

AGENCY FOR VOLUNTEER SERVICE

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2020

(To: Social Welfare Department)



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

Chartered Accountants
Certified Public Accountants

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

AGENCY FOR VOLUNTEER SERVICE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2020

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Certified Public Accountants

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REVIEW REPORT TO THE BOARD OF DIRECTORS OF AGENCY FOR VOLUNTEER SERVICE

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

We have audited the financial statements of Agency for Volunteer Service (the "Agency") for the year ended 31 March 2020 and have issued an unqualified auditor's report dated 29 SEP 2020.

We conducted our review of the attached Annual Financial Report on pages 3 to 8 of the Agency for the year ended 31 March 2020 in accordance with Practice Note 851 "Review of the Annual Financial Reports of Non-governmental Organisations" issued by the Hong Kong Institute of Certified Public Accountants. The review includes considering the procedures and records relevant to the preparation of the Annual Financial Report and performing procedures to satisfy ourselves that the Annual Financial Report has been properly prepared from the books and records of the Agency, on which the above audited financial statements of the Agency are based.

Review conclusions

On the basis of the results of our review and having regard to the audit procedures performed by us in relation to the audit of the financial statements of the Agency for the year ended 31 March 2020:

- a. in our opinion the Annual Financial Report has been properly prepared from the books and records of the Agency; and
- b. no matters have come to our attention during the course of our review, which cause us to believe that the Agency has not:
 - i. properly accounted for the receipt of Lump Sum Grant, Provident Fund and other social welfare subventions and expenditure in respect of Funding and Services Agreement activities and support services;
 - ii. kept separate Operating Income and Expenditure Account for each subvented service unit as required by the Lump Sum Grant Manual (LSG Manual) published by the Social Welfare Department of the Government of the HKSAR;
 - iii. prepared the Annual Financial Report in accordance with the format and requirements set out in the LSG Manual; and
 - iv. employed the staff quoted in the Provident Fund arrangements during the year ended 31 March 2020.



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REVIEW REPORT

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

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

Review conclusions (Continued)

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

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

**David Tze Kin Ng, Auditor
Practicing Certificate Number P00553**

Hong Kong, 29 SEP 2020

ANNUAL FINANCIAL REPORT

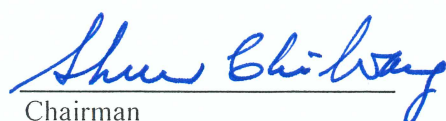
AGENCY FOR VOLUNTEER SERVICE
(WESTERN GARDEN NEIGHBOURHOOD ELDERLY CENTRE)

FOR THE YEAR FROM 1 APRIL 2019 TO 31 MARCH 2020

	<u>Notes</u>	<u>Total 2019-20 HK\$</u>	<u>Total 2018-19 HK\$</u>
A. INCOME			
1. Lump Sum Grant			
a) Lump Sum Grant (excluding Provident Fund)	1b	5,088,056	4,171,458
b) Provident fund	1c	306,747	249,486
2. Fee income	2	11,507	14,036
3. Central items	3	-	-
4. Rent and rates	4	1,692,002	1,131,015
5. Other income	5	282,825	405,430
6. Interest received		31,039	13,859
TOTAL INCOME		<u>7,412,176</u>	<u>5,985,284</u>
B. EXPENDITURE			
1. Personal emoluments			
a) Salaries		3,620,056	3,062,686
b) Provident fund	1c	229,980	202,391
c) Allowances		-	-
Sub-total	6	<u>3,850,036</u>	<u>3,265,077</u>
2. Other charges	7	626,461	761,680
3. Central items	3	-	-
4. Rent and rates	4	<u>1,151,470</u>	<u>1,225,414</u>
TOTAL EXPENDITURE		<u>5,627,967</u>	<u>5,252,171</u>
C. SURPLUS FOR THE YEAR	8	<u><u>1,784,209</u></u>	<u><u>733,113</u></u>

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

Signature



Chairman

Date:

29 SEP 2020



Chief Executive Officer

Date:

29 SEP 2020

**ANNUAL FINANCIAL REPORT
AGENCY FOR VOLUNTEER SERVICE
NOTES TO THE ANNUAL FINANCIAL REPORT
FOR THE YEAR FROM 1 APRIL 2019 TO 31 MARCH 2020**

1. Lump Sum Grant

a. Basis of preparation

The Annual Financial Report (AFR) is prepared in respect of all Funding and Service Agreement (FSA) activities (including support services to FSA activities) funded by the Social Welfare Department under the Lump Sum Grant Subvention System. AFR is prepared on cash basis, that is, income is recognised upon receipt of cash and expenditure is recognised when expenses are paid. Non-cash items such as depreciation, provisions and accruals have not been included in AFR.

b. Lump Sum Grant (excluding Provident Fund)

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

c. Provident fund

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

Details are analysed below:

<u>Provident fund contribution</u>	<u>Snapshot Staff HK\$</u>	<u>6.8% and Other Posts HK\$</u>	<u>Total HK\$</u>
Subvention received	-	306,747	306,747
Provident fund contribution paid during the year	-	(229,980)	(229,980)
Surplus for the year	-	76,767	76,767
Add: Surplus b/f	-	154,938	154,938
Forfeiture of PF contribution for resigned staff	-	10,579	10,579
Surplus c/f	-	242,284	242,284

2. Fee income

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

**ANNUAL FINANCIAL REPORT
AGENCY FOR VOLUNTEER SERVICE
NOTES TO THE ANNUAL FINANCIAL REPORT
FOR THE YEAR FROM 1 APRIL 2019 TO 31 MARCH 2020**

3. Central items

These are subvented service activities which are not included in LSG and are subject to their own procedures as set out in other SWD's papers and correspondence with the NGOs. The Provident fund received and contributed for staff under the Central items have been separately included as part of the income and expenditure of the relevant items (paragraph 3.14 of LSG Manual (October 2016)). The income and expenditure of each of the Central items are as follows:

	<u>2019-20</u> HK\$	<u>2018-19</u> HK\$
<u>Income</u>		
Programme Assistant	-	-
Total	<u>-</u>	<u>-</u>
<u>Expenditure</u>		
Programme Assistant	-	-
Total	<u>-</u>	<u>-</u>

4. Rent and rates

This represents the amount paid by SWD in respect of premises recognised by SWD. Expenditures on rent and rates in respect of premises not recognised by SWD have not been included in AFR.

5. Other income

This includes programme income and all income other than recognised social welfare fee income received during the year. Non-SWD subventions and donations received have not been included as Other income in AFR. In this respect, donations have been included if it is used to finance expenditure reflected in the AFR.

The breakdown on other income is as follows:

	<u>2019-20</u> HK\$	<u>2018-19</u> HK\$
Programme service income	<u>293,404</u>	<u>405,430</u>

6. Personal emoluments

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

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AGENCY FOR VOLUNTEER SERVICE
NOTES TO THE ANNUAL FINANCIAL REPORT
FOR THE YEAR FROM 1 APRIL 2019 TO 31 MARCH 2020

7. Other charges

	<u>2019-20</u> HK\$	<u>2018-19</u> HK\$
a) Utilities	70,701	53,790
b) Food	-	-
c) Administrative expenses	60,546	57,511
d) Stores and equipment	-	-
e) Repair and maintenance	4,730	23,998
f) Special allowances	-	-
g) Volunteer staff system	13,000	13,800
h) Programme expenses	402,482	551,489
i) Transportation and travelling	387	436
j) Insurance	21,495	16,139
k) Miscellaneous	53,120	44,517
Total	<u><u>626,461</u></u>	<u><u>761,680</u></u>

ANNUAL FINANCIAL REPORT
AGENCY FOR VOLUNTEER SERVICE
NOTES TO THE ANNUAL FINANCIAL REPORT
FOR THE YEAR FROM 1 APRIL 2019 TO 31 MARCH 2020

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

	Analysis of Reserve Fund				
	Lump Sum Grant (LSG) HK\$	Special One-off Grant (SOG) HK\$	Rent and rates HK\$	Central item HK\$	Total HK\$
Income					
Lump Sum Grant	5,394,803	-	-	-	5,394,803
Fee income	11,507	-	-	-	11,507
Other income	282,825	-	-	-	282,825
Interest received (Note (1))	31,039	-	-	-	31,039
Rent and rates	-	-	1,692,002	-	1,692,002
Central items	-	-	-	-	-
Total income (a)	5,720,174	-	1,692,002	-	7,412,176
Expenditure					
Personal emoluments	3,850,036	-	-	-	3,850,036
Other charges	626,461	-	-	-	626,461
Rent and rates	-	-	1,151,470	-	1,151,470
Central items	-	-	-	-	-
Total expenditure (b)	4,476,497	-	1,151,470	-	5,627,967
Surplus for the year (a) - (b)	1,243,677	-	540,532	-	1,784,209
<u>Less: Surplus of provident fund</u>	<u>76,767</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,767</u>
	1,166,910	-	540,532	-	1,707,442
Surplus/(Deficit) b/f (Note (2))	1,698,277	-	(521,155)	-	1,177,122
	2,865,187	-	19,377	-	2,884,564
Adjustment to LSG surplus for cash basis interest income 2016/17 - 2018/19	6,691	-	-	-	6,691
<u>Less: Refund to Government</u>	<u>(724,555)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(724,555)</u>
Surplus c/f (Note (3) & (4))	2,147,323	-	19,377	-	2,166,700

- Notes: (1) Interests received on LSG and PF reserves, rent and rates, central item are included as one item under LSG; and the item is considered as part of LSG reserve.
- (2) Accumulated balance of LSG Surplus b/f from previous years (including holding account) and all interests received in previous years are included should be included in the surplus b/f under LSG.
- (3) Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplement, if any, as per Schedule of Central Items.
- (4) The level of LSG cumulative reserves (i.e. S), less LSG Reserve kept in holding account, will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for the year.

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AGENCY FOR VOLUNTEER SERVICE
NOTES TO THE ANNUAL FINANCIAL REPORT
FOR THE YEAR FROM 1 APRIL 2019 TO 31 MARCH 2020

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

	INCOME						EXPENDITURE					Remarks	
	LSG	Fee income	Central items	Rent and rates	Other income	Total income (1)	Personal emoluments	Other charges	Central items	Rent and rates	Total expenditure (2)		Surplus/ (Deficits) (1)-(2)
Programme Area I Service Unit 1029	HK\$ 5,394,803	HK\$ 11,507	HK\$ -	HK\$ 1,692,002	HK\$ 282,825	HK\$ 7,381,137	HK\$ 3,850,036	HK\$ 626,461	HK\$ -	HK\$ 1,151,470	HK\$ 5,627,967	HK\$ 1,753,170	
Sub-total	5,394,803	11,507	-	1,692,002	282,825	7,381,137	3,850,036	626,461	-	1,151,470	5,627,967	1,753,170	
SOG	-	-	-	-	-	-	-	-	-	-	-	-	
Interest Received	31,039	-	-	-	-	31,039	-	-	-	-	-	31,039	
Total	5,425,842	11,507	-	1,692,002	282,825	7,412,176	3,850,036	626,461	-	1,151,470	5,627,967	1,784,209	

Schedule for Rent and rates**Analysis of Subvention and Expenditure for the year from 1 April 2019 to 31 March 2020**Name of Agency : AGENCY FOR VOLUNTEER SERVICE

Unit Code and Name	Subvented Element	Reimbursement of prior year expenditure	Subvention Released (Note 1) (a)	Actual Expenditure (b)	Surplus (Note 2)	Deficit (Note 2) (a)-(b)
1029 - Western Garden Neighbourhood Elderly Centre	Rent (Note 3)	-	\$ 1,633,070	\$ 1,108,996	\$ -	\$ 524,074
	Rates	-	58,932	42,474	-	16,458
	Total	-	1,692,002	1,151,470	-	540,532

Notes :

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



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Date: 29 SEP 2020

Annex 2

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

Dear Sir/Madam,

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

We have pleasure in submitting our audited financial statements of Agency for Volunteer Service (Agency) for the year ended 31 March 2020.

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

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

Director

Schedule for Central items

Analysis of Subvention and Expenditure for the period from 1 April 2019 to 31 March 2020

Name of Agency : AGENCY FOR VOLUNTEER SERVICE

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

Notes:

- The figures for the whole financial year can be extracted from the payroll for March (Final) of the financial year.
- Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
- Surplus/Deficit for each element represents the difference between subvention released and actual expenditure.
- Deficit i.r.o. the following central items arising from salary adjustment can be transferred to the Lump Sum Grant Reserve as stated in our letter ref.(9) in SWD/S/104/2 Pt.16 dated 20 July 2016.
 - Dementia Supplement for Elderly with Disabilities
 - Infirmary Care Supplement for the Aged Blind Persons
 - Dementia Supplement for Residential Elderly Services
 - Infirmary Care Supplement for Residential Elderly Services
 - Regularized Programme Assistants (PA) / Care Assistants (CA)
- "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
- "Surplus carried forward (c/f)" means surplus brought forward plus surplus, if any, arising from operations in current year.
- Unit codes and names assigned by SWD should be filled, if available.
- The income and expenditure for the Special one-off Subsidy for Better Care for Elderly Persons with Dementia or Requiring Infirmary Care as allocated via SWD's letter ref SWD/S/E/RC/3 Pt.6 dated 4 February 2016 should be included in the income/expenditure of the respective items.
- As the above schedule may not be exhaustive in content, any relevant details in respect of central items released and/or expended during the year may also be included, where appropriate.