

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

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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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 2020.

**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 a neighbourhood elderly centre.

**Results and appropriations**

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

**Directors**

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

|                                |                                 |
|--------------------------------|---------------------------------|
| Dr. Shum Chi Wang              | Chairman                        |
| Mr. Fan Chor Ho, Paul, SBS, JP | Vice-Chairman                   |
| Ms. Tsang Pui Kuen, Camilla    | Vice-Chairman                   |
| 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       |                                 |
| Mr. Chan Ka Kui, SBS, JP       | (Resigned on 26 November 2019)  |
| Ms. Chiu Fung Yi, Kitty, MH    | (Appointed on 26 November 2019) |
| Mr. Choi Chun Sze, Johnson     |                                 |
| Mr. Hung Ngai, Stephen         | (Appointed on 26 November 2019) |
| Mr. Lai Nin, Alan, GBS, JP     |                                 |
| Ms. Loh Yu Hang, Anne          |                                 |
| Mr. Yung Ha Kuk, Victor        |                                 |
| Mr. Fung Ka Ching              | (Resigned on 26 November 2019)  |
| Mr. Yam Kevin                  | (Resigned on 26 November 2019)  |

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

## AGENCY FOR VOLUNTEER SERVICE

義務工作發展局

### REPORT OF THE DIRECTORS (CONTINUED)

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

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

#### Management contracts

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

#### Business review

##### *Business Performance and Important Events*

The Agency 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 year under review was an extraordinary one, full of unprecedented challenges. In response to the social unrest since June 2019 and the COVID-19 outbreak from January 2020, the Agency has adopted new strategies and revised the work plans in order to achieve the targets of the key performance indicators (the "KPIs"). Despite the difficult situation, most services were performed fairly well and the financial position of the Agency remains healthy, with a surplus of around HK\$3 million.

The number of Hong Kong Community Volunteers (the "HKCV") individual members was growing and peaked at 6,576 in August 2019. However, disrupted by the social unrest and the viral outbreak, many events and activities that would have engaged a large number of volunteers were cancelled. As a result, the KPIs on the number of members and service hours have slightly fallen short of the targets by 5% and 7%, respectively.

The Volunteer Talent Bank (the "VTB") was funded by HKJC Community Project Grant (the "CPG") to build a special volunteer talent force to provide quality service for the needy. The project managed to achieve 93% of the targets on service recipients and 149% on the number of volunteers. An amount of around HK\$6 million was granted by CPG for the next round of a 3-year plan from 2020 to 2023.

Regarding the training services of Hong Kong Institute of Volunteers (the "IoV"), notwithstanding the adverse situation, the application of online technology has yielded encouraging results. The number of training courses was over-achieved by 5% while the number of participants reached 99% of the target.

To promote quality practice of volunteering, Hong Kong Volunteer Charter Practice Reference Guide was debuted in March 2020.

## AGENCY FOR VOLUNTEER SERVICE

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### REPORT OF THE DIRECTORS (CONTINUED)

#### Business review (Continued)

##### *Business Performance and Important Events (Continued)*

For the UNV-Hong Kong Universities Volunteer Internship Programme, a new 3-year funding of around HK\$17 million was allocated by the Home Affairs Bureau (the "HAB") which covers the costs for overseas assignment, subsidy for fieldwork and the programme operation expenses. Besides, a new Cost Sharing Agreement was signed with the United Nations Volunteers (the "UNV") for three years effective from December 2019.

The Western Garden Neighbourhood Elderly Centre (the "WGE") has met all the KPI targets, including the dementia-related services, as the service demand of the elderly was even higher during the challenging times.

The 8th Hong Kong Volunteer Award was successfully carried out with its Presentation Ceremony held in January 2020.

As for fundraising, a total of \$1.4 million, representing 66% of the target, was raised during the year. The under-achievement was mainly due to the cancellation of the Flag Day street selling activity to be in line with the anti-virus measures enforced by the Government.

The plan for the 50th Anniversary Celebrations (the "50A") was formulated under the 50A Organizing Committee. With the Kick-off Ceremony held in January 2020, the major events including "Together. We Plant" Volunteering Greening Day, Volunteer Octopus Card, 50A Souvenir Book cum outstanding Volunteers' Stories and the Golden Jubilee Gala Dinner will be implemented from June 2020 throughout the year with the required budget and partnership.

The development of the volunteer engagement system - Volunteer Hongkong (the "V-HK") was on-track. Soft launch of this new system is expected in end of 2020.

The Agency has taken an active role in fighting the pandemic in its early outbreak. To assist the underprivileged to face the crisis, a number of Fight Coronavirus Together campaigns were conducted in early 2020. With the emergency fund of HK\$0.4 million from the HKJC, we mobilized about 160 NGOs to engage over 2,000 volunteers to care for more than 23,000 needy recipients.

In response to the urgent request by the Government in early February 2020, volunteers were recruited for non-medical and logistic support service to care for people in need. 188 volunteers have signed up for the service.

##### *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 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 on-going.

## AGENCY FOR VOLUNTEER SERVICE

義務工作發展局

### REPORT OF THE DIRECTORS (CONTINUED)

#### Business review (Continued)

##### *Principal Risks and Uncertainties (Continued)*

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.

The social unrest and the COVID-19 pandemic have hard hit the economy in Hong Kong. The impact may last for years. Besides the difficulty in fund raising, the service provision will also be seriously affected. The Agency has assessed the implications and formulated action plans to secure the financial and organizational sustainability.

##### *Future Development in Business*

2020 is the 50th anniversary of the Agency. Like the past five decades, we will continue to devote our efforts to developing and providing quality services in promoting further development of volunteerism.

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 V-HK program, the Financial Management System (the "FMS"), the WGE membership system and the Work Efficiency and Network Security Upgrading Project are all in progress. To catch up the growing demand for digital communication and online service, more resources will be allocated to technological development.

Environmental conservation is a service theme of the Agency. To build a sustainable future, the Volunteer Greening Day "Together. We Plant" that promote volunteering in environmental protection and public awareness to care for the planet was organized in June and July 2020. Moreover, in collaboration with the Government and other partner organizations, the project "Trees, We Care" will be initiated to engage volunteer participation in the planting and the protection of trees.

The Review on the Three-year Membership Strategic Plan of the HKCV (2017-2020) was conducted in June 2020. Riding on the promising results and the effectiveness of the strategies, the next three-year strategic plan (2021-24) will be drawn up to meet the changing societal circumstances. The launching of V-HK in late 2020 is expected to increase the operational efficiency by streamlining and automating the volunteer engagement process, and to enhance user experience.

With the support from the HKJC, the Agency will continue to develop the VTB. The new three-year plan from 2020 to 2023 focuses not only to capitalize the talents and skills of the specialist volunteers to respond effectively to societal needs, but also to promote family volunteering with an intergenerational approach by encouraging parents to lead by example as volunteer leaders. Environment, art and cultural activities requiring volunteer support will be identified in order to widen the scope of volunteering.

Internationally, in collaboration with the UNV and funded by the HAB, a new three-year plan of UNV-HK Universities Volunteer Internship Programme was launched in October 2019. Under the new programme, annual volunteers are increased from 20 to 30 students, and fieldwork will become part and partial of the 6-month volunteer assignment under the United Nations field units or agencies overseas.

## AGENCY FOR VOLUNTEER SERVICE

義務工作發展局

### REPORT OF THE DIRECTORS (CONTINUED)

#### Business review (Continued)

##### *Financial Performance*

The total income of HK\$33.9 million for 2019/20 was around 12% more than that (HK\$30.4 million) of 2018/19. It was mainly due to the increase in subventions, grants and allocations. The total expenditure went up by 10% from HK\$28.1 million in 2018/19 to HK\$30.9 million in 2019/20, largely caused by the increase in programme expenditure and manpower cost. The total expenditure of HK\$30.9 million included manpower cost of HK\$17.2 million (55%) and operation and programme cost of HK\$13.7 million (45%).

The Agency recorded reserves of HK\$12.5 million as at 31 March 2020, which included General Fund of HK\$4.22 million, the Operation Contingency Fund of HK\$2.94 million and the Agency Development Fund of HK\$5.35 million. The latter two funds are maintained to meet contingency or any unexpected financial needs and the future development of the Agency.

##### *Environmental Policies*

The Agency has seen the effects of climate change and environmental degradation. We are supportive of the environmental green policy by encouraging staff and volunteer staff to save energy, reduce paper wastage and adopt green office environment. 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, and 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 HAB. The Agency has also observed all the respective guidelines agreed with other funding bodies.

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

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

Providing a safe and healthy working environment is one of the priorities of the Agency. In response to the novel coronavirus outbreak, we have issued a set of guidelines covering the special service operation and work-from-home arrangements, health declaration policy and precautionary measures, and volunteer service management. The guidelines were in line with the directives from the Government and under constant review according to the development of COVID-19.

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

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 (Continued)*

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 quarterly birthday parties 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. They were kept in frequent contact and, as appropriate, were invited to the annual familiarization visit, the annual general meeting and related activities, where they could meet with the Board and Committee members, staff and volunteer staff and the management team.

Subsequent event

The outbreak of COVID-19 has evolved into a worldwide health crisis. The pandemic has brought uncertainty to business operations and the overall economy. The financial statements have reflected the known impact of the pandemic on the financial position as at 31 March 2020 and on the results and cash flows for the year then ended of the Agency. As the full impact and the duration of the pandemic cannot be estimated at this point, the Agency will closely monitor the development of the pandemic and continue to assess its impact on the Agency's financial position and operating results.

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



Dr. Shum Chi Wang  
Chairman

Hong Kong, 29 SEP 2020



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

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

義務工作發展局

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

Opinion

We have audited the financial statements of Agency for Volunteer Service (the "Agency") set out on pages 11 to 48, which comprise the Statement of Financial Position as at 31 March 2020, 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 2020, 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 Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") 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.

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



眾環香港會計師事務所有限公司  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
AGENCY FOR VOLUNTEER SERVICE (CONTINUED)**

義務工作發展局

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

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 Hong Kong 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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義務工作發展局

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

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

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 Hong Kong 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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義務工作發展局

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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, 29 SEP 2020

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

**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 2020**

| Note  | 2020                         |                             |                            |               | 2019                         |                             |                            |               |                   |
|---|------------------------------|-----------------------------|----------------------------|---------------|------------------------------|-----------------------------|----------------------------|---------------|-------------------|
|   | Recurrent programmes<br>HK\$ | Designated projects<br>HK\$ | Allocated projects<br>HK\$ | Total<br>HK\$ | Recurrent programmes<br>HK\$ | Designated projects<br>HK\$ | Allocated projects<br>HK\$ | Total<br>HK\$ |                   |
| <b>Income</b>                                 |                              |                             |                            |               |                              |                             |                            |               |                   |
| Government subventions and funds              | 5                            | 17,681,055                  | 3,995,738                  | -             | 21,676,793                   | 15,717,358                  | 3,725,738                  | -             | 19,443,096        |
| Allocations, donations and fundraising income | 6                            | 8,053,679                   | 2,935,038                  | -             | 10,988,717                   | 7,589,944                   | 2,092,769                  | -             | 9,682,713         |
| Registration and service fee income           |                              | 1,018,949                   | 6,780                      | -             | 1,025,729                    | 1,160,233                   | 2,601                      | -             | 1,162,834         |
| Other income                                  | 7                            | 510,538                     | 5                          | -             | 510,543                      | 440,626                     | 327                        | -             | 440,953           |
| Less: Elimination of internal income          |                              | -                           | -                          | -             | (306,323)                    | -                           | -                          | -             | (377,510)         |
| <b>Total income</b>                           |                              | <u>27,264,221</u>           | <u>6,937,561</u>           | <u>-</u>      | <u>33,895,459</u>            | <u>24,908,161</u>           | <u>5,821,435</u>           | <u>-</u>      | <u>30,352,086</u> |
| <b>Expenditure</b>                            |                              |                             |                            |               |                              |                             |                            |               |                   |
| Personal emoluments                           |                              | 17,150,397                  | -                          | -             | 17,150,397                   | 16,367,903                  | -                          | -             | 16,367,903        |
| Rent, rates and management fee                |                              | 408,717                     | -                          | -             | 408,717                      | 1,960,921                   | -                          | -             | 1,960,921         |
| Administrative expenses                       |                              | 3,235,713                   | -                          | -             | 3,235,713                    | 1,620,285                   | -                          | -             | 1,620,285         |
| Expenses for fundraising projects             |                              | 217,041                     | -                          | -             | 217,041                      | 194,954                     | -                          | -             | 194,954           |
| Service and programme expenses                |                              | 3,612,060                   | 6,503,044                  | -             | 10,115,104                   | 3,171,972                   | 5,200,730                  | -             | 8,372,702         |
| Finance costs                                 |                              | 75,036                      | -                          | -             | 75,036                       | -                           | -                          | -             | -                 |
| Less: Elimination of internal expenses        |                              | -                           | -                          | -             | (306,323)                    | -                           | -                          | -             | (377,510)         |
| <b>Total expenses</b>                         | 8                            | <u>24,698,964</u>           | <u>6,503,044</u>           | <u>-</u>      | <u>30,895,685</u>            | <u>23,316,035</u>           | <u>5,200,730</u>           | <u>-</u>      | <u>28,139,255</u> |
| <b>Surplus for the year</b>                   |                              | <u>2,565,257</u>            | <u>434,517</u>             | <u>-</u>      | <u>2,999,774</u>             | <u>1,592,126</u>            | <u>620,705</u>             | <u>-</u>      | <u>2,212,831</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 CHANGES IN FUNDS  
FOR THE YEAR ENDED 31 MARCH 2020

|   | Agency's funds |                         |                            |                        |                        | Restricted funds                            |                     |                           | Total      |
|---|----------------|-------------------------|----------------------------|------------------------|------------------------|---|---------------------|---------------------------|------------|
|   | General fund   | Agency development fund | Operation contingency fund | HAB subvention reserve | Lump sum grant reserve | Provident fund reserve under lump sum grant | Block grant reserve | Other designated services |            |
|   | HK\$           | HK\$                    | HK\$                       | HK\$                   | HK\$                   | HK\$  | HK\$                | HK\$                      | HK\$       |
| Balance at 1 April 2018   | 2,791,446      | 5,347,501               | 2,300,000                  | 1,037,573              | 917,860                | 107,843                                     | 216,592             | 2,038,125                 | 14,756,940 |
| Surplus for the year  | 1,592,126      | -                       | -                          | -                      | -                      | -   | -                   | 620,705                   | 2,212,831  |
| Transfer (from) General fund to Lump sum grant reserve, Provident fund reserve under lump sum grant and Block grant reserve | (894,646)      | -                       | -                          | -                      | 38,231                 | 47,095                                      | 67,132              | -                         | (742,188)  |
| Transfer (from) General fund to HAB subvention reserve  | (73,606)       | -                       | -                          | 61,420                 | -                      | -   | -                   | -                         | (12,186)   |
| Transfers of funds upon completion of designated projects   | -              | -                       | -                          | -                      | -                      | -   | -                   | -                         | -          |
| - Elderly Project: 義人同行   | -              | (200)                   | -                          | -                      | -                      | -   | -                   | 200                       | -          |
| - Inno Carnival   | -              | -                       | -                          | -                      | -                      | -   | -                   | (945)                     | -          |
| - Life Buddies Portal II Sep 2017 - Oct 2018  | -              | -                       | -                          | -                      | -                      | -   | -                   | (237,129)                 | -          |
| - UNV - Hong Kong Universities Volunteer Internship Programme   | -              | 237,123                 | -                          | -                      | -                      | -   | -                   | -                         | -          |
| - Walking with the Elderly in Community May 2015 - May 2016   | -              | -                       | -                          | 1,160                  | -                      | -   | -                   | (53,025)                  | -          |
| - Walking with the Elderly in Community 1 Jul 2016 - Dec 2018   | -              | -                       | -                          | -                      | -                      | -   | -                   | (22,817)                  | -          |
| - Yuhon 1 Apr 2017 - Dec 2018   | -              | -                       | -                          | -                      | -                      | -   | -                   | (8,779)                   | -          |
| Balance at 31 March 2019  | 3,652,243      | 5,347,501               | 2,300,000                  | 1,101,098              | 956,091                | 154,938                                     | 283,724             | 2,335,187                 | 16,130,782 |

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 2020

|   | Note | 2020<br>HK\$      | 2019<br>HK\$      |
|---|------|-------------------|-------------------|
| <b>ASSETS</b>                               |      |                   |                   |
| <b>Non-current assets</b>                   |      |                   |                   |
| Property, plant and equipment               | 10   | 88,444            | 80,462            |
| Right-of-use assets                         | 11   | 2,636,555         | -                 |
| Intangible assets                           | 12   | -                 | -                 |
|   |      | <u>2,724,999</u>  | <u>80,462</u>     |
| <b>Current assets</b>                       |      |                   |                   |
| Account and other receivables               |      | 1,894,056         | 1,115,744         |
| Prepayments and deposits                    |      | 753,074           | 664,371           |
| Cash and cash equivalents                   | 13   | 18,135,437        | 16,465,943        |
|   |      | <u>20,782,567</u> | <u>18,246,058</u> |
| <b>Total assets</b>                         |      | <u>23,507,566</u> | <u>18,326,520</u> |
| <b>FUNDS</b>                                |      |                   |                   |
| <b>Agency's funds</b>                       |      |                   |                   |
| General fund                                | 14   | 4,221,111         | 3,652,243         |
| Agency development fund                     | 15   | 5,347,501         | 5,347,501         |
| Operation contingency fund                  | 16   | 2,940,000         | 2,300,000         |
|   |      | <u>12,508,612</u> | <u>11,299,744</u> |
| <b>Restricted funds</b>                     |      |                   |                   |
| Other designated services                   | 17   | 2,680,662         | 2,335,187         |
| Block grant reserve                         | 18   | 378,913           | 283,724           |
| Lump sum grant reserve                      | 19   | 1,061,630         | 956,091           |
| Provident fund reserve under lump sum grant | 20   | 242,284           | 154,938           |
| HAB subvention reserve                      | 21   | 834,753           | 1,101,098         |
|   |      | <u>5,198,242</u>  | <u>4,831,038</u>  |
| <b>Total funds</b>                          |      | <u>17,706,854</u> | <u>16,130,782</u> |
| <b>LIABILITIES</b>                          |      |                   |                   |
| <b>Non-current liability</b>                |      |                   |                   |
| Lease liabilities                           | 11   | 1,230,450         | -                 |
| <b>Current liabilities</b>                  |      |                   |                   |
| Account and other payables                  |      | 1,876,009         | 1,287,666         |
| Receipts in advance                         |      | 339,986           | 177,955           |
| Provision for employee benefit obligations  |      | 687,158           | 730,117           |
| Lease liabilities                           | 11   | 1,667,109         | -                 |
|   |      | <u>4,570,262</u>  | <u>2,195,738</u>  |
| <b>Total liabilities</b>                    |      | <u>5,800,712</u>  | <u>2,195,738</u>  |
| <b>Total funds and liabilities</b>          |      | <u>23,507,566</u> | <u>18,326,520</u> |

Approved and authorised for issue by the Board of Directors on

29 SEP 2020

  
Dr. Shum Chi Wang  
Chairman

  
Ms. Lam Wing 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 2020**

|  | Note | 2020<br>HK\$      | 2019<br>HK\$       |
|--|------|-------------------|--------------------|
| <b>Cash flows from operating activities</b>  |      |                   |                    |
| Surplus for the year   |      | 2,999,774         | 2,212,831          |
| Adjustments for:   |      |                   |                    |
| Depreciation of property, plant and equipment  | 10   | 35,907            | 46,781             |
| Depreciation of right-of-use assets  | 11   | 1,591,529         | -                  |
| Interest income  | 7    | (156,128)         | (100,692)          |
| Interest expenses on lease liabilities   | 11   | 75,036            | -                  |
| Loss on disposal of property, plant and equipment  | 8    | -                 | 3,550              |
| Provision for employee benefit obligations   |      | 126,812           | 99,055             |
|  |      | <u>4,672,930</u>  | <u>2,261,525</u>   |
| Changes in working capital   |      |                   |                    |
| Account and other receivables  |      | (778,312)         | 227,888            |
| Prepayments and deposits   |      | (88,703)          | (70,406)           |
| Account and other payables   |      | (645,224)         | 564,520            |
| Provision for employee benefit obligations   |      | (169,771)         | (70,079)           |
| Receipts in advance  |      | 162,031           | 11,151             |
| <b>Net cash generated from operating activities</b>  |      | <u>3,152,951</u>  | <u>2,924,599</u>   |
| <b>Cash flows from investing activities</b>  |      |                   |                    |
| Additions of property, plant and equipment   | 10   | (821,163)         | (134,474)          |
| Additions of intangible assets   | 12   | (1,361,915)       | (782,680)          |
| Decrease/(increase) in time deposits with original maturity of over three months                                     |      | 8,455,433         | (5,842,409)        |
| Interest income  | 7    | 156,128           | 100,692            |
| <b>Net cash generated from/(used in) investing activities</b>  |      | <u>6,428,483</u>  | <u>(6,658,871)</u> |
| <b>Cash flows from financing activities</b>  |      |                   |                    |
| Principal elements of lease payments   |      | (1,405,561)       | -                  |
| Principal elements of finance lease payments   |      | -                 | (17,750)           |
| Received from government grant and other funds and donations for property, plant and equipment and intangible assets |      | 1,949,054         | -                  |
| <b>Net cash generated from/(used in) financing activities</b>  |      | <u>543,493</u>    | <u>(17,750)</u>    |
| Net increase/(decrease) in cash and cash equivalents   |      | 10,124,927        | (3,752,022)        |
| <b>Cash and cash equivalents at the beginning of the financial year</b>  |      | <u>8,010,510</u>  | <u>11,762,532</u>  |
| <b>Cash and cash equivalents at the end of the financial year</b>  | 13   | <u>18,135,437</u> | <u>8,010,510</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 CHANGES IN FUNDS**  
**FOR THE YEAR ENDED 31 MARCH 2020 (CONTINUED)**

|   | Agency's funds       |                                 |                                    |                                | Restricted funds               |   |                             |                                   | Total<br>HK\$   |                               |
|---|----------------------|---------------------------------|------------------------------------|--------------------------------|--------------------------------|---|-----------------------------|-----------------------------------|-----------------|-------------------------------|
|   | General fund<br>HK\$ | Agency development fund<br>HK\$ | Operation contingency fund<br>HK\$ | HAB subvention reserve<br>HK\$ | Lump sum grant reserve<br>HK\$ | Provision fund reserve under lump sum grant<br>HK\$ | Block grant reserve<br>HK\$ | Other designated services<br>HK\$ |                 | Other allocated funds<br>HK\$ |
| <b>Balance at 1 April 2019</b>  | 3,652,243            | 5,347,501                       | 2,300,000                          | 1,101,098                      | 956,091                        | 154,938   | 283,724                     | 2,335,187                         | -               | 16,130,782                    |
| Surplus for the year  | 2,565,257            | -                               | -                                  | -                              | -                              | -   | -                           | 434,517                           | -               | 2,999,774                     |
| Transfer (from) General fund to Lump sum grant reserve, Provident fund reserve under lump sum grant and Block grant reserve | (1,356,137)          | -                               | -                                  | -                              | 105,539                        | 87,346  | 95,189                      | -                                 | -               | (1,068,063)                   |
| Transfer to General fund (from) HAB subvention reserve  | 76,210               | -                               | -                                  | (266,345)                      | -                              | -   | -                           | -                                 | -               | (190,135)                     |
| Transfer (from) General fund to Operation contingency fund  | (640,000)            | -                               | 640,000                            | -                              | -                              | -   | -                           | -                                 | -               | -                             |
| Transfers of funds upon completion of the Volunteer Talent Bank 2017-20   | (110,454)            | -                               | -                                  | -                              | -                              | -   | -                           | -                                 | -               | (110,454)                     |
| Transfers of funds upon completion of designated projects:  |                      |                                 |                                    |                                |                                |   |                             |                                   |                 |                               |
| - Inno Carnival 2019  | 16,184               | -                               | -                                  | -                              | -                              | -   | -                           | -                                 | -               | (16,184)                      |
| - Iov Restructuring   | -                    | -                               | -                                  | -                              | -                              | -   | -                           | -                                 | -               | (3,888)                       |
| - Share-to-care Volunteer Campaign  | 25,531               | -                               | -                                  | -                              | -                              | -   | -                           | -                                 | -               | (25,531)                      |
| - TDC Database System Development Project   | (10,660)             | -                               | -                                  | -                              | -                              | -   | -                           | -                                 | -               | 10,660                        |
| - UNV – Hong Kong Universities Volunteer Internship Programme   | -                    | -                               | -                                  | -                              | -                              | -   | -                           | -                                 | -               | (2,937)                       |
| - Social Welfare Development Fund Phase III (Training & Professional Development Programmes)                                | 2,937                | -                               | -                                  | -                              | -                              | -   | -                           | -                                 | -               | -                             |
| <b>Balance at 31 March 2020</b>   | <u>4,221,111</u>     | <u>5,347,501</u>                | <u>2,940,000</u>                   | <u>834,753</u>                 | <u>1,061,630</u>               | <u>242,284</u>                                      | <u>378,913</u>              | <u>2,680,682</u>                  | <u>(51,162)</u> | <u>(51,162)</u>               |
|   |                      |                                 |                                    |                                |                                |   |                             |                                   |                 | <u>17,706,884</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  
FOR THE YEAR ENDED 31 MARCH 2020 (CONTINUED)**

|   | 2020<br>HK\$      | 2019<br>HK\$      |
|---|-------------------|-------------------|
| <b>Analysis of balances of cash and cash equivalents:</b>                         |                   |                   |
| Cash at bank and on hand  | 5,257,328         | 5,510,510         |
| Time deposits:  |                   |                   |
| - Original maturity of three months or less                                       | 12,878,109        | 2,500,000         |
| - Original maturity of over three months  | -                 | 8,455,433         |
| <b>Cash and cash equivalents as stated in the Statement of financial position</b> | <u>18,135,437</u> | <u>16,465,943</u> |
| Less: Time deposits with original maturity of over three months                   | -                 | (8,455,433)       |
| <b>Cash and cash equivalents per Statement of cash flows</b>                      | <u>18,135,437</u> | <u>8,010,510</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 2020****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 Hong Kong Companies Ordinance Cap.622. The financial statements have been prepared on a historical basis.

The Agency has applied the following standard for the first time for the annual reporting period commencing 1 April 2019:

- HKFRS 16 Leases

New accounting standards and interpretations that have been published but are not mandatory for the 31 March 2020 reporting periods have not been early adopted by the Agency. These standards are not expected to have a material impact on the Agency in the current or future reporting periods and on foreseeable future transactions.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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

**2.2 Changes in accounting policy**

The Agency has adopted HKFRS 16 from its mandatory adoption date of 1 April 2019, which resulted in a change in its accounting policies. The Agency has applied HKFRS 16 retrospectively but has not restated comparative amounts for the year ended 31 March 2019 as permitted by the standard. The reclassifications and the adjustments arising from the initial adoption of HKFRS 16 are recognised in the opening statement of financial position on 1 April 2019 as detailed in below. The new accounting policies are disclosed in Note 2.14.

The Agency has lease contracts for office and warehouse properties. Before the adoption of HKFRS 16, the Agency classified its leases as operating leases. As an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term.

Upon adoption of HKFRS 16, the Agency applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Agency. In particular, the Agency:

- did not recognise right-of-use assets and liabilities for leases of low value assets;
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

The Agency has elected to allow the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) - Int 4 at the date of initial application. The Agency also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ("short-term leases"), and lease contracts for which the underlying asset is of low value ("low-value assets").

**(a) Right-of-use assets**

The Agency recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Agency is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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

**2.2 Changes in accounting policy (Continued)**

**(b) Lease liabilities**

At the commencement date of the lease, the Agency recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable. In calculating the present value of lease payments, the Agency uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

**(c) Short-term leases and leases of low-value assets**

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments at 31 March 2019 as follows:

|   | <b>HK\$</b>      |
|---|------------------|
| Operating lease commitments disclosed as at 31 March 2019 | <u>2,966,027</u> |
| Discounted lease liabilities as at 1 April 2019           | 2,793,330        |
| Less: current portion                                     | <u>1,082,291</u> |
| Non-current portion                                       | <u>1,711,039</u> |

The change in accounting policy resulted from the adoption of HKFRS16 affected the following items in the statement of financial position on 1 April 2019:

|  | <b>Right-of-use<br/>assets<br/>HK\$</b> | <b>Lease<br/>liabilities<br/>HK\$</b> |
|--|---|---------------------------------------|
| Opening balance as previously reported               | -                                       | -                                     |
| Recognised right-of-use assets and lease liabilities | <u>2,793,330</u>                        | <u>2,793,330</u>                      |
| Opening balance as restated                          | <u>2,793,330</u>                        | <u>2,793,330</u>                      |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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 2020

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.

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

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

2.6 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.

**AGENCY FOR VOLUNTEER SERVICE**

義務工作發展局

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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

**2.6 Other financial assets (Continued)**

(c) Measurement

At initial recognition, the Agency measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), 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.

(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.

**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**

Account and other receivables are rights to collect for services performed in the ordinary course of business. If collection of account and other receivables is expected within one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Account and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**AGENCY FOR VOLUNTEER SERVICE**

義務工作發展局

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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

**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 and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Account and other payables are classified as current liabilities if the payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, 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.
- (e) Membership subscriptions are recognised when received.
- (f) Interest income is recognised as other income as it accrues using the effective interest method.

**AGENCY FOR VOLUNTEER SERVICE**

義務工作發展局

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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

**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.

Termination benefits are payable when employment is terminated by the Agency before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Agency recognises termination benefits at the earlier of the following dates:

- (a) when the Agency can no longer withdraw the offer of those benefits; and
- (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

**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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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

**2.13 Provisions (Continued)**

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

**2.14 Leases**

Until 31 March 2019, leases of property, plant and equipment where the Agency, as lessee, had substantially all the risks and rewards of ownership were classified as finance lease. Finance leases were capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, were included in other short-term and long-term payables. Each lease payment was allocated between the liability and finance cost. The finance cost was 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. The property, plant and equipment acquired under finance leases was depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Agency will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership was not transferred to the Agency as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 April 2019, a 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

2. Summary of significant accounting policies (Continued)

2.14 Leases (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

2. Summary of significant accounting policies (Continued)

2.14 Leases (Continued)

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.
- (ix) 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 2020

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 2020. 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 are 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

3. Financial and capital risks management (Continued)

3.2 Financial risk management (Continued)

(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.

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

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

The Agency makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Impairment of property, plant and equipment

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

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FOR THE YEAR ENDED 31 MARCH 2020

4. Critical accounting estimates and judgements (Continued)

- (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

|   | 2020                 |                     |                   | 2019                 |                     |                   |
|---|----------------------|---------------------|-------------------|----------------------|---------------------|-------------------|
|   | Recurrent programmes | Designated projects | Total             | Recurrent programmes | Designated projects | Total             |
|   | HK\$                 | HK\$                | HK\$              | HK\$                 | HK\$                | HK\$              |
| <b>Home Affairs Bureau</b>  |                      |                     |                   |                      |                     |                   |
| - Subvention (note a)   | 11,039,782           | -                   | 11,039,782        | 10,000,000           | -                   | 10,000,000        |
| - Other grants and funds  | -                    | 3,281,358           | 3,281,358         | -                    | 3,089,438           | 3,089,438         |
| <b>Social Welfare Department</b>  |                      |                     |                   |                      |                     |                   |
| - Lump sum grant (note b)   | 6,546,273            | -                   | 6,546,273         | 5,646,358            | -                   | 5,646,358         |
| - Social Welfare Development Fund (note 17)                                   | -                    | 558,006             | 558,006           | -                    | 407,260             | 407,260           |
| - Furniture and Equipment Replenishment and Minor Works Block Grant (note 18) | 95,000               | -                   | 95,000            | 71,000               | -                   | 71,000            |
| - Other grants and funds  | -                    | 156,374             | 156,374           | -                    | -                   | -                 |
| Commission on Poverty   | -                    | -                   | -                 | -                    | 170,000             | 170,000           |
| Others  | -                    | -                   | -                 | -                    | 59,040              | 59,040            |
|   | <u>17,681,055</u>    | <u>3,995,738</u>    | <u>21,676,793</u> | <u>15,717,358</u>    | <u>3,725,738</u>    | <u>19,443,096</u> |

Notes:

- (a) The subvention 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").

AGENCY FOR VOLUNTEER SERVICE

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

6. Allocations, donations and fundraising income

|   | 2020                 |                     |                    |                   | 2019                 |                     |                    |                  |
|---|----------------------|---------------------|--------------------|-------------------|----------------------|---------------------|--------------------|------------------|
|   | 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                       | 4,882,700            | -                   | -                  | 4,882,700         | 4,740,400            | 2,500               | -                  | 4,742,900        |
| The Hong Kong Jockey Club Charities Trust | 1,714,500            | 1,715,915           | -                  | 3,430,415         | 1,714,500            | 605,800             | -                  | 2,320,300        |
| Fund raising income (note a)              | 1,247,115            | -                   | -                  | 1,247,115         | 924,784              | -                   | -                  | 924,784          |
| Sponsorship/ donation income              | 209,364              | 1,219,123           | -                  | 1,428,487         | 210,260              | 1,484,469           | -                  | 1,694,729        |
|   | <u>8,053,679</u>     | <u>2,935,038</u>    | <u>-</u>           | <u>10,988,717</u> | <u>7,589,944</u>     | <u>2,092,769</u>    | <u>-</u>           | <u>9,682,713</u> |

Note a:

Fund raising income 2020 included Flag Day income as below:

|              | HK\$           |
|--------------|----------------|
| Income       | 286,474        |
| Expenditure  | (37,849)       |
| Net proceeds | <u>248,625</u> |

Due to the outbreak of COVID-19 and in line with the policies on social distancing and restrictions on group gathering, the outdoor flag-selling activity on 7 March 2020 was cancelled. Notwithstanding the cancellation of the outdoor flag selling, certain expenditure for promotion and volunteer recruitment, had been incurred prior to the decision of cancellation.

The net proceeds of HK\$248,625 from the Flag Day were fully utilized for supplementing the Agency's operational expenses to maintain and enhance the service quality.

7. Other income

|                                 | 2020                 |                     |                    |                | 2019                 |                     |                    |                |
|---------------------------------|----------------------|---------------------|--------------------|----------------|----------------------|---------------------|--------------------|----------------|
|                                 | Recurrent programmes | Designated projects | Allocated projects | Total          | Recurrent programmes | Designated projects | Allocated projects | Total          |
|                                 | HK\$                 | HK\$                | HK\$               | HK\$           | HK\$                 | HK\$                | HK\$               | HK\$           |
| Interest income                 | 156,123              | 5                   | -                  | 156,128        | 100,365              | 327                 | -                  | 100,692        |
| Membership subscriptions        | 24,407               | -                   | -                  | 24,407         | 34,136               | -                   | -                  | 34,136         |
| Administration support recovery | 223,614              | -                   | -                  | 223,614        | 290,564              | -                   | -                  | 290,564        |
| Sundry income                   | 106,394              | -                   | -                  | 106,394        | 15,561               | -                   | -                  | 15,561         |
|                                 | <u>510,538</u>       | <u>5</u>            | <u>-</u>           | <u>510,543</u> | <u>440,626</u>       | <u>327</u>          | <u>-</u>           | <u>440,953</u> |

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NOTES TO THE FINANCIAL STATEMENTS  
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8. Expenditure

|   | 2020                         |                             |                            |                   | 2019                         |                             |                            |                   |
|---|------------------------------|-----------------------------|----------------------------|-------------------|------------------------------|-----------------------------|----------------------------|-------------------|
|   | Recurrent programmes<br>HK\$ | Designated projects<br>HK\$ | Allocated projects<br>HK\$ | Total<br>HK\$     | Recurrent programmes<br>HK\$ | Designated projects<br>HK\$ | Allocated projects<br>HK\$ | Total<br>HK\$     |
| <b>Personal emoluments</b>                        |                              |                             |                            |                   |                              |                             |                            |                   |
| Salaries  | 15,915,437                   | -                           | -                          | 15,915,437        | 15,185,525                   | -                           | -                          | 15,185,525        |
| Provident fund                                    | 1,108,148                    | -                           | -                          | 1,108,148         | 1,054,347                    | -                           | -                          | 1,054,347         |
| Provision for employee benefit obligations        | 126,812                      | -                           | -                          | 126,812           | 128,031                      | -                           | -                          | 128,031           |
|   | <u>17,150,397</u>            | <u>-</u>                    | <u>-</u>                   | <u>17,150,397</u> | <u>16,367,903</u>            | <u>-</u>                    | <u>-</u>                   | <u>16,367,903</u> |
| <b>Rent, rates and management fee</b>             |                              |                             |                            |                   |                              |                             |                            |                   |
| Rent  | 169,754                      | -                           | -                          | 169,754           | 1,743,838                    | -                           | -                          | 1,743,838         |
| Rates   | 80,048                       | -                           | -                          | 80,048            | 73,262                       | -                           | -                          | 73,262            |
| Management fee                                    | 158,915                      | -                           | -                          | 158,915           | 143,821                      | -                           | -                          | 143,821           |
|   | <u>408,717</u>               | <u>-</u>                    | <u>-</u>                   | <u>408,717</u>    | <u>1,960,921</u>             | <u>-</u>                    | <u>-</u>                   | <u>1,960,921</u>  |
| <b>Administration expenses</b>                    |                              |                             |                            |                   |                              |                             |                            |                   |
| Audit fee   | 59,000                       | -                           | -                          | 59,000            | 50,000                       | -                           | -                          | 50,000            |
| Agency's affairs                                  | 126,229                      | -                           | -                          | 126,229           | 198,198                      | -                           | -                          | 198,198           |
| Depreciation -Property, plant and equipment       | 35,907                       | -                           | -                          | 35,907            | 46,781                       | -                           | -                          | 46,781            |
| -Right-of-use assets                              | 1,591,529                    | -                           | -                          | 1,591,529         | -                            | -                           | -                          | -                 |
| General office expenses                           | 568,925                      | -                           | -                          | 568,925           | 456,017                      | -                           | -                          | 456,017           |
| Insurance   | 109,210                      | -                           | -                          | 109,210           | 93,153                       | -                           | -                          | 93,153            |
| Repairs and maintenance                           | 106,048                      | -                           | -                          | 106,048           | 118,845                      | -                           | -                          | 118,845           |
| Staff development and welfare                     | 215,725                      | -                           | -                          | 215,725           | 230,986                      | -                           | -                          | 230,986           |
| Staff recruitment                                 | 58,058                       | -                           | -                          | 58,058            | 67,065                       | -                           | -                          | 67,065            |
| Utilities   | 196,975                      | -                           | -                          | 196,975           | 186,740                      | -                           | -                          | 186,740           |
| Volunteer staff support                           | 168,107                      | -                           | -                          | 168,107           | 168,950                      | -                           | -                          | 168,950           |
| Loss on disposal of property, plant and equipment | -                            | -                           | -                          | -                 | 3,550                        | -                           | -                          | 3,550             |
|   | <u>3,235,713</u>             | <u>-</u>                    | <u>-</u>                   | <u>3,235,713</u>  | <u>1,620,285</u>             | <u>-</u>                    | <u>-</u>                   | <u>1,620,285</u>  |
| Expenses for fundraising projects                 | 217,041                      | -                           | -                          | 217,041           | 194,954                      | -                           | -                          | 194,954           |
| Service and programme expenses                    | 3,612,060                    | 6,503,044                   | -                          | 10,115,104        | 3,171,972                    | 5,200,730                   | -                          | 8,372,702         |
| <b>Finance costs</b>                              |                              |                             |                            |                   |                              |                             |                            |                   |
| Interest expenses on lease liabilities            | 75,036                       | -                           | -                          | 75,036            | -                            | -                           | -                          | -                 |
| Less: Elimination of internal charges             | -                            | -                           | -                          | (306,323)         | -                            | -                           | -                          | (377,510)         |
|   | <u>24,698,964</u>            | <u>6,503,044</u>            | <u>-</u>                   | <u>30,895,685</u> | <u>23,316,035</u>            | <u>5,200,730</u>            | <u>-</u>                   | <u>28,139,255</u> |

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9. Employee benefit expenses

|  | 2020<br>HK\$      | 2019<br>HK\$      |
|--|-------------------|-------------------|
| Personal emoluments (note 8)                                 | 17,150,397        | 16,367,903        |
| Other emoluments included in Service and programme expenses: |                   |                   |
| Salaries   | 1,033,974         | 718,005           |
| Provident fund   | 51,604            | 35,900            |
|  | <u>1,085,578</u>  | <u>753,905</u>    |
|  | <u>18,235,975</u> | <u>17,121,808</u> |

10. Property, plant and equipment

|  | Computers<br>HK\$ | Furniture and equipment<br>HK\$ | Leasehold improvements<br>HK\$ | Total<br>HK\$    |
|--|-------------------|---------------------------------|--------------------------------|------------------|
| <b>Cost</b>                                  |                   |                                 |                                |                  |
| At 1 April 2019                              | 1,493,578         | 1,174,935                       | 4,990,389                      | 7,658,902        |
| Additions                                    | 698,620           | 122,543                         | -                              | 821,163          |
| Written off                                  | (55,640)          | (71,607)                        | -                              | (127,247)        |
| At 31 March 2020                             | <u>2,136,558</u>  | <u>1,225,871</u>                | <u>4,990,389</u>               | <u>8,352,818</u> |
| <b>Less: Government grant related assets</b> |                   |                                 |                                |                  |
| At 1 April 2019                              | 977,967           | 651,639                         | 4,795,054                      | 6,424,660        |
| Transfer to Government grant related assets  | 677,981           | 99,293                          | -                              | 777,274          |
| Written off                                  | (45,880)          | (13,832)                        | -                              | (59,712)         |
| At 31 March 2020                             | <u>1,610,068</u>  | <u>737,100</u>                  | <u>4,795,054</u>               | <u>7,142,222</u> |
| <b>Less: Accumulated depreciation</b>        |                   |                                 |                                |                  |
| At 1 April 2019                              | 446,315           | 512,130                         | 195,335                        | 1,153,780        |
| Charge for the year                          | 32,108            | 3,799                           | -                              | 35,907           |
| Written off                                  | (9,760)           | (57,775)                        | -                              | (67,535)         |
| At 31 March 2020                             | <u>468,663</u>    | <u>458,154</u>                  | <u>195,335</u>                 | <u>1,122,152</u> |
| <b>Net book value</b>                        |                   |                                 |                                |                  |
| At 31 March 2020                             | <u>57,827</u>     | <u>30,617</u>                   | <u>-</u>                       | <u>88,444</u>    |

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10. Property, plant and equipment (Continued)

|  | Computers<br>HK\$ | Furniture and<br>equipment<br>HK\$ | Leasehold<br>improvements<br>HK\$ | Total<br>HK\$    |
|--|-------------------|------------------------------------|-----------------------------------|------------------|
| <b>Cost</b>                                    |                   |                                    |                                   |                  |
| At 1 April 2018                                | 1,404,840         | 1,251,797                          | 4,990,389                         | 7,647,026        |
| Additions                                      | 88,918            | 45,556                             | -                                 | 134,474          |
| Written off                                    | (180)             | (122,418)                          | -                                 | (122,598)        |
| At 31 March 2019                               | <u>1,493,578</u>  | <u>1,174,935</u>                   | <u>4,990,389</u>                  | <u>7,658,902</u> |
| <b>Less: Government grant related assets</b>   |                   |                                    |                                   |                  |
| At 1 April 2018                                | 955,029           | 622,001                            | 4,795,054                         | 6,372,084        |
| Transfer to Government grant<br>related assets | 23,118            | 45,556                             | -                                 | 68,674           |
| Written off                                    | (180)             | (15,918)                           | -                                 | (16,098)         |
| At 31 March 2019                               | <u>977,967</u>    | <u>651,639</u>                     | <u>4,795,054</u>                  | <u>6,424,660</u> |
| <b>Less: Accumulated depreciation</b>          |                   |                                    |                                   |                  |
| At 1 April 2018                                | 423,259           | 591,355                            | 195,335                           | 1,209,949        |
| Charge for the year                            | 23,056            | 23,725                             | -                                 | 46,781           |
| Written off                                    | -                 | (102,950)                          | -                                 | (102,950)        |
| At 31 March 2019                               | <u>446,315</u>    | <u>512,130</u>                     | <u>195,335</u>                    | <u>1,153,780</u> |
| <b>Net book value</b>                          |                   |                                    |                                   |                  |
| At 31 March 2019                               | <u>69,296</u>     | <u>11,166</u>                      | <u>-</u>                          | <u>80,462</u>    |

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11. Right-of-use assets and lease liabilities

(a) Amounts recognised in the statement of financial position

Right-of-use assets

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

|                           | Buildings<br>HK\$  |
|---------------------------|--------------------|
| At 1 April 2019           | 2,793,330          |
| Additions                 | 1,434,754          |
| Depreciation for the year | <u>(1,591,529)</u> |
| At 31 March 2020          | <u>2,636,555</u>   |

Lease liabilities

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

|                       | HK\$               |
|-----------------------|--------------------|
| At 1 April 2019       | 2,793,330          |
| Additions             | 1,434,754          |
| Interest expenses     | 75,036             |
| Payments              | <u>(1,405,561)</u> |
| At 31 March 2020      | 2,897,559          |
| Less: current portion | <u>(1,667,109)</u> |
| Non-current portion   | <u>1,230,450</u>   |

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

|   | 2020<br>HK\$     |
|---|------------------|
| Depreciation of right-of-use assets               | 1,591,529        |
| Interest expenses on lease liabilities            | 75,036           |
| Expenses related to short-term leases             | 167,193          |
| Expenses related to leases of low-value<br>assets | <u>2,561</u>     |
|   | <u>1,836,319</u> |

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11. Right-of-use assets and lease liabilities (Continued)

(c) Cash outflow for leases

|                             | 2020<br>HK\$     |
|-----------------------------|------------------|
| Within operating activities | 169,754          |
| Within financing activities | 1,405,561        |
|                             | <u>1,575,315</u> |

(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.

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12. Intangible assets

|   | 2020<br>HK\$     | 2019<br>HK\$   |
|---|------------------|----------------|
| <b>Cost</b>   |                  |                |
| At beginning of year                                | 782,680          | -              |
| Additions   | 1,361,915        | 782,680        |
| At end of year                                      | <u>2,144,595</u> | <u>782,680</u> |
| <b>Less: Government grant related assets</b>        |                  |                |
| At beginning of year                                | 68,280           | -              |
| Transfer to Government grant related assets         | -                | 68,280         |
| At end of year                                      | <u>68,280</u>    | <u>68,280</u>  |
| <b>Less: Other fund and donation related assets</b> |                  |                |
| At beginning of year                                | 714,400          | -              |
| Transfer to Other fund and donation related assets  | 1,361,915        | 714,400        |
| At end of year                                      | <u>2,076,315</u> | <u>714,400</u> |
| <b>Less: Accumulated depreciation</b>               |                  |                |
| At beginning of year                                | -                | -              |
| Charge for the year                                 | -                | -              |
| At end of year                                      | <u>-</u>         | <u>-</u>       |
| <b>Net book value</b>                               |                  |                |
| At end of year                                      | <u>-</u>         | <u>-</u>       |

13. Cash and cash equivalents

|  | 2020<br>HK\$      | 2019<br>HK\$      |
|--|-------------------|-------------------|
| Cash at bank   | 5,235,498         | 5,488,680         |
| Cash on hand   | 21,830            | 21,830            |
| Time deposits with original maturity of three months or less                         | 12,878,109        | 2,500,000         |
| <b>Cash and cash equivalents as presented in the Statement of cash flows</b>         | <u>18,135,437</u> | <u>8,010,510</u>  |
| Time deposits with original maturity of over three months                            | -                 | 8,455,433         |
| <b>Cash and cash equivalents as presented in the Statement of financial position</b> | <u>18,135,437</u> | <u>16,465,943</u> |

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**14. General Fund**

General Fund represented the accumulated surplus of the Agency.

**15. Agency Development Fund**

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

**16. Operation Contingency Fund**

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

Movements during the year were as follows:

|                            | 2020<br>HK\$     | 2019<br>HK\$     |
|----------------------------|------------------|------------------|
| Balance brought forward    | 2,300,000        | 2,300,000        |
| Transfer from General Fund | 640,000          | -                |
| Balance carried forward    | <u>2,940,000</u> | <u>2,300,000</u> |

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**17. Other designated services**

|  | 2020<br>HK\$     | 2019<br>HK\$     |
|--|------------------|------------------|
| Care for the Elderly Charity Ticket Campaign - 愛心券義賣 (note a)  | 150,298          | 147,395          |
| Disney System Revamp   | -                | 97,500           |
| Give a Day Get a Disney Day (note b)   | 220,718          | 213,482          |
| Hong Kong Volunteer Award (note c)   | 824,549          | 957,065          |
| Hong Kong Volunteer Awardees Society (note d)  | 107,669          | 110,757          |
| IoV Restructuring  | -                | 58,354           |
| Share-to-Care Volunteer Campaign   | -                | 72,781           |
| Social Welfare Development Fund Phase III (Financial Management System) (note e)   | 509,844          | 62,023           |
| Social Welfare Development Fund Phase III (Training and Professional Development Programmes) (note f)                      | -                | 131,393          |
| Social Welfare Development Fund Phase III (WGE Membership System) (note g)   | 131,532          | 280,304          |
| TDC Database System Development Project  | -                | 16,886           |
| UNV-Hong Kong Universities Volunteer Internship Programme – Assignment & Training (note h)                                 | -                | -                |
| V-HK (note i)  | -                | (3,000)          |
| V-Union II Jan 2019 – Dec 2020 (note j)  | 134,745          | 98,750           |
| VTB 社區共融義工服務: 新鮮人迎新計劃 及 EM Group   | -                | (3,628)          |
| Walking with the Elderly in Community I Jul 2016 - Dec 2018  | -                | -                |
| Walking with the Elderly in Community II Jan 2019 - Dec 2020 (note k)  | 110,638          | 95,125           |
| Wi-Fi Project (note l)   | 58,200           | -                |
| 4C Youth Volunteer Leadership Project “Self-initiated Service Subsidy Scheme”  | 45,508           | -                |
| 6 <sup>th</sup> round of UNV-Hong Kong Universities Volunteer Internship Programme – Operation cost and Fieldwork (note m) | 360,138          | -                |
| Fight Coronavirus Together Volunteer Care Action (同心抗疫 義工關懷行動) (note n)  | 26,823           | -                |
|  | <u>2,680,662</u> | <u>2,335,187</u> |

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

Balances of government grants and funds, donations and sponsorships were for service projects with designated purposes. The services with material movements during the year or balances as at 31 March 2020 were disclosed below:

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

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

|                                | 2020<br>HK\$ | 2019<br>HK\$ |
|--------------------------------|--------------|--------------|
| Balance brought forward        | 147,395      | 155,192      |
| Total income for the year      | 23,800       | 34,228       |
| Total expenditure for the year | (20,897)     | (42,025)     |
| Surplus/(deficit) for the year | 2,903        | (7,797)      |
| Balance carried forward        | 150,298      | 147,395      |

(b) Give a Day Get a Disney Day

The Give a Day Get a Disney Day aimed at mobilising Hong Kong people to serve the community for building a harmonious society. Volunteers who had performed service of 10 hours or more were eligible to apply for a complimentary 1-day ticket to Hong Kong Disneyland via their service organisations. Movements during the year were as follows:

|                                | 2020<br>HK\$ | 2019<br>HK\$ |
|--------------------------------|--------------|--------------|
| Balance brought forward        | 213,482      | 191,724      |
| Total income for the year      | 310,000      | 353,000      |
| Total expenditure for the year | (302,764)    | (331,242)    |
| Surplus for the year           | 7,236        | 21,758       |
| Balance carried forward        | 220,718      | 213,482      |

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

(c) Hong Kong Volunteer Award

The Hong Kong Volunteer Award was to recognise outstanding volunteers' contributions 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 individuals, volunteer groups and business corporations selected by the Award Judging Panel biennially. Movements during the year were as follows:

|                                | 2020<br>HK\$ | 2019<br>HK\$ |
|--------------------------------|--------------|--------------|
| Balance brought forward        | 957,065      | 837,501      |
| Total income for the year      | 550,000      | 120,000      |
| Total expenditure for the year | (682,516)    | (436)        |
| (Deficit)/surplus for the year | (132,516)    | 119,564      |
| Balance carried forward        | 824,549      | 957,065      |

(d) 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 the volunteerism in support of the Agency's initiatives. Movements during the year were as follows:

|                                | 2020<br>HK\$ | 2019<br>HK\$ |
|--------------------------------|--------------|--------------|
| Balance brought forward        | 110,757      | 93,965       |
| Total income for the year      | 53,500       | 97,300       |
| Total expenditure for the year | (56,588)     | (80,508)     |
| (Deficit)/surplus for the year | (3,088)      | 16,792       |
| Balance carried forward        | 107,669      | 110,757      |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Other designated services (Continued)**

- (e) Social Welfare Development Fund Phase III (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:

|  | 2020<br>HK\$     | 2019<br>HK\$  |
|--|------------------|---------------|
| Balance brought forward                | 62,023           | -             |
| Allocation from the SWDF3 for the year | 558,000          | 62,000        |
| Interest received during the year      | 6                | 23            |
| Total expenditure for the year         | <u>(110,185)</u> | <u>-</u>      |
| Surplus for the year                   | 447,821          | 62,023        |
| Balance carried forward                | <u>509,844</u>   | <u>62,023</u> |

- (f) Social Welfare Development Fund Phase III (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\$232,600 for relevant usage. Movements during the year were as follows:

|  | 2020<br>HK\$    | 2019<br>HK\$    |
|--|-----------------|-----------------|
| Balance brought forward                | 131,393         | 146,106         |
| Allocation from the SWDF3 for the year | -               | 65,000          |
| Interest received during the year      | 2               | 260             |
| Total expenditure for the year         | <u>(80,233)</u> | <u>(79,973)</u> |
| Deficit for the year                   | (80,231)        | (14,713)        |
| Transfer to account payables           | <u>(51,162)</u> | <u>-</u>        |
| Balance carried forward                | <u>-</u>        | <u>131,393</u>  |

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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

- (g) Social Welfare Development Fund Phase III (WGE Membership System)

With the aim to provide training courses for staff, the SWDF3 of the SWD approved a grant of HK\$280,000 for the training and development programmes attended by staff subvented by LSG of the SWD. Movements during the year were as follows:

|  | 2020<br>HK\$     | 2019<br>HK\$   |
|--|------------------|----------------|
| Balance brought forward                | 280,304          | -              |
| Allocation from the SWDF3 for the year | -                | 280,000        |
| Interest received during the year      | 3                | 304            |
| Total expenditure for the year         | <u>(148,775)</u> | <u>-</u>       |
| (Deficit)/surplus for the year         | (148,772)        | 280,304        |
| Balance carried forward                | <u>131,532</u>   | <u>280,304</u> |

- (h) UNV-Hong Kong Universities Volunteer Internship Programme – Assignment & Training

In collaboration with the United Nations Volunteers (the "UNV") and funded by the Home Affairs Bureau (the "HAB"), this programme enabled undergraduate volunteers to participate in volunteer assignments aboard. Movements during the year were as follows:

|                                    | 2020<br>HK\$       | 2019<br>HK\$       |
|------------------------------------|--------------------|--------------------|
| Total income for the year          | 2,919,438          | 2,919,438          |
| Total expenditure for the year     | <u>(2,916,502)</u> | <u>(2,918,278)</u> |
| Surplus for the year               | 2,936              | 1,160              |
| Transfer to HAB subvention reserve | <u>(2,936)</u>     | <u>(1,160)</u>     |
| Balance carried forward            | <u>-</u>           | <u>-</u>           |

- (i) V-HK

A grant of HK\$7,080,000 was approved by the Hong Kong Jockey Club Charities Trust for the establishment of a new volunteer engagement system. The grant of donation was reimbursed on actual claim of project expenditure. Movements during the year were as follows:

|                                | 2020<br>HK\$       | 2019<br>HK\$     |
|--------------------------------|--------------------|------------------|
| Balance brought forward        | (3,000)            | -                |
| Total income for the year      | 1,361,915          | 605,800          |
| Total expenditure for the year | <u>(1,358,915)</u> | <u>(608,800)</u> |
| Surplus/(deficit) for the year | 3,000              | (3,000)          |
| Balance carried forward        | <u>-</u>           | <u>(3,000)</u>   |

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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

(j) V-Union II Jan 2019 – Dec 2020

Donation of HK\$210,000 was approved by Leung Mui Foundation for visiting and serving hidden elderly to meet their needs in improving home environment and social activity. Movements during the year were as follows:

|                                | 2020<br>HK\$ | 2019<br>HK\$ |
|--------------------------------|--------------|--------------|
| Balance brought forward        | 98,750       | -            |
| Total income for the year      | 80,000       | 100,000      |
| Total expenditure for the year | (44,005)     | (1,250)      |
| Surplus for the year           | 35,995       | 98,750       |
| Balance carried forward        | 134,745      | 98,750       |

(k) Walking with the Elderly in Community II Jan 2019 – Dec 2020

Donations of HK\$194,000 were approved by Leung Mui Foundation for serving the elderly, leading them to join more activities and be more out-going. Movements during the year were as follows:

|                                | 2020<br>HK\$ | 2019<br>HK\$ |
|--------------------------------|--------------|--------------|
| Balance brought forward        | 95,125       | -            |
| Total income for the year      | 80,000       | 100,000      |
| Total expenditure for the year | (64,487)     | (4,875)      |
| Surplus for the year           | 15,513       | 95,125       |
| Balance carried forward        | 110,638      | 95,125       |

(l) Wi-Fi Project

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

|                                | 2020<br>HK\$ | 2019<br>HK\$ |
|--------------------------------|--------------|--------------|
| Total income for the year      | 58,200       | -            |
| Total expenditure for the year | -            | -            |
| Surplus for the year           | 58,200       | -            |
| Balance carried forward        | 58,200       | -            |

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**17. Other designated services (Continued)**

(m) 6<sup>th</sup> round of UNV-Hong Kong Universities Volunteer Internship Programme – Operation cost and Fieldwork

In collaboration with the UNV and funded by the HAB, 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 outbreak of COVID-19 virus. Movements during the year were as follows:

|                                | 2020<br>HK\$ | 2019<br>HK\$ |
|--------------------------------|--------------|--------------|
| Total income for the year      | 361,920      | -            |
| Total expenditure for the year | (1,782)      | -            |
| Surplus for the year           | 360,138      | -            |
| Balance carried forward        | 360,138      | -            |

(n) Fight Coronavirus Together Volunteer Care Action (同心抗疫 義工關懷行動)

An allocation of HK\$354,000 was approved by the Hong Kong Jockey Club Charities Trust to provide elderly and the disadvantaged with access to hygienic supplies and educational information against the COVID-19 virus. Movements during the year were as follows:

|                                | 2020<br>HK\$ | 2019<br>HK\$ |
|--------------------------------|--------------|--------------|
| Total income for the year      | 354,000      | -            |
| Total expenditure for the year | (327,177)    | -            |
| Surplus for the year           | 26,823       | -            |
| Balance carried forward        | 26,823       | -            |

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NOTES TO THE FINANCIAL STATEMENTS  
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18. Block Grant Reserve

|   | 2020<br>HK\$   | 2019<br>HK\$   |
|---|----------------|----------------|
| Balance of the Block Grant Reserve brought forward from previous financial year | 283,724        | 216,592        |
| Add: Block Grant received during the year                                       | 95,000         | 71,000         |
| Others  | -              | -              |
| Interest income received  | 189            | -              |
| Other income  | -              | -              |
|   | <u>378,913</u> | <u>287,592</u> |
| Less: Expenditure during the year   |                |                |
| Minor Works Projects  | -              | 3,868          |
| Furniture & Equipment   | -              | -              |
| Vehicle Overhauling   | -              | -              |
|   | <u>-</u>       | <u>3,868</u>   |
| Contribution from NGO to cover the deficit                                      | -              | -              |
| Balance of Block Grant Reserve carried forward to the next financial year       | <u>378,913</u> | <u>283,724</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 2020, there were no outstanding commitments in respect of Furniture and Equipment Replenishment and Minor Works related to Block Grant (2019: Nil)

19. Lump Sum Grant Reserve

|   | 2020<br>HK\$     | 2019<br>HK\$    |
|---|------------------|-----------------|
| Balance brought forward   | <u>956,091</u>   | <u>917,860</u>  |
| Net cash surplus for the year   | 1,254,256        | 827,514         |
| Net changes in amount refundable for LSG surplus exceeding the prescribed ceiling | (1,068,063)      | (742,188)       |
| Transfer from General Fund  | 6,692            | -               |
| Provident Fund surplus transfer to Provident Fund reserve under LSG               | <u>(87,346)</u>  | <u>(47,095)</u> |
| Balance carried forward   | <u>1,061,630</u> | <u>956,091</u>  |

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

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20. Provident fund reserve under lump sum grant

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

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

21. HAB subvention reserve

The reserve represented subvention fund balance from the HAB.

22. Key management personnel's remuneration of the Agency

|  | 2020<br>HK\$     | 2019<br>HK\$     |
|--|------------------|------------------|
| Salaries                                   | 3,463,400        | 3,136,871        |
| Provident fund                             | 281,398          | 259,816          |
| Provision for employee benefit obligations | <u>(3,289)</u>   | <u>(7,653)</u>   |
|  | <u>3,741,509</u> | <u>3,389,034</u> |

(a) There are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities. (2019: 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. (2019: Nil)

23. Commitments

(a) The future aggregate minimum lease payments under non-cancellable operating leases as at 31 March 2020 are as follows:

|               | 2020<br>HK\$  |
|---------------|---------------|
| Within 1 year | <u>92,222</u> |

(b) At 31 March 2019, before the adoption of HKFRS 16, the total future minimum lease payments under non-cancellable operating leases for each of the following periods were:

|             | 2019<br>HK\$     |
|-------------|------------------|
| 0 - 1 year  | 1,351,027        |
| 1 - 5 years | <u>1,615,000</u> |
|             | <u>2,966,027</u> |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**24. Note to Statement of cash flows**

During the year, purchases of property, plant and equipment of HK\$190,135 (2019: HK\$12,188) were made with funding from HAB Subvention Reserve.

**25. Subsequent events**

The outbreak of COVID-19 has evolved into a worldwide health crisis. The pandemic has brought uncertainty to business operations and the overall economy. The financial statements have reflected the known impact of the pandemic on the financial position as at 31 March 2020 and on the results and cash flows for the year then ended of the Agency. As the full impact and the duration of the pandemic cannot be estimated at this point, the Agency will closely monitor the development of the pandemic and continue to assess its impact on the Agency's financial position and operating results.

**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 HKAS 1, Classification of Liabilities as Current or Non-current                              | 1 January 2022                                     |
| Amendments to HKAS 1 and 8, Definition of Material   | 1 January 2020                                     |
| Conceptual Framework for Financial Reporting 2018, Revised<br>Conceptual Framework for Financial Reporting | 1 January 2020                                     |
| Amendments to HKFRS 16, Covid-19 Related Rent Concessions  | 1 June 2020  |

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.

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**APPENDIX I**

**RECURRENT PROGRAMMES SUPPORTED BY THE COMMUNITY CHEST  
 FOR THE YEAR ENDED 31 MARCH 2020**

(For management use only)

|                                     | 2020<br>HK\$     | 2019<br>HK\$     |
|-------------------------------------|------------------|------------------|
| <u>Income</u>                       |                  |                  |
| Allocation from the Community Chest | 4,882,700        | 4,740,400        |
| Registration and service fee income | 475,053          | 453,827          |
| Sundry income                       | 740              | 13,160           |
|                                     | <u>5,358,493</u> | <u>5,207,387</u> |
| <u>Expenditure</u>                  |                  |                  |
| Personal emoluments                 | 3,228,643        | 3,920,408        |
| Rent and rates                      | 13,810           | 403,818          |
| Administrative expenses             | 751,002          | 350,549          |
| Programme operating expenses        | 557,779          | 680,321          |
| Finance cost                        | 18,364           | -                |
|                                     | <u>4,569,598</u> | <u>5,355,096</u> |
| Surplus/(deficit) for the year      | <u>788,895</u>   | <u>(147,709)</u> |