

AGENCY FOR VOLUNTEER SERVICE

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2023

(To: Social Welfare Department)



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

Chartered Accountants
Certified Public Accountants

AGENCY FOR VOLUNTEER SERVICE

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

CONTENTS

	Pages
Review Report	1 - 2
Annual Financial Report	3
Notes to the Annual Financial Report	4 - 8
Annex	
Annex 1 - Schedule for Rent and Rates	9
Annex 2 - Schedule for Investment	10
Annex 3 - Schedule for the Utilisation of Reserve in Holding Account (HA) for 2022-23 and the Plan of Utilisation of HA Reserve for 2023-24	11



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

Chartered Accountants
Certified Public Accountants

香港灣仔告士打道 50 號馬來西亞大廈 18 字樓 1801 室
Unit 1801, 18/F, Malaysia Building, 50 Gloucester Road, Wanchai, Hong Kong.
Tel: (852) 2528 1768 (10 lines) Fax: (852) 2388 2086 E-mail: a@upicpa-hk.com

INDEPENDENT AUDITOR'S ASSURANCE 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 2023 in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and have issued an unmodified auditor's report thereon dated 26 September 2023.

Pursuant to the Lump Sum Grant ("LSG") Manual issued by the Social Welfare Department of the Government of the Hong Kong Special Administrative Region ("SWD"), we have been requested to issue this assurance report in connection with the Annual Financial Report ("AFR") of the Agency for the year ended 31 March 2023.

Responsibilities of the Directors

In relation to this report, the directors are responsible for ensuring the AFR of the Agency for the year ended 31 March 2023 is properly prepared in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD; and the use of the funds from the LSG by the Agency has complied with the purposes as specified in the LSG Manual and other instructions issued by the SWD.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

Our responsibility is to form a conclusion, based on our engagement, and to report our conclusion to you. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and with reference to Practice Note 851 (Revised), Reporting on the Annual Financial Reports of Non-governmental Organisations issued by the HKICPA. We have planned and performed our work to obtain reasonable assurance for giving conclusion 1 and obtain limited assurance for giving conclusion 2 below.

The work undertaken in connection with this engagement is less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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

Chartered Accountants
Certified Public Accountants

香港灣仔告士打道 50 號馬來西亞大廈 18 字樓 1801 室
Unit 1801, 18/F., Malaysia Building, 50 Gloucester Road, Wanchai, Hong Kong.
Tel: (852) 2528 1768 (10 lines) Fax: (852) 2388 2086 E-mail: a@upicpa-hk.com

INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF AGENCY FOR VOLUNTEER SERVICE (CONTINUED)

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

Auditor's Responsibility (Continued)

In relation to our conclusion 1 below, we have planned and performed such procedures as we considered necessary with reference to the procedures recommended in PN 851 (Revised), to satisfy ourselves that the AFR has been properly prepared, in all material respects, in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD.

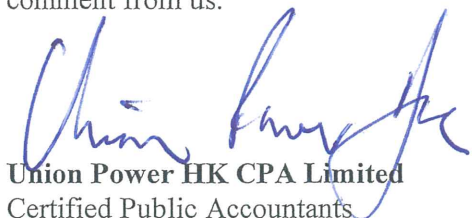
In relation to our conclusion 2 below, we have obtained an understanding in respect of the purposes of the use of the funds as specified in the LSG Manual and other instructions issued by the SWD and obtaining an understanding of the control procedures. We are not required to perform any procedures to search for instances of the use of funds from the LSG by the Agency being non-complied with the specified purposes. Our work was limited to reporting non-compliances identified as a result of the procedures performed in relation to conclusion 2 and during the normal course of our work relating to conclusion 1. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Conclusion

1. In our opinion, the AFR of the Agency for the year ended 31 March 2023 is properly prepared, in all material respects, in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD.
2. Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the use of the funds from the LSG by the Agency has not complied, in all material respects, with the purposes as specified in the LSG Manual and other instructions issued by the SWD.

Intended Users and Purpose

This report is intended solely for submission by the Agency to the SWD and is not intended to be, and should not be, used for any other purpose. We agree that a copy of this report may be provided to the SWD without further comment from us.



Union Power HK CPA Limited
Certified Public Accountants

David Tze Kin Ng, Auditor
Practicing Certificate Number P00553


Hong Kong, 26 September 2023

**ANNUAL FINANCIAL REPORT
AGENCY FOR VOLUNTEER SERVICE
(WESTERN GARDEN NEIGHBOURHOOD ELDERLY CENTRE)
FOR THE YEAR FROM 1 APRIL 2022 TO 31 MARCH 2023**


	<u>Note</u>	<u>Total 2022-23 HK\$</u>	<u>Total 2021-22 HK\$</u>
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	5,221,520	5,151,226
b. Provident Fund	1c	311,273	306,748
2. Fee Income	2	15,834	9,324
3. Central Items	3	-	-
4. Rent and Rates	4	1,343,708	1,343,708
5. Other Income	5	52,420	22,045
6. Interest Received		14,825	2,245
TOTAL INCOME		6,959,580	6,835,296
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		4,588,857	4,307,735
b. Provident Fund	1c	304,958	281,802
c. Allowances		-	-
Sub-total	6	4,893,815	4,589,537
2. Other Charges	7	736,715	590,040
3. Central Items	3	-	-
4. Rent and Rates	4	978,359	787,848
TOTAL EXPENDITURE		6,608,889	5,967,425
C. SURPLUS FOR THE YEAR	8	350,691	867,871

The Annual Financial Report from pages 3 to 8 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

Signature


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

Date: 26 OCT 2023


Ms. Lee Pui Ki, Likie
Chief Executive Officer

Date:

**ANNUAL FINANCIAL REPORT
AGENCY FOR VOLUNTEER SERVICE
NOTES TO THE ANNUAL FINANCIAL REPORT
FOR THE YEAR FROM 1 APRIL 2022 TO 31 MARCH 2023**

1. Lump Sum Grant ("LSG")

a. Basis of preparation

The Annual Financial Report ("AFR") is prepared in respect of all Funding and Service Agreement ("FSA") services (including support services to FSA services) funded by the Social Welfare Department ("SWD") under the Lump Sum Grant Subvention System. The 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 such as depreciation, provisions and accruals have not been included in the AFR.

b. Lump Sum Grant (excluding Provident Fund)

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

c. Provident Fund

- (i) This is the Provident Fund ("PF") 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) The PF received and contributed for staff under the Central Items which are separately included as part of the income and expenditure of the relevant items have been 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>
	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>
Subvention Received	-	311,273	311,273
PF Contribution Paid during the Year	-	(304,958)	(304,958)
Surplus for the Year	-	6,315	6,315
Add: Surplus brought forward	-	304,696	304,696
Surplus carried forward	-	311,011	311,011

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.

3. Central Items

These are subsidies allocated to NGOs for specified purposes on a recurrent, time-limited or one-off basis 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. Any surplus, which is not allowed to be offset by any deficit of another item, is subject to claw-back by SWD according to the terms and conditions of individual central items. 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 3.14 of the LSG Manual).

No income was received and no expenditure was incurred for Central Items.

**ANNUAL FINANCIAL REPORT
AGENCY FOR VOLUNTEER SERVICE
NOTES TO THE ANNUAL FINANCIAL REPORT
FOR THE YEAR FROM 1 APRIL 2022 TO 31 MARCH 2023**

4. Rent and Rates

This represents the amount paid by 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. In this respect, donations have been included if it is used to finance expenditure of the FSA services/ FSA-related activities reflected in the AFR.

The breakdown on Other Income is as follows:

	<u>2022-23</u> HK\$	<u>2021-22</u> HK\$
(a) Programme income	42,420	16,760
(b) Production income	-	-
(c) Donation	10,000	5,285
(d) Income from Other Activities	-	-
(e) Utilised allocation under Central Items (CI): After School Care Programme (ASCP) / Enhanced ASCP / ASCP(PC) – Fee Waiving Subsidy Scheme (FWSS) which forms as part of Other Income *	-	-
(f) Reimbursement of Maternity Leave Pay (RMLP) Scheme reimbursement received	-	-
(g) Miscellaneous income	-	-
Sub-total	<u>52,420</u>	<u>22,045</u>
<u>Less:</u> Utilised allocation under CI - ASCP/Enhanced ASCP - FWSS which forms as part of Other Income*	-	-
Total	<u><u>52,420</u></u>	<u><u>22,045</u></u>

* For those programmes which are regarded as FSA services/ FSA-related activities only

ANNUAL FINANCIAL REPORT
AGENCY FOR VOLUNTEER SERVICE
NOTES TO THE ANNUAL FINANCIAL REPORT
FOR THE YEAR FROM 1 APRIL 2022 TO 31 MARCH 2023

6. Personal Emoluments

Personal Emoluments include salary, provident fund, salary-related allowances. All posts of Personal emoluments are under HK\$700,000 per annum.

7. Other Charges

The breakdown on Other Charges is as follows:

	<u>2022-23</u> HK\$	<u>2021-22</u> HK\$
(a) Utilities	75,347	66,965
(b) Food	-	-
(c) Administrative Expenses	91,847	123,695
(d) Stores and Equipment	-	-
(e) Repair and Maintenance	56,910	39,786
(f) Special Allowances	-	-
(g) Volunteer Staff System	10,325	12,435
(h) Programme Expenses	376,045	256,449
(i) Transportation and Travelling	2,101	1,475
(j) Insurance ⁺	5,622	35,140
(k) Miscellaneous	72,148	54,095
(l) Strengthen Controls for Pandemic [#]	46,370	-
Sub-Total	<u>736,715</u>	<u>590,040</u>
<u>Less:</u> Utilised allocation under CI: ASCP / Enhanced ASCP / ASCP(PC) - FWSS* which forms as part of Other Income to fund the operating expenses of FSA services / FSA- related activities	-	-
Total	<u><u>736,715</u></u>	<u><u>590,040</u></u>

⁺ Insurance expenses amounting to \$14,338 have been prepaid in 2021/22.

[#] Per SWD's letter of 8 Mar 2022 [Ref (49) in SWD/S/128/1-7)], NGOs are allowed to make use of LSG or LSG Reserve for the strengthening controls for COVID 19.

* For those programmes which are regarded as FSA services/ FSA-related activities only

ANNUAL FINANCIAL REPORT
AGENCY FOR VOLUNTEER SERVICE
NOTES TO THE ANNUAL FINANCIAL REPORT
FOR THE YEAR FROM 1 APRIL 2022 TO 31 MARCH 2023

8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions

	Analysis of Reserve Fund					
	Lump Sum Grant (LSG) HK\$	Holding Account (HA) HK\$	Adjustment for Utilised allocation under ASCP / Enhanced ASCP / ASCP(PC) - FWSS HK\$	Rent and Rates HK\$	Central Items (CI) HK\$	Total HK\$
Income						
Lump Sum Grant	5,532,793	-	-	-	-	5,532,793
Fee Income	15,834	-	-	-	-	15,834
Other Income #	52,420	-	-	-	-	52,420
Interest Received (Note (1))	14,825	-	-	-	-	14,825
Rent and Rates	-	-	-	1,343,708	-	1,343,708
Central Items	-	-	-	-	-	-
Total Income (a)	5,615,872	-	-	1,343,708	-	6,959,580
Expenditure						
Personal Emoluments	4,893,815	-	-	-	-	4,893,815
Other Charges	736,715	-	-	-	-	736,715
Rent and Rates	-	-	-	978,359	-	978,359
Central Items	-	-	-	-	-	-
Total Expenditure (b)	5,630,530	-	-	978,359	-	6,608,889
(Deficit)/Surplus for the year (a) - (b)	(14,658)	-	-	365,349	-	350,691
<u>Less:</u> Surplus of Provident Fund	6,315	-	-	-	-	6,315
	(20,973)	-	-	365,349	-	344,376
Surplus b/f (Note (2))	1,428,170	17,630	-	716,640	-	2,162,440
	1,407,197	17,630	-	1,081,989	-	2,506,816
<u>Add:</u> Refund from Government	-	-	-	-	-	-
<u>Less:</u> Refund to Government	(203,726)	-	-	(716,640)	-	(920,366)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement (Note (3))	-	-	-	-	-	-
Adjustment for utilised allocation under Enhanced ASCP / ASCP(PC) - FWSS* (over-estimated) / under-estimated in previous year(s)	-	-	-	-	-	-
Surplus c/f (Note (4))	1,203,471	17,630	-	365,349	-	1,586,450

Notes :

- # No amount was included in the utilised allocation under CI: ASCP / Enhanced ASCP / ASCP(PC) - FWSS*
- * For those programmes which are regarded as FSA services/ FSA-related activities only

- (1) Interest received on LSG (including HA) and Provident Fund reserves, rent and rates, Central Items are included as one item under LSG; and the item is considered as part of LSG reserve.
- (2) Accumulated balance of LSG Surplus b/f from previous years (including all interest received in previous years (see (1) above) and the balance of HA should be separately reported as in the surplus b/f under LSG and HA respectively.
- (3) Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement, if any, as per Schedule for Central Items.
- (4) For NGOs without HA, separate disclosure of the movement of HA in their respective AFRs is not necessary. The level of LSG cumulative reserve will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure excluding Provident Fund Contribution) for the year.

For NGOs with HA, with effect from 2022-23, the calculation of the annual claw-back is as follows:

- (i) With Snapshot Staff (SS) [i.e. Position of SS as at 1 September being reported on the Agency Staff List submitted by NGO last year was greater than zero]
The level of LSG cumulative reserve will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure excluding Provident Fund Contribution) for the year.
- (ii) Without SS [i.e. Position of SS as at 1 September being reported on the Agency Staff List submitted by NGO last year (which is regarded as Year 0) was zero]
For the next three years (Year 1 to Year 3), the level of LSG cumulative reserve will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure excluding Provident Fund Contribution) for the year.
From the fourth financial year (Year 4) onwards, the level of LSG cumulative reserve and HA reserve will be counted altogether and the combined reserve amount will be capped at 25% of the NGO's operating expenditure (i.e. Total Expenditure excluding Provident Fund Contribution) for the year. In this regard, separate disclosure of the movement of HA in their respective AFRs is not necessary.

[For (4)(i) and (4)(ii) above, please also refer to SWD's letter under reference (11) in SWD/S/109/1/10 of 4 April 2022.]

For any amount above the cap, SWD would arrange the claw-back (including provisional in the following financial year) accordingly.

Schedule for Rent and Rates

Analysis of Subvention and Expenditure for the year from 1 April 2022 to 31 March 2023

AGENCY FOR VOLUNTEER SERVICE
(Western Garden Neighbourhood Elderly Centre)

Unit Code and Name	Subvented Element	Reimbursement of prior year expenditure	Subvention Released (Note 1) (a)	Actual Expenditure (b)	Surplus (Note 2) (a)-(b)	Deficit (Note 2)
1029 - Western Garden Neighbourhood Elderly Centre		HK\$	HK\$	HK\$	HK\$	HK\$
	Rent (Note 3)	-	1,296,425	949,713	346,712	-
	Rates	-	47,283	28,646	18,637	-
	Total	-	1,343,708	978,359	365,349	-

Notes:

- (1) The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year. Reimbursement for Rent and rates relating to previous financial year(s) (i.e. back payments) should not be included.
- (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.

Schedule for Investment
Analysis of Investment as at 31 March 2023

AGENCY FOR VOLUNTEER SERVICE
(Western Garden Neighbourhood Elderly Centre)

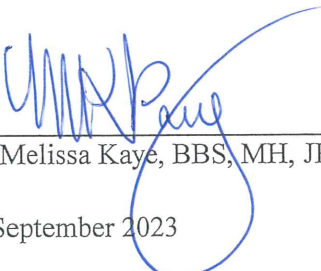
	<u>2022-23</u> HK\$'000	<u>2021-22</u> HK\$'000
LSG Reserve as at 31 March*	<u>1,221</u>	<u>1,446</u>
Represented by:		
Investments		
a. HKD Bank Account Balances	230	466
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposits	991	980
d. HKD Certificate of Deposits	-	-
e. HKD Bonds	-	-
	<u>1,221</u>	<u>1,446</u>

* This represents accumulated surplus from Lump Sum Grant (excluding Provident Fund)


Note :

The investments are reported as historical cost.

Signature



Ms. Pang Melissa Kaye, BBS, MH, JP
Chairman
Date: 26 September 2023



Ms. Lee Pui Ki, Likie
Chief Executive Officer
Date: 26 September 2023

Schedule for the Utilisation of Reserve in Holding Account (HA) for 2022-23
and the Plan of Utilisation of HA Reserve for 2023-24

AGENCY FOR VOLUNTEER SERVICE
(Western Garden Neighbourhood Elderly Centre)

(A) Utilisation of HA Reserve (2022-23)

		HK\$
(1)	Balance as at 31 March 2022 brought forward	(a) 17,630
(2)	Actual Expenditure	
	(i) Meeting contractual commitments towards Snapshot Staff	(b) -
	(ii) Enhancing human resources management	(c) -
	(iii) Others <i>[applicable to NGOs without Snapshot Staff]</i>	(d) -
	Total = (b) + (c) + (d)	(e) -
(3)	Balance as at 31 March 2023 carried forward [i.e. = (a) - (e)]	(f) 17,630
(4)	No. of Snapshot Staff (as at 1 September 2022)	NIL

(B) Plan of Utilisation of HA Reserve (2023-24)

		HK\$
(1)	Balance as at 31 March 2023 brought forward [i.e. (f) of Part (A)]	(a) 17,630
(2)	Estimated Expenditure	
	(i) Meeting contractual commitments towards Snapshot Staff	(b) -
	(ii) Enhancing human resources management - Staff development programme	(c) 17,630
	(iii) Others <i>[applicable to NGOs without Snapshot Staff]</i>	(d) -
	Total = (b) + (c) + (d)	(e) 17,630
(3)	Estimated balance as at 31 March 2024 carried forward [i.e. = (a) - (e)]	(f) -
(4)	Estimated no. of Snapshot Staff (by 1 September 2023)	NIL