	4,289,156	2,834,538	557,862	-	972,528	4,364,928	(75,772)	

Annex 1

Schedule for Rent and Rates

Analysis of Subvention and Expenditure for the year from 1 April 2015 to 31 March 2016

Name of Agency : AGENCY FOR VOLUNTEER SERVICE

Unit Code and Name	Subvented Element	Subvention Released (Note 1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
		\$	\$	\$	\$
1029 - Western Garden Neighbourhood Elderly Centre	Rent (Note 3)	655,032	938,319	-	(283,287)
	Rates	20,006	34,209	-	(14,203)
	Total	675,038	972,528	-	(297,490)

Notes :

1. The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year.
2. Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
3. Rent includes all kinds of rent such as PHE rental, private rental, carpark rent, management fee, building maintenance fee and Government Rent.



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Date: **22 SEP 2016**

Annex 2

The Board of Directors
Agency for Volunteer Service
Room 602,
Duke of Windsor Social Service Building,
15 Hennessy Road,
Wanchai, Hong Kong

Dear Sir/Madam,

**Re: Agency for Volunteer Service
Management letter**

We have pleasure in submitting our audited financial statements of Agency for Volunteer Service (Agency) for the year ended 31 March 2016.

During the course of our audit, we have reviewed the accounting records and procedures of the Agency and we consider them adequate having regard to the level and nature of activities.

Yours sincerely,
For and on behalf of
Union Power HK CPA Limited

Director

Schedule for Central Items
Analysis of Subvention and Expenditure for the period from 1 April 2015 to 31 March 2016

Name of Agency : AGENCY FOR VOLUNTEER SERVICE

Unit Code and Name (Note 7)	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit for the Year			Surplus b/f (Note 5) (e)	(Refund) to Government (g)	Surplus c/f (Note 6) (f)=(e)+(a)-(d)+(g)
					Deficit (Note 3) (b)	Deficit transferred to LSG (note 4) (c)	Adjusted Deficit (d)=(b)-(c)			
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Programme Assistant (PA) / Care Assistants (CA) allocated vide our letter ref. (17) in SWD/S/203/1 Pt.8 dated 17 March 2007										
1029 - Western Garden Neighbourhood Elderly Centre	Programme Assistant (PA)	-	-	-	-	-	-	29,624	(1,296)	28,328
	Care Assistant (CA)	-	-	-	-	-	-	-	-	-
TOTAL		-	-	-	-	-	-	29,624	(1,296)	28,328

Notes :

- The figures for the whole financial year can be extracted from the payroll for March (Final) of the financial year.
- Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
- Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
- Deficit i.r.o. the following central items arising from salary adjustment can be transferred to the Lump Sum Grant Reserve as stated in our letter ref.(42) in SWD/S/104/2 Pt.11 dated 25 July 2012.
 - Dementia Supplement for Elderly with Disabilities
 - Infirmary Care Supplement for the Aged Blind Persons
 - Dementia Supplement for Residential Elderly Services
 - Infirmary Care Supplement for Residential Elderly Services
 - Regularized Programme Assistants (PA) / Care Assistants (CA)
- "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
- "Surplus carried forward (c/f)" means surplus brought forward plus surplus, if any, arising from operations in current year.
- Unit codes and names assigned by SWD should be filled, if available.
- As the above schedule may not be exhaustive in content, any relevant details in respect of central items released and/or expended during the year may also be included, where appropriate.