

AGENCY FOR VOLUNTEER SERVICE

義務工作發展局

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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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 2022.

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 10.

Directors

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

Ms. Pang Melissa Kaye, BBS, MH, JP	Chairman	(Elected on 9 November 2021)
Ms. Tsang Pui Kuen, Camilla	Vice-Chairman	
Mr. Choi Chun Sze, Johnson	Vice-Chairman	(Elected on 9 November 2021)
Mr. Mo Tik Sang, Alex	Honorary Secretary	
Ms. Lam Tyng Yih, Elizabeth	Honorary Treasurer	
Mr. Barretto Ruy Octavio, SC		
Sr. Chan Chi Ho, Sunny		
Mr. Chan Ka Hong, Roland		
Ms. Chea Shuk Mui, Candy, MH		
Ms. Chiu Fung Yi, Kitty, MH		
Mr. Fan Chor Ho, Paul, SBS, JP		
Mr. Hung Ngai, Stephen		
Mr. Lai Nin, Alan, GBS, JP		
Dr. Loh Yu Hang, Anne		
Dr. Shum Chi Wang, MH		
Mr. Yung Ha Kuk, Victor		(Resigned on 9 November 2021)
Mr. Wong Hay Yan, Samson		(Appointed on 9 November 2021)

In accordance with Articles 78, 79 and 80 of the Agency's Articles of Association, Mr. Barretto Ruy Octavio, SC, Mr. Chan Ka Hong, Roland, Ms. Chiu Fung Yi, Kitty, MH, Mr. Fan Chor Ho, Paul, SBS, JP and Mr. Hung Ngai, Stephen 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 Key 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 in partnership with all sectors of the community to provide value added and quality volunteer service.

The outbreak of COVID-19 since early 2020 continued to bring severe challenges to the economy and the businesses of different sectors. The Agency has endeavored to adopt new strategies such as virtual or hybrid mode of service delivery to meet the community needs and the changing environment. Despite the adversities, most services were performed fairly well and the financial condition for the year remained healthy, with a recorded surplus of around HK\$3.2 million.

In the year under review, the Agency initiated various programmes and services in collaboration with partner organizations to help those in need.

The Hongkong Bank Foundation has approved \$1.8M for the volunteer project "Share-Your-Dreams" which was started in June 2021 with a view to engaging the volunteers of HSBC to help the underprivileged making their dreams come true.

The China Gas Charity Foundation has donated \$1M 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.

Supported by corporate partners and loyal donors, the 9th Hong Kong Volunteer Award was organized to recognize outstanding volunteers' contribution and achievements 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 the outstanding volunteers, volunteer groups and business corporations selected by the Award Judging Panel in November 2021.

The volunteer engagement system – Volunteer Hong Kong ("V-HK"), which had taken years for development was fully operational in 2021. As a partner organization of the Hong Kong Jockey Club Citywide Programme to promote volunteerism, we are actively implementing the V-HK system modifications with the IT consultants to prepare for its launch in early 2023.

AGENCY FOR VOLUNTEER SERVICE
義務工作發展局

REPORT OF THE DIRECTORS (CONTINUED)

Business review (Continued)

In light of the restrictions on social gatherings, the AVS Jubilee Gala Dinner originally scheduled for November 2020 was held in 2 sessions on 24 and 25 November 2021. It was to share and celebrate the Agency's achievements with stakeholders, volunteers and supporters.

Principal Risks and Uncertainties

The Agency is under constant pressure to meet the increasing service demands under stringent funding resources. Current service provision has outgrown the existing office space. The Agency is always on the lookout for affordable office space for its current and future needs. The lack of space, together with tight financial resources, limits the ability to increase manpower. To address the issue, one of the Agency's major strategies is to strengthen the use of IT technology. This translates to the significant input of upfront costs to develop the infrastructure as well as an increasing operating cost to maintain and upgrade the systems. To continue to provide quality services and to sustain growth in the future, dialogue with the Government on the need for funding increase has been ongoing.

Another challenge faced by the Agency is the high staff turnover, especially for officer and assistant grade staff. With reference to the findings from the staff exit survey, the Agency has strived to offer a more competitive employment package within the available financial resources in order to retain and attract talents.

Due to the social distancing measures in relation to COVID-19, fund raising activities were suspended in the year. AVS V-Run & Walk 2021/22 which was originally scheduled for January 2022 to raise HK\$600,000 to support the operations and development was cancelled.

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. However, we need to provide adequate users' training to help staff and volunteer staff familiarize themselves with the new workflow and develop the knowledge and skills on using the new technologies. Staff workshops on Artificial Intelligence, Virtual Reality and Robotic devices have also been organized to inspire more service innovations. However, to catch up with the growing demand for digital transformation, more resources will be allocated to technological enhancement.

The Hong Kong Institute of Volunteers has set up a YouTube Channel which was enriched with more diversified and professional topics. Training videos were put online to facilitate better engagement on social media. Greater efforts will be deployed to digital media promotion in order to cope with the new trend of communication.

The Hong Kong Volunteer Award ("HKV-Award") inheriting the Social Welfare Department's Volunteer Movement functions, and co-organized by the Home Youth Affairs Bureau (the "HYAB") and the Agency, was launched in August 2022. It is dedicated to recognizing the contributions and achievements of outstanding volunteers, corporations and organizations from different sectors, cross-sectoral partnership projects, caring estates and caring schools to motivate more people, particularly the youth, to participate in volunteering and care for the underprivileged, and to unite the power of the community to build a caring and inclusive society.

AGENCY FOR VOLUNTEER SERVICE
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REPORT OF THE DIRECTORS (CONTINUED)

Business review (Continued)

Financial Performance

The total income of HK\$30.8 million for 2021/22 was around 1% less than that (HK\$31.2 million) of 2020/21. It was mainly due to the decrease in subventions, grants and allocations on designated projects, training and service fees and fundraising income. The total expenditure dropped by 6% from HK\$29.5 million in 2020/21 to HK\$27.6 million in 2021/22, which was largely caused by the decrease in programme and fundraising expenditure. The total expenditure of HK\$27.6 million included manpower cost of HK\$19.7 million (71%) and operation and programme costs of HK\$7.9 million (29%).

The Agency recorded reserves of HK\$16.1 million as at 31 March 2022, which included the General Fund of HK\$7.9 million, the Operation Contingency Fund of HK\$2.9 million and the Agency Development Fund of HK\$5.3 million. The latter two funds are maintained to meet contingency or any unexpected financial needs and for the future development of the Agency.

COVID-19 has continuously brought uncertainty to business operations and the overall economy. The financial statements have reflected the known impact of the pandemic on the financial position and cash flows as at 31 March 2022. The Agency will closely monitor the development of the pandemic and continue to assess its impact on the financial position and operating results.

Environmental Policies

The Agency has noted 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 IT systems such as the digital registration and electronic payment media. 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 "HYAB". 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.

AGENCY FOR VOLUNTEER SERVICE
義務工作發展局

REPORT OF THE DIRECTORS (CONTINUED)

Business review (Continued)

Key Relationships with Employees, Customers and Suppliers

Providing a safe and healthy working environment is one of the priorities of the Agency. In response to the COVID-19 outbreak, we have issued a set of guidelines including special service operation and work-from-home arrangements, health declaration measures, vaccine policy and Rapid Antigen Tests to protect staff, volunteers and service users. The guidelines were in line with the directives from the Government and are under constant review according to the development of COVID-19.

To encourage continuous professional development, the Agency organized staff development programmes on different topics. We also sponsored staff to attend local or overseas conferences 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 social distancing 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. Despite COVID-19, they were kept in frequent contact and, as appropriate, were invited to the annual general meeting and related activities in person or via virtual means, where they could meet with the Board and Committee members, staff and volunteer staff and the management team.

Permitted indemnity provisions

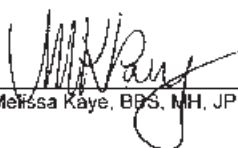
During the year, the Agency had in force a professional indemnity insurance for the benefit of the directors in respect of potential liabilities and costs associated with legal actions that might be brought against the directors.

Auditor

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 auditor 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, 27 SEP 2022



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 10 to 45, which comprise the Statement of Financial Position as at 31 March 2022, 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 2022, 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.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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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.

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.



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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

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.

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.



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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)

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

- 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.

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, 27 SEP 2022

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 2022**

	Note	2022				2021			
		Recurrent programmes HK\$	Designated projects HK\$	Allocated projects HK\$	Total HK\$	Recurrent programmes HK\$	Designated projects HK\$	Allocated projects HK\$	Total HK\$
Income									
Government subventions and funds	5	17,389,604	261,700	-	17,651,304	17,490,129	545,290	-	18,035,419
Allocations, donations and fundraising income	6	7,674,884	3,747,718	-	11,422,602	7,609,917	3,731,760	-	11,341,677
Registration and service fee income		983,700	-	-	983,700	626,770	-	-	626,770
Other income	7	1,237,266	1	-	1,237,267	1,412,112	9	-	1,412,121
Less: Elimination of internal income		-	-	-	(452,504)	-	-	-	(232,572)
Total income		<u>27,285,454</u>	<u>4,009,419</u>	<u>-</u>	<u>30,842,369</u>	<u>27,138,928</u>	<u>4,277,059</u>	<u>-</u>	<u>31,183,415</u>
Expenditure									
Personal emoluments		19,207,542	464,160	-	19,671,702	18,577,170	535,462	-	19,112,632
General and administrative expenses		3,997,030	-	-	3,997,030	3,618,403	-	-	3,618,403
Expenses for fundraising projects		2,196	-	-	2,196	-	-	-	-
Service and programme expenses		2,050,214	2,290,954	-	4,341,168	2,358,562	4,572,853	-	6,931,415
Finance costs		51,632	-	-	51,632	60,615	-	-	60,615
Less: Elimination of internal expenses		-	-	-	(452,504)	-	-	-	(232,572)
Total expenses	8	<u>25,308,614</u>	<u>2,755,114</u>	<u>-</u>	<u>27,611,224</u>	<u>24,614,750</u>	<u>5,108,315</u>	<u>-</u>	<u>29,490,493</u>
Surplus for the year		<u>1,976,840</u>	<u>1,254,305</u>	<u>-</u>	<u>3,231,145</u>	<u>2,524,178</u>	<u>(831,256)</u>	<u>-</u>	<u>1,692,922</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 2022**

	Note	2022 HK\$	2021 HK\$
ASSETS			
Non-current assets			
Property, plant and equipment	10	40,087	72,930
Right-of-use assets	11	3,074,823	1,418,720
Intangible assets	12	-	-
		<u>3,114,910</u>	<u>1,491,650</u>
Current assets			
Account and other receivables	13	398,086	2,800,395
Prepayments and deposits		664,460	756,187
Cash and cash equivalents	14	22,518,492	23,211,835
		<u>23,581,038</u>	<u>26,768,417</u>
Total assets		<u>26,695,948</u>	<u>28,260,067</u>
FUNDS			
Agency's funds			
General fund	15	7,845,393	6,389,154
Agency development fund	16	5,347,501	5,347,501
Operation contingency fund	17	2,940,000	2,940,000
		<u>16,132,894</u>	<u>14,676,655</u>
Restricted funds			
Other designated services	18	2,575,945	1,754,464
Block grant reserve	19	421,136	345,210
Lump Sum Grant reserve	20	1,224,444	1,141,105
Provident fund reserve under Lump Sum Grant	21	304,696	279,750
HYAB subvention reserve (formerly HAB subvention reserve)	22	515,320	462,487
		<u>5,041,541</u>	<u>3,983,016</u>
Total funds		<u>21,174,435</u>	<u>18,659,671</u>

AGENCY FOR VOLUNTEER SERVICE
義務工作發展局

STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 MARCH 2022

	Agency's funds							Restricted funds			
	General fund	Agency development fund	Operation contingency fund	HYAB reserve	Lump Sum Grant reserve	Provident fund reserve under Lump Sum Grant	Block grant reserve	Other designated services	Total		
Balance at 1 April 2020	4,221,111	5,347,501	2,940,000	834,753	1,061,630	242,284	378,913	2,680,662	17,706,854		
Surplus/(deficit) for the year	2,524,178	-	-	-	-	-	-	(831,256)	1,692,922		
Transfer to/(from) General fund to/(from) Agency development fund	(613,659)	-	-	-	79,475	37,486	(33,703)	-	(530,421)		
Transfer to/(from) HYAB subvention reserve to/(from) General fund	287,020	-	-	(372,266)	-	-	-	-	(85,246)		
Transfers of funds upon completion of designated projects:											
- Inno Carnival 2020	8,328	-	-	-	-	-	-	(8,328)	-		
- 50A Tree Planting Day	(8,812)	-	-	-	-	-	-	8,812	-		
- Stand with Medics	988	-	-	-	-	-	-	(988)	-		
- Online Payment by Fusion	(30,000)	-	-	-	-	-	-	30,000	-		
- Walking with Elderly in Community	-	-	-	-	-	-	-	(101,324)	(101,324)		
- Fight Coronavirus Together Volunteer Care Action	-	-	-	-	-	-	-	(23,114)	(23,114)		
Balance at 31 March 2021	6,389,154	5,347,501	2,940,000	462,487	1,141,105	279,750	345,210	1,754,464	18,659,671		

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AGENCY FOR VOLUNTEER SERVICE
義務工作發展局

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2022

	Note	2022 HK\$	2021 HK\$
LIABILITIES			
Non-current liabilities			
Lease liabilities	11	1,698,931	279,564
Current liabilities			
Account and other payables		1,629,234	2,220,576
Receipts in advance		257,060	5,045,676
Provision for employee benefit obligations		546,453	788,903
Lease liabilities	11	1,389,835	1,265,677
		3,822,582	9,320,832
Total liabilities		5,521,513	9,600,396
Total funds and liabilities		26,695,948	28,260,067

Approved and authorised for issue by the Board of Directors on 27 SEP 2022

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

Ms. Lam Tying 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 CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 HK\$	2021 HK\$
Cash flows from operating activities			
Surplus for the year		3,231,145	1,692,922
Adjustments for:			
COVID-19-related rent concessions	7	(902,900)	(1,072,980)
Depreciation of property, plant and equipment	10	32,843	45,226
Depreciation of right-of-use assets	11	1,630,030	1,585,042
Interest income	7	(30,219)	(89,710)
Interest expenses on lease liabilities	11	51,632	60,615
		<u>4,012,531</u>	<u>2,221,115</u>
Changes in working capital			
Account and other receivables		2,402,309	(906,339)
Prepayments and deposits		91,727	(3,113)
Account and other payables		(1,307,723)	(310,292)
Provision for employee benefit obligations		(242,450)	101,745
Receipts in advance		(4,788,616)	4,705,690
Net cash generated from operating activities		<u>167,778</u>	<u>5,808,806</u>
Cash flows from investing activities			
Additions of property, plant and equipment	10, 25	(571,559)	(1,226,406)
Additions of intangible assets	12	(1,552,840)	(1,489,266)
(Increase)/decrease in time deposits with original maturity of over three months		(433,480)	(1,009,007)
Interest income	7	30,219	89,710
Net cash used in from investing activities		<u>(2,527,660)</u>	<u>(3,634,969)</u>
Cash flows from financing activities			
COVID-19-related rent concessions	7	902,900	1,072,980
Principal element of lease liabilities	11(c)	(1,742,608)	(1,719,525)
Interest expenses on lease liabilities	11	(51,632)	(60,615)
Received from government grant and other funds and donations for property, plant and equipment and intangible assets		2,124,399	2,600,714
Net cash generated from financing activities		<u>1,233,059</u>	<u>1,893,554</u>
Net increase in cash and cash equivalents		(1,126,823)	4,067,391
Cash and cash equivalents at the beginning of the financial year		<u>22,202,828</u>	<u>18,135,437</u>
Cash and cash equivalents at the end of the financial year	14	<u>21,076,005</u>	<u>22,202,828</u>

AGENCY FOR VOLUNTEER SERVICE
義務工作發展局

STATEMENT OF CHANGES IN FUNDS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

	Agency's funds				Restricted funds				Total HK\$
	General fund HK\$	Agency development fund HK\$	Operation contingency fund HK\$	HYAB subvention reserve HK\$	Lump Sum Grant reserve HK\$	Provident fund reserve under Lump Sum Grant HK\$	Block grant reserve HK\$	Other designated services HK\$	
Balance at 1 April 2021	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 & Rehab Services	-	-	-	-	-	-	-	(7,407)	(7,407)
- "V-Union" Volunteer Programme II	-	-	-	-	-	-	-	(82,645)	(82,645)
Balance at 31 March 2022	<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>

The accompanying notes form an integral part of these financial statements

AGENCY FOR VOLUNTEER SERVICE
義務工作發展局

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

	2022 HK\$	2021 HK\$
Analysis of balances of cash and cash equivalents:		
Cash at bank and on hand	3,726,070	3,651,690
Time deposits:		
- Original maturity of three months or less	17,349,935	18,551,138
- Original maturity of over three months	<u>1,442,487</u>	<u>1,009,007</u>
Cash and cash equivalents as stated in the Statement of financial position	22,518,492	23,211,835
Less: Time deposits with original maturity of over three months	<u>(1,442,487)</u>	<u>(1,009,007)</u>
Cash and cash equivalents per Statement of cash flows	<u>21,076,005</u>	<u>22,202,828</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 2022

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 ("HKFRSs") and the requirements of the Companies Ordinance Cap.622. The financial statements have been prepared on a historical basis.

2.2 New and amended standards adopted by the Agency

The Agency has applied the following amendment for the annual reporting period commencing 1 April 2021:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendment to HKFRS 9,	Interest Rate Benchmark Reform – Phase 2
HKAS 39, HKFRS 7,	
HKFRS 4, and HKFRS 16	

The adoption of these amendments has no material impact on the Agency's financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Summary of significant accounting policies (Continued)

2.3 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.

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 2.5). 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.

2.4 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Summary of significant accounting policies (Continued)

2.5 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Summary of significant accounting policies (Continued)

2.6 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 finance 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.

(d) Impairment

The Agency assesses on a forward-looking basis the expected credit losses 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Summary of significant accounting policies (Continued)

2.7 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.

2.8 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.

2.9 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.

2.10 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.

2.11 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Summary of significant accounting policies (Continued)

2.11 Revenue recognition (Continued)

- (e) Membership subscriptions are recognised when received.
- (f) Interest income is recognised as other income as it accrues using the effective interest method.

2.12 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.

2.13 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Summary of significant accounting policies (Continued)

2.14 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:

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

To determine the incremental borrowing rate, the Agency:

- 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
- 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
- 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Summary of significant accounting policies (Continued)

2.14 Leases (Continued)

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:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- 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. Low-value assets comprise light box.

2.15 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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 has no loan or trading debt as at 31 March 2022. 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.

(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 Expected Credit Losses (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.

AGENCY FOR VOLUNTEER SERVICE
義務工作發展局

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. Financial and capital risks management (Continued)

3.2 Financial risk management (Continued)

(c) Liquidity risk (Continued)

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\$
At 31 March 2022				
Account and other payables	1,629,384	-	-	1,629,384
Lease liabilities	1,455,531	1,737,300	-	3,192,831
Total	<u>3,084,915</u>	<u>1,737,300</u>	<u>-</u>	<u>4,822,215</u>

At 31 March 2021

Account and other payables	2,220,576	-	-	2,220,576
Lease liabilities	1,288,500	281,934	-	1,570,434
Total	<u>3,509,076</u>	<u>281,934</u>	<u>-</u>	<u>3,791,010</u>

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:

AGENCY FOR VOLUNTEER SERVICE
義務工作發展局

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

4. Critical accounting estimates and judgements (Continued)

(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) Expected credit losses (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.

5. Government subventions and funds

	2022			2021		
	Recurrent programmes HK\$	Designated projects HK\$	Total HK\$	Recurrent programmes HK\$	Designated projects HK\$	Total HK\$
Home and Youth Affairs Bureau (Formerly Home Affairs Bureau)						
- Subvention (note a)	11,039,782	-	11,039,782	11,285,782	170,000	11,455,782
- Other grants and funds	-	-	-	-	234,290	234,290
Social Welfare Department						
- Lump Sum Grant (note b)	6,245,822	-	6,245,822	6,105,347	-	6,105,347
- Other grants and funds	-	200,500	200,500	-	115,800	115,800
Lotteries Fund						
- Furniture and Equipment Replenishment and Minor Works Block Grant (note 19)	104,000	-	104,000	99,000	-	99,000
- Social Welfare Development Fund	-	48,000	48,000	-	12,000	12,000
- Pilot Project on Provision of Wi-Fi Service	-	13,200	13,200	-	13,200	13,200
	<u>17,389,604</u>	<u>261,700</u>	<u>17,651,304</u>	<u>17,490,129</u>	<u>545,290</u>	<u>18,035,419</u>

AGENCY FOR VOLUNTEER SERVICE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. Government subventions and funds (Continued)

Notes:

- (a) The subvention from Home and Youth Affairs Bureau (formerly Home 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").

6. Allocations, donations and fundraising income

	2022				2021			
	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	5,376,475	155,645	-	5,532,120
The Hong Kong Jockey Club Charities Trust	2,015,000	1,573,303	-	3,588,303	2,015,000	1,900,870	-	3,915,870
Fund raising income	133,570	-	-	133,570	-	-	-	-
Sponsorship/donation income	497,114	2,174,415	-	2,671,529	218,442	1,675,245	-	1,893,687
	<u>7,674,884</u>	<u>3,747,718</u>	<u>-</u>	<u>11,422,602</u>	<u>7,609,917</u>	<u>3,731,760</u>	<u>-</u>	<u>11,341,677</u>

7. Other income

	2022				2021			
	Recurrent programmes	Designated projects	Allocated projects	Total	Recurrent programmes	Designated projects	Allocated projects	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Interest income	30,218	1	-	30,219	89,701	9	-	89,710
Membership subscriptions	11,101	-	-	11,101	13,500	-	-	13,500
Administration support recovery	280,287	-	-	280,287	218,692	-	-	218,692
COVID-19-related rent concessions	902,900	-	-	902,900	1,072,980	-	-	1,072,980
Sundry income	12,760	-	-	12,760	17,239	-	-	17,239
	<u>1,237,266</u>	<u>1</u>	<u>-</u>	<u>1,237,267</u>	<u>1,412,112</u>	<u>9</u>	<u>-</u>	<u>1,412,121</u>

AGENCY FOR VOLUNTEER SERVICE
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8. Expenditure

	2022				2021			
	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	18,248,380	441,425	-	18,689,805	17,285,617	505,923	-	17,791,540
Provident fund	1,201,612	22,735	-	1,224,347	1,189,808	29,539	-	1,219,347
Provision for employee benefit obligations	(242,450)	-	-	(242,450)	101,745	-	-	101,745
	<u>19,207,542</u>	<u>464,160</u>	<u>-</u>	<u>19,671,702</u>	<u>18,577,170</u>	<u>535,462</u>	<u>-</u>	<u>19,112,632</u>
<u>General & administration expenses</u>								
Audit fee	55,000	-	-	55,000	53,000	-	-	53,000
Agency's affairs	78,714	-	-	78,714	103,211	-	-	103,211
Depreciation								
- Property, plant and equipment	32,843	-	-	32,843	45,226	-	-	45,226
- Right-of-use assets	1,630,030	-	-	1,630,030	1,585,042	-	-	1,585,042
General office expenses	812,506	-	-	812,506	617,035	-	-	617,035
Insurance	119,074	-	-	119,074	115,123	-	-	115,123
Rent	185,844	-	-	185,844	185,845	-	-	185,845
Rates	47,593	-	-	47,593	30,092	-	-	30,092
Management fee	205,422	-	-	205,422	166,848	-	-	166,848
Repairs and maintenance	201,544	-	-	201,544	271,706	-	-	271,706
Staff development and welfare	223,470	-	-	223,470	176,396	-	-	176,396
Staff recruitment	42,926	-	-	42,926	35,001	-	-	35,001
Utilities	206,221	-	-	206,221	110,713	-	-	110,713
Volunteer staff support	155,843	-	-	155,843	123,165	-	-	123,165
	<u>3,997,030</u>	<u>-</u>	<u>-</u>	<u>3,997,030</u>	<u>3,618,403</u>	<u>-</u>	<u>-</u>	<u>3,618,403</u>
<u>Expenses for fundraising projects</u>	<u>2,196</u>	<u>-</u>	<u>-</u>	<u>2,196</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Service and programme expenses</u>	<u>2,050,214</u>	<u>2,290,954</u>	<u>-</u>	<u>4,341,168</u>	<u>2,358,562</u>	<u>4,572,853</u>	<u>-</u>	<u>6,931,415</u>
<u>Finance costs</u>								
Interest expenses on lease liabilities	51,632	-	-	51,632	60,615	-	-	60,615
Less: Elimination of internal charges	-	-	-	(452,504)	-	-	-	(232,572)
	<u>25,308,614</u>	<u>2,755,114</u>	<u>-</u>	<u>27,611,224</u>	<u>24,614,750</u>	<u>5,108,315</u>	<u>-</u>	<u>29,490,493</u>

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9. Employee benefit expenses

	2022 HK\$	2021 HK\$
Personal emoluments included in:		
- Recurrent programmes	19,207,542	18,577,170
- Designated programmes		
Salaries	441,425	505,923
Provident fund	22,735	29,539
	464,160	535,462
	<u>19,671,702</u>	<u>19,112,632</u>

10. Property, plant and equipment

	Computers HK\$	Furniture and equipment HK\$	Leasehold improvements HK\$	Total HK\$
Cost				
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>
Less: Government grant related assets				
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>
Less: Other fund and donation related assets				
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>
Less: Accumulated depreciation				
At 1 April 2021	462,174	353,168	195,335	1,010,677
Charge for the year	25,163	7,680	-	32,843
Written back	(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>
Net book value				
At 31 March 2022	<u>25,492</u>	<u>14,595</u>	<u>-</u>	<u>40,087</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Property, plant and equipment (Continued)

	Computers HK\$	Furniture and equipment HK\$	Leasehold improvements HK\$	Total HK\$
Cost				
At 1 April 2020	2,136,558	1,225,871	4,990,389	8,352,818
Additions	1,132,635	93,771	-	1,226,406
Transfer from intangible assets	39,875	-	-	39,875
Written off	(160,303)	(135,231)	-	(295,534)
At 31 March 2021	<u>3,148,765</u>	<u>1,184,411</u>	<u>4,990,389</u>	<u>9,323,565</u>
Less: Government grant related assets				
At 1 April 2020	1,610,068	737,100	4,795,054	7,142,222
Transfer to Government grant related assets	543,640	81,586	-	625,226
Written off	(116,930)	(21,903)	-	(138,833)
At 31 March 2021	<u>2,036,778</u>	<u>796,783</u>	<u>4,795,054</u>	<u>7,628,615</u>
Less: Other fund and donation related assets				
At 1 April 2020	-	-	-	-
Transfer to Other fund and donation related assets	559,283	12,185	-	571,468
Transfer from intangible assets	39,875	-	-	39,875
At 31 March 2021	<u>599,158</u>	<u>12,185</u>	<u>-</u>	<u>611,343</u>
Less: Accumulated depreciation				
At 1 April 2020	468,663	458,154	195,335	1,122,152
Charge for the year	36,884	8,342	-	45,226
Written back	(43,373)	(113,328)	-	(156,701)
At 31 March 2021	<u>462,174</u>	<u>353,168</u>	<u>195,335</u>	<u>1,010,677</u>
Net book value				
At 31 March 2021	<u>50,655</u>	<u>22,275</u>	<u>-</u>	<u>72,930</u>

AGENCY FOR VOLUNTEER SERVICE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. 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:

	2022 HK\$	2021 HK\$
Balance brought forward	1,418,720	2,636,555
Additions	3,286,133	367,207
Depreciation for the year	<u>(1,630,030)</u>	<u>(1,585,042)</u>
Balance carried forward	<u>3,074,823</u>	<u>1,418,720</u>

(ii) Lease liabilities

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

	2022 HK\$	2021 HK\$
Balance brought forward	1,545,241	2,897,559
Additions	3,286,133	367,207
Interest expenses	51,632	60,615
Payments	<u>(1,794,240)</u>	<u>(1,780,140)</u>
Balance carried forward	3,088,766	1,545,241
Less: current portion	<u>(1,389,835)</u>	<u>(1,265,677)</u>
Non-current portion	<u>1,698,931</u>	<u>279,564</u>

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

	2022 HK\$	2021 HK\$
Depreciation of right-of-use assets	1,630,030	1,585,042
Interest expenses on lease liabilities	51,632	60,615
Expenses related to short-term leases	185,844	185,844
Expenses related to low-value operating leases	-	1
	<u>1,867,506</u>	<u>1,831,502</u>

(c) Cash outflow for leases

	2022 HK\$	2021 HK\$
Within operating activities	185,844	185,845
Within financing activities	<u>891,340</u>	<u>707,160</u>
	<u>1,077,184</u>	<u>893,005</u>

AGENCY FOR VOLUNTEER SERVICE
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NOTES TO THE FINANCIAL STATEMENTS
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11. 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.

12. Intangible assets

	2022 HK\$	2021 HK\$
Cost		
At beginning of year	3,593,986	2,144,595
Additions	1,552,840	1,489,266
Transfer to Property, plant and equipment	-	<u>(39,875)</u>
At end of year	<u>5,146,826</u>	<u>3,593,986</u>
Less: Government grant related assets		
At beginning of year	187,520	68,280
Transfer to Government grant related assets	-	<u>119,240</u>
At end of year	<u>187,520</u>	<u>187,520</u>
Less: Other fund and donation related assets		
At beginning of year	3,406,466	2,076,315
Transfer to Other fund and donation related assets	1,552,840	1,370,026
Transfer to Property, plant and equipment	-	<u>(39,875)</u>
At end of year	<u>4,959,306</u>	<u>3,406,466</u>
Less: Accumulated depreciation		
At beginning of year	-	-
Charge for the year	-	-
At end of year	<u>-</u>	<u>-</u>
Net book value		
At end of year	<u>-</u>	<u>-</u>

AGENCY FOR VOLUNTEER SERVICE
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**NOTES TO THE FINANCIAL STATEMENTS
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13. Account and other receivables

Included in account and other receivables as at 31 March 2021 was HK\$1,900,870 in relation to the Volunteer – Hong Kong programme, the amount of which had been fully settled after the end of the relevant financial year.

14. Cash and cash equivalents

	2022	2021
	HK\$	HK\$
Cash at bank	3,702,240	3,627,860
Cash on hand	23,830	23,830
Time deposits with original maturity of three months or less	<u>17,349,935</u>	<u>18,551,138</u>
Cash and cash equivalents as presented in the Statement of cash flows	21,076,005	22,202,828
Time deposits with original maturity of over three months	<u>1,442,487</u>	<u>1,009,007</u>
Cash and cash equivalents as presented in the Statement of financial position	<u>22,518,492</u>	<u>23,211,835</u>

15. General Fund

General Fund represented the accumulated surplus of the Agency.

16. Agency Development Fund

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

17. Operation Contingency Fund

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

AGENCY FOR VOLUNTEER SERVICE
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**NOTES TO THE FINANCIAL STATEMENTS
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18. Other designated services

	2022	2021
	HK\$	HK\$
4C Youth Volunteer Leadership Project "Self-initiated Service Subsidy Scheme"	37,735	44,608
6 th round of UNV-Hong Kong Universities Volunteer Internship Programme – Operation cost and Fieldwork Trip (note a)	-	361,920
Care for the Elderly Charity Ticket Campaign - 敬老護老愛心券慈善義賣 (note b)	196,545	166,693
CLP Energy Saving Programme	-	(17,419)
Give a Day, Get a Disney Day (note c)	14,298	124,282
Hong Kong Volunteer Award (note d)	815,672	1,677,710
Hong Kong Volunteer Awardees Society (note e)	321,417	225,437
Social Welfare Development Fund Phase III (Financial Management System) (note f)	-	254,900
Social Welfare Development Fund Phase III (Training and Professional Development Programmes) (note g)	30,210	8,252
Social Welfare Development Fund Phase III (WGE Membership System) (note h)	-	(15,617)
Lotteries Fund Pilot Project on Provision of Wi-Fi Service (note i)	23,170	22,654
Volunteer-Hong Kong (note j)	-	(1,271,900)
"V-Union" Volunteer Programme II (note k)	-	116,852
SWD Subsidy for Organising Social Activities for the Elderly	-	-
SWD Subsidy for Stepping up Preventive Measures Against the Spread of COVID-19 (6 th Round)	20,000	-
SWD Subsidy for Time-Limited Posts for Elderly & Rehab Services Phase II/ Phase I	31,677	31,352
Hong Kong Volunteer Award Story Book (note l)	-	24,740
Hong Kong Volunteer Awardees Society Elderly Services Project (note m)	45,522	-
"Share-Your-Dreams" Volunteer Project (note n)	291,073	-
"Let's do it" Volunteer Project (note o)	702,301	-
Family Plus 2021/22 (note p)	46,325	-
	<u>2,575,945</u>	<u>1,754,464</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. 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 2022 were disclosed below:

(a) 6th round of UNV-Hong Kong Universities Volunteer Internship Programme – Operation cost and Fieldwork Trip

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. Movements during the year were as follows:

	2022	2021
	HK\$	HK\$
Balance brought forward	361,920	360,138
Total income for the year	-	234,290
Total expenditure for the year	-	(232,508)
Surplus for the year	-	1,782
Refund	(361,920)	-
Balance carried forward	-	361,920

(b) 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:

	2022	2021
	HK\$	HK\$
Balance brought forward	166,693	150,298
Total income for the year	36,000	17,000
Total expenditure for the year	(6,148)	(605)
Surplus for the year	29,852	16,395
Balance carried forward	196,545	166,693

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

18. Other designated services (Continued)

(c) Give a Day, Get a Disney Day

The Give a Day, Get a Disney Day aims to mobilise the Hong Kong people to serve the community for building a harmonious society. Volunteers who have performed service of 10 hours are eligible to apply for a complimentary 1-day ticket to Hong Kong Disneyland via their service organisations. Movements for the year were as follows:

	2022	2021
	HK\$	HK\$
Balance brought forward	124,282	220,718
Total income for the year	-	170,500
Total expenditure for the year	(109,984)	(266,936)
Surplus/(deficit) for the year	(109,984)	(96,436)
Balance carried forward	14,298	124,282

(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:

	2022	2021
	HK\$	HK\$
Balance brought forward	1,677,710	824,549
Total income for the year	-	970,000
Total expenditure for the year	(751,648)	(116,839)
(Deficit)/surplus for the year	(751,648)	853,161
Transferred to Hong Kong Volunteer Award Story Book (note 18 (l))	(110,390)	-
Balance carried forward	815,672	1,677,710

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18. Other designated services (Continued)

(e) Hong Kong Volunteer Awardees Society

The Society aims at pooling the strengths and experience of the award recipients, 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:

	2022	2021
	HK\$	HK\$
Balance brought forward	225,437	107,669
Total income for the year	100,000	121,584
Total expenditure for the year	<u>(4,020)</u>	<u>(3,816)</u>
Surplus for the year	95,980	117,768
Balance carried forward	<u>321,417</u>	<u>225,437</u>

(f) Social Welfare Development Fund Phase III (the Financial Management System, the "FMS")

With the aim to enhance the capabilities of the FMS, the Social Welfare Development Fund Phase III (the "SWDF3") of the Social Welfare Department (the "SWD") approved a grant of HK\$620,000 for the replacement of the FMS subvented by the LSG of the SWD. Movements during the year were as follows:

	2022	2021
	HK\$	HK\$
Balance brought forward	254,900	509,844
Interest received during the year	-	5
Total expenditure for the year	<u>(374,576)</u>	<u>(254,949)</u>
Deficit for the year	(374,576)	(254,944)
Absorbed by General fund	119,709	-
Refund	<u>(33)</u>	<u>-</u>
Balance carried forward	<u>-</u>	<u>254,900</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. Other designated services (Continued)

(g) Social Welfare Development Fund Phase III (3rd 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:

	2022	2021
	HK\$	HK\$
Balance brought forward	8,252	-
Allocation from the SWDF3 for the year	48,000	12,000
Interest received for the year	1	2
Total expenditure for the year	<u>(26,043)</u>	<u>(3,750)</u>
Surplus for the year	21,958	8,252
Balance carried forward	<u>30,210</u>	<u>8,252</u>

(h) Social Welfare Development Fund Phase III (WGE Membership System)

With the aim to enhance the capabilities of the WGE membership management, the SWDF3 of the SWD approved a grant of HK\$280,000 for the development of the Membership Attendance and Service Management System. Movements during the year were as follows:

	2022	2021
	HK\$	HK\$
Balance brought forward	(15,617)	131,532
Interest received for the year	-	1
Total expenditure for the year	<u>(6,589)</u>	<u>(147,150)</u>
Deficit for the year	(6,589)	(147,149)
Absorbed by General fund	46,000	-
Refund	<u>(23,794)</u>	<u>-</u>
Balance carried forward	<u>-</u>	<u>(15,617)</u>

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18. Other designated services (Continued)

- (i) Lotteries Fund Pilot Project on Provision of Wi-Fi Service for Eligible Welfare Service Units Operated by Organisation Receiving Subventions / Subsidies from the SWD

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

	2022 HK\$	2021 HK\$
Income		
Lotteries Fund Grant	13,200	13,200
Expenditure		
Technical set-up and installation cost	-	(45,000)
Operating expenses	(12,684)	(3,746)
Total expenditure	(12,684)	(48,746)
Surplus/(deficit) for the year	516	(35,546)
Cumulated income brought forward	71,400	58,200
Cumulated expenditure brought forward	(48,746)	-
Cumulated surplus brought forward	22,654	58,200
Cumulated surplus carried forward	23,170	22,654

- (j) 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 continuous enhancement in 2022. The grant is received based on the actual claim of project expenditure. Movements for the year were as follows:

	2022 HK\$	2021 HK\$
Balance brought forward	(1,271,900)	-
Total income for the year	1,573,303	1,900,870
Total expenditure for the year	(182,163)	(3,172,770)
Surplus/(deficit) for the year	1,391,140	(1,271,900)
Transferred to General fund	(119,240)	-
Balance carried forward	-	(1,271,900)

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FOR THE YEAR ENDED 31 MARCH 2022**

18. Other designated services (Continued)

- (k) "V-Union" Volunteer Programme II

Donation of HK\$210,000 was approved by the Leung Mui Charity Foundation for visiting and serving hidden elderly to meet their needs in improving home environment and providing social activities. As a result of COVID-19, the programme was deferred to the end of December 2021. Movements for the year were as follows:

	2022 HK\$	2021 HK\$
Balance brought forward	116,852	134,745
Total expenditure for the year	(34,207)	(17,893)
Deficit for the year	(34,207)	(17,893)
Refund	(82,645)	-
Balance carried forward	-	116,852

- (l) Hong Kong Volunteer Award Story Book

The Community Chest granted HK\$155,645 for the production of a story book with a view to inspire more people to volunteer and to share good practice in volunteering for building a caring and harmonious society. Movements for the year were as follows:

	2022 HK\$	2021 HK\$
Balance brought forward	24,740	-
Total income for the year	-	155,645
Total expenditure for the year	(135,130)	(130,905)
(Deficit)/surplus for the year	(135,130)	24,740
Transferred from Hong Kong Volunteer Award (note 18 (d))	110,390	-
Balance carried forward	-	24,740

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**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2022**

18. Other designated services (Continued)

(m) Hong Kong Volunteer Awardees Society Elderly Services Project

Donation of HK\$100,000 was granted by the Ho Ying Chie Foundation for visiting & carrying out repair works for the elderly. Movements for the year were as follows:

	2022 HK\$
Total income for the year	100,000
Total expenditure for the year	<u>(54,478)</u>
Surplus for the year	<u>45,522</u>
Balance carried forward	<u>45,522</u>

(n) "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, the 18-month project was kicked off in June 2021. Movements for the year were as follows:

	2022 HK\$
Total income for the year	720,000
Total expenditure for the year	<u>(428,927)</u>
Surplus for the year	<u>291,073</u>
Balance carried forward	<u>291,073</u>

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

The China Gas Charity Foundation has donated \$1M 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:

	2022 HK\$
Total income for the year	1,000,000
Total expenditure for the year	<u>(297,699)</u>
Surplus for the year	<u>702,301</u>
Balance carried forward	<u>702,301</u>

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18. Other designated services (Continued)

(p) Family Plus Volunteer Scheme 2021/22

The scheme aims at encouraging family volunteering. Family volunteers with at least two members who completed a cumulative 8 hours of service are eligible to apply for a maximum of 4 complimentary tickets per family to Hong Kong Disneyland via 10 partner organisations. Movements for the year were as follows:

	2022 HK\$
Total income for the year	176,000
Total expenditure for the year	<u>(129,675)</u>
Surplus for the year	<u>46,325</u>
Balance carried forward	<u>46,325</u>

19. Block Grant Reserve

	2022 HK\$	2021 HK\$
Balance of the Block Grant Reserve brought forward from previous financial year	345,210	378,913
Add: Block Grant received during the year	104,000	99,000
Interest income received	8	6
	<u>104,008</u>	<u>99,006</u>
Less: Expenditure during the year:		
Minor Works Projects	(9,700)	(16,540)
Furniture & Equipment	<u>(18,382)</u>	<u>(116,169)</u>
	<u>(28,082)</u>	<u>(132,709)</u>
Surplus/(Deficit) for the year	<u>75,926</u>	<u>(33,703)</u>
Balance of Block Grant Reserve carried forward to the next financial year	<u>421,136</u>	<u>345,210</u>

The above grant was allocated by the SWD from the Lotteries Fund for furniture and equipment replenishment and minor works at the WGE.

At 31 March 2022, there were no outstanding commitments in respect of Furniture and Equipment Replenishment and Minor Works related to the Block Grant. (2021: Nil)

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20. Lump Sum Grant Reserve

	2022 HK\$	2021 HK\$
Balance brought forward	1,141,105	1,061,630
Net cash surplus for the year	312,010	647,362
Net changes in amount refundable for LSG surplus exceeding the prescribed ceiling	(203,725)	(530,421)
Provident Fund surplus transfer to Provident Fund reserve under LSG	(24,946)	(37,466)
Balance carried forward	<u>1,224,444</u>	<u>1,141,105</u>

The LSG was received from the SWD for operation of the WGE.

21. 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.

22. HYAB subvention reserve (formerly HAB subvention reserve)

The reserve represented subvention fund balance from the HYAB.

23. Key management personnel's remuneration of the Agency

	2022 HK\$	2021 HK\$
Salaries	3,444,481	3,586,108
Provident fund	238,983	282,502
Provision for employee benefit obligations	12,113	3,663
	<u>3,695,577</u>	<u>3,872,273</u>

(a) There are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities. (2021: 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. (2021: Nil)

24. Commitments

The future aggregate minimum lease payments under non-cancellable operating leases as at 31 March 2022 and 2021 are as follows:

	2022 HK\$	2021 HK\$
Within 1 year	<u>92,924</u>	<u>92,924</u>

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25. Notes to Statement of cash flows

During the year, purchases of property, plant and equipment were HK\$571,559, in which HK\$33,363 (2021: HK\$85,246) were made with funding from HYAB Subvention Reserve.

26. Possible impact of amendments, new standards and interpretations issued but not yet effective for the year

HKFRSs that have been issued but are not yet effective for the year include the following HKFRSs which may be relevant to the Agency's operations and financial statements:

	Effective for annual periods beginning on or after
Amendments to HKFRS 3, Reference to the Conceptual Framework	1 January 2022
Amendments to HKAS 16, Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to HKAS 37, Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to HKFRSs 2018-2020, Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41	1 January 2022
Amendments to HKAS 1, Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2, Disclosure of Accounting Policies	1 January 2023
Amendments to HKAS 8, Definition of Accounting Estimates	1 January 2023
Amendments to HKAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to HKFRS 10 and HKAS 28 (2011), Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	No mandatory effective date yet determined but available for adoption

The Agency has not early adopted these HKFRSs. The Agency is in the process of making an assessment on what the impact of these developments is expected to be in the period of initial application. Initial assessment has indicated that the adoption of these HKFRSs would not have a significant impact on the Agency's financial statements in the year of initial application.

27. Reclassifications of comparative figures

Certain amounts reflected in the previous year's financial statements have been reclassified to conform with the current year's presentation.