**Immigration Service Ordinance (Chapter 331)**
**Immigration Service (Welfare Fund) Regulation**

Report on the administration of the
Immigration Service Welfare Fund
prepared by the Director of Immigration Incorporated
in accordance with Regulation 12(b)

This report covers the financial year from 1 April 2024 to 31 March 2025.

2. At the beginning of the year, the Fund had an accumulated net balance of $10,532,763. The total income for the year was $2,611,549 including a sum of $416,280 voted by the Legislative Council on the basis of $60 per annum for each member of the Immigration Service serving on 1 April 2024, donations of $1,840,000 and net interest income of $355,269 from time deposits.

3. Expenditure for the year under review was $2,005,509. Apart from a grant of $1,388,363 to the Immigration Department Staff Club to subsidise activities in which members of the Immigration Service participated, $617,146 was spent on staff welfare matters, such as consolation gifts for officers, sports and recreational activities, purchases and repair of welfare equipment. The excess of income over expenditure for the year amounted to $606,040.

4. In 2024-25, no application for loan from the Fund was received and there was no outstanding loan by the end of the financial year.

5. As at 31 March 2025, the Fund had a total credit balance of $11,138,803.

6. The financial statements for the year ended 31 March 2025, which have been certified true and fair by the Director of Audit, are attached.

J. K

Benson JF KWOK
Director of Immigration Incorporated
22 SEP 2025

# Immigration Service Welfare Fund

Financial statements for the year ended 31 March 2025

**Audit Commission**
**The Government of the Hong Kong Special Administrative Region**

# Independent Auditor's Report
# To the Legislative Council

### *Opinion*

I certify that I have audited the financial statements of the Immigration Service Welfare Fund set out on pages 4 to 18, which comprise the balance sheet as at 31 March 2025, and the income and expenditure account, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In my opinion, the financial statements give a true and fair view of the financial position of the Immigration Service Welfare Fund as at 31 March 2025, and of its financial performance and cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in accordance with section 10(1)(b) of the Immigration Service (Welfare Fund) Regulation (Cap. 331D).

### *Basis for opinion*

I conducted my audit in accordance with section 11(3) of the Immigration Service (Welfare Fund) Regulation and the Audit Commission auditing standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report. I am independent of the Immigration Service Welfare Fund in accordance with those standards, and I have fulfilled my other ethical responsibilities in accordance with those standards. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### *Responsibilities of the Director of Immigration Incorporated for the financial statements*

The Director of Immigration Incorporated is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and section 10(1)(b) of the Immigration Service (Welfare Fund) Regulation, and for such internal control as the Director of Immigration Incorporated determines 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 Director of Immigration Incorporated is responsible for assessing the Immigration Service Welfare Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

***Auditor's responsibilities for the audit of the financial statements***

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Audit Commission auditing standards 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 the Audit Commission auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Immigration Service Welfare Fund's internal control;

— evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director of Immigration Incorporated;

— conclude on the appropriateness of the Director of Immigration Incorporated's 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 Immigration Service Welfare Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Immigration Service Welfare Fund to cease to continue as a going concern; and

— 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.

I communicate with the Director of Immigration Incorporated regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Ms Elaine Chang
Principal Auditor (Acting)
for Director of Audit

10 September 2025

Audit Commission
6th Floor, High Block
Queensway Government Offices
66 Queensway
Hong Kong

**Immigration Service Welfare Fund**
**Balance Sheet as at 31 March 2025**

| | Note | 2025<br>HK$ | 2024<br>HK$ |
|---|---|---|---|
| **GENERAL ACCOUNT** | | | |
| **Current assets** | | | |
| Stock | | **28,846** | 32,252 |
| Accounts receivable | | **183,892** | 69,151 |
| Interest receivable | | **1,954** | 5,215 |
| Cash and cash equivalents | 6 | **2,854,753** | 4,058,205 |
| | | **3,069,445** | 4,164,823 |
| **Current liabilities** | | | |
| Accounts payable | | **(68,540)** | (48,845) |
| **Net assets** | | **3,000,905** | 4,115,978 |
| **Accumulated fund** | | | |
| Capital | 7 | **650,000** | 650,000 |
| Accumulated surplus | | **2,350,905** | 3,465,978 |
| | | **3,000,905** | 4,115,978 |

| | Note | 2025 HK$ | 2024 HK$ |
|---|---|---|---|
| **DONATIONS FOR AN ARSON ATTACK INCIDENT ACCOUNT** | 4 | | |
| **Current assets** | | | |
| Interest receivable | | **200** | 206 |
| Cash and cash equivalents | 6 | **205,521** | 204,211 |
| **Net assets** | | **205,721** | 204,417 |
| **Accumulated fund** | | | |
| Accumulated surplus | | **205,721** | 204,417 |
| **DONATIONS FOR CHILDREN'S EDUCATION ACCOUNT** | 5 | | |
| **Current assets** | | | |
| Interest receivable | | **11,728** | 21,034 |
| Cash and cash equivalents | 6 | **7,920,449** | 6,191,334 |
| **Net assets** | | **7,932,177** | 6,212,368 |
| **Accumulated fund** | | | |
| Accumulated surplus | | **7,932,177** | 6,212,368 |

The accompanying notes 1 to 10 form part of these financial statements.

J. K

Benson JF KWOK
Director of Immigration Incorporated

10 SEP 2025

**Immigration Service Welfare Fund**
**Income and Expenditure Account for the year ended 31 March 2025**

| | 2025<br>HK$ | 2024<br>HK$ |
|---|---|---|
| **GENERAL ACCOUNT** | | |
| **Income** | | |
| Government grant | **416,280** | 410,340 |
| Donations | **340,000** | 400,000 |
| Interest income from time deposits | **134,156** | 158,330 |
| | **890,436** | 968,670 |
| **Expenditure** | | |
| Grants to staff clubs | **(1,388,363)** | (1,289,063) |
| Consolation gifts for officers | **(289,319)** | (206,256) |
| Sports and recreational activities | **(261,226)** | (151,622) |
| Purchases and repair of welfare equipment | **(45,740)** | - |
| Other staff welfare | **(20,861)** | (9,105) |
| | **(2,005,509)** | (1,656,046) |
| **Deficit for the year** | **(1,115,073)** | (687,376) |
| **Other comprehensive income** | **-** | - |
| **Total comprehensive loss for the year** | **(1,115,073)** | (687,376) |

| | 2025 | 2024 |
|---|---|---|
| | HK$ | HK$ |
| **DONATIONS FOR AN ARSON ATTACK INCIDENT ACCOUNT** | | |
| **Income** | | |
| Interest income from time deposits | **1,304** | 1,293 |
| **Expenditure** | **-** | - |
| **Surplus for the year** | **1,304** | 1,293 |
| **Other comprehensive income** | **-** | - |
| **Total comprehensive income for the year** | **1,304** | 1,293 |

| | 2025 | 2024 |
|---|---|---|
| **DONATIONS FOR CHILDREN'S EDUCATION ACCOUNT** | | |
| **Income** | | |
| Donations | **1,500,000** | 1,500,000 |
| Interest income from time deposits | **219,809** | 160,506 |
| | **1,719,809** | 1,660,506 |
| **Expenditure** | **-** | - |
| **Surplus for the year** | **1,719,809** | 1,660,506 |
| **Other comprehensive income** | **-** | - |
| **Total comprehensive income for the year** | **1,719,809** | 1,660,506 |

The accompanying notes 1 to 10 form part of these financial statements.

## Immigration Service Welfare Fund
## Statement of Changes in Equity for the year ended 31 March 2025

| | GENERAL ACCOUNT | | | DONATIONS FOR AN ARSON ATTACK INCIDENT ACCOUNT | DONATIONS FOR CHILDREN'S EDUCATION ACCOUNT | TOTAL (note 3) |
|---|---|---|---|---|---|---|
| | **Capital HK$** | **Accumulated Surplus HK$** | **Total HK$** | **Accumulated Surplus HK$** | **Accumulated Surplus HK$** | **HK$** |
| Balance at 1 April 2023 | 650,000 | 4,153,354 | 4,803,354 | 203,124 | 4,551,862 | 9,558,340 |
| Total comprehensive (loss)/income for 2023-24 | - | (687,376) | (687,376) | 1,293 | 1,660,506 | 974,423 |
| Balance at 31 March 2024 and 1 April 2024 | 650,000 | 3,465,978 | 4,115,978 | 204,417 | 6,212,368 | 10,532,763 |
| Total comprehensive (loss)/income for 2024-25 | - | (1,115,073) | (1,115,073) | 1,304 | 1,719,809 | 606,040 |
| Balance at 31 March 2025 | **650,000** | **2,350,905** | **3,000,905** | **205,721** | **7,932,177** | **11,138,803** |

The accompanying notes 1 to 10 form part of these financial statements.

**Immigration Service Welfare Fund**
**Statement of Cash Flows for the year ended 31 March 2025**

| | Note | 2025<br>HK$ | 2024<br>HK$ |
|---|---|---|---|
| **GENERAL ACCOUNT** | | | |
| **Cash flows from operating activities** | | | |
| Deficit for the year | | **(1,115,073)** | (687,376) |
| Adjustments for: | | | |
| Interest income from time deposits | | **(134,156)** | (158,330) |
| Decrease in stock | | **3,406** | 1,987 |
| (Increase)/Decrease in accounts receivable | | **(114,741)** | 161,805 |
| Increase/(Decrease) in accounts payable | | **19,695** | (12,009) |
| **Net cash used in operating activities** | | **(1,340,869)** | (693,923) |
| **Cash flows from investing activities** | | | |
| Interest received | | **137,417** | 154,366 |
| **Net cash from investing activities** | | **137,417** | 154,366 |
| **Net decrease in cash and cash equivalents** | | **(1,203,452)** | (539,557) |
| **Cash and cash equivalents at beginning of year** | | **4,058,205** | 4,597,762 |
| **Cash and cash equivalents at end of year** | 6 | **2,854,753** | 4,058,205 |

| | Note | 2025<br>HK$ | 2024<br>HK$ |
|---|---|---|---|
| **DONATIONS FOR AN ARSON ATTACK INCIDENT ACCOUNT** | | | |
| **Cash flows from operating activities** | | | |
| Surplus for the year | | **1,304** | 1,293 |
| Adjustment for: | | | |
| Interest income from time deposits | | **(1,304)** | (1,293) |
| **Net cash from operating activities** | | **-** | - |
| **Cash flows from investing activities** | | | |
| Interest received | | **1,310** | 1,299 |
| **Net cash from investing activities** | | **1,310** | 1,299 |
| **Net increase in cash and cash equivalents** | | **1,310** | 1,299 |
| **Cash and cash equivalents at beginning of year** | | **204,211** | 202,912 |
| **Cash and cash equivalents at end of year** | 6 | **205,521** | 204,211 |
| **DONATIONS FOR CHILDREN'S EDUCATION ACCOUNT** | | | |
| **Cash flows from operating activities** | | | |
| Surplus for the year | | **1,719,809** | 1,660,506 |
| Adjustment for: | | | |
| Interest income from time deposits | | **(219,809)** | (160,506) |
| **Net cash from operating activities** | | **1,500,000** | 1,500,000 |
| **Cash flows from investing activities** | | | |
| Interest received | | **229,115** | 146,953 |
| **Net cash from investing activities** | | **229,115** | 146,953 |
| **Net increase in cash and cash equivalents** | | **1,729,115** | 1,646,953 |
| **Cash and cash equivalents at beginning of year** | | **6,191,334** | 4,544,381 |
| **Cash and cash equivalents at end of year** | 6 | **7,920,449** | 6,191,334 |

The accompanying notes 1 to 10 form part of these financial statements.

**Immigration Service Welfare Fund**
**Notes to the Financial Statements**

## 1. General

In accordance with section 16D of the Immigration Service Ordinance (Cap. 331), the Immigration Service Welfare Fund (the Fund) was established mainly for providing and maintaining amenities for the use and enjoyment of and making loans to members and former members of the Immigration Service, and granting financial assistance to dependants of deceased persons who, at the time of death, were members or former members of the Service. The address of the Fund's principal place of business is 9th Floor, Administration Tower, Immigration Headquarters, 61 Po Yap Road, Tseung Kwan O, New Territories.

## 2. Material accounting policies

(a) Statement of compliance

The financial statements of the Fund have been prepared in accordance with section 10(1)(b) of the Immigration Service (Welfare Fund) Regulation (Cap. 331D) and all applicable HKFRS Accounting Standards, which is a collective term that includes all applicable individual Hong Kong Financial Reporting Standards (HKFRSs), Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). Material accounting policies adopted by the Fund are set out below.

(b) Basis of preparation of the financial statements

The financial statements have been prepared on an accrual basis and under the historical cost convention.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical accounting judgements involved in the application of the Fund's accounting policies. There are neither key assumptions concerning the future nor other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next year.

(c) Impact of new and revised HKFRS Accounting Standards

The HKICPA has issued certain new or revised HKFRS Accounting Standards which are first effective or available for early adoption for the current accounting period of the Fund. There have been no changes to the accounting policies applied in these financial statements for the years presented as a result of these developments.

The Fund has not early adopted any amendments, new standards and interpretations which are not yet effective for the current accounting period. These include the following which may be relevant to the Fund.

| | **Effective for accounting periods beginning on or after** |
|---|---|
| HKFRS 18 "Presentation and Disclosure in Financial Statements" | 1 January 2027 |

The Fund is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial adoption. So far, it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements.

(d) Financial assets and financial liabilities

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognised on the date the Fund becomes a party to the contractual provisions of the financial instrument. They are initially measured at fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial assets or the issue of the financial liabilities.

(ii) Classification and subsequent measurement

*Financial assets measured at amortised cost*

This category comprises accounts receivable, interest receivable and cash and cash equivalents. They are held for the collection of contractual cash flows which represent solely payments of principal and interest. They are subsequently measured at amortised cost using the effective interest method, net of loss allowance, if any (note 2(d)(iv)).

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating and recognising the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Fund estimates cash flows by considering all contractual terms of the financial instrument but does not consider the expected credit losses. The calculation includes all fees received or paid between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

*Financial liabilities measured at amortised cost*

This category comprises accounts payable. They are subsequently measured at amortised cost using the effective interest method.

(iii) Derecognition

A financial asset is derecognised when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset together with substantially all the risks and rewards of ownership have been transferred.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(iv) Impairment of financial assets

For financial assets measured at amortised cost, the Fund measures the expected credit losses to determine the loss allowance required to be recognised.

Expected credit losses are a probability-weighted estimate of credit losses. They are based on the difference between the contractual cash flows due in accordance with the contract and the cash flows that the Fund expects to receive, discounted at the effective interest rate. They are measured on either of the following bases:

- 12-month expected credit losses (for financial instruments for which there has not been a significant increase in credit risk since initial recognition): these are losses that are expected to result from possible default events within the 12 months after the reporting date; or

- lifetime expected credit losses (for financial instruments for which there has been a significant increase in credit risk since initial recognition): these are losses that are expected to result from all possible default events over the expected life of the financial instruments.

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Fund compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this assessment, the Fund considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Fund in full; or (ii) the financial asset is 90 days past due. The Fund considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For a financial asset with lifetime expected credit losses recognised in the previous reporting period, if its credit quality improves and reverses the previously assessed significant increase in credit risk, then the loss allowance reverts from lifetime expected credit losses to 12-month expected credit losses.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(e) Stock

Stock is measured at the lower of cost and net realisable value. The cost of stock is calculated using the weighted average cost formula. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(f) Revenue recognition

(i) Government grant was the amount voted by the Legislative Council at the rate of HK$60 (2024: HK$60) per annum per disciplined staff member actually on the strength of the Immigration Department as at 1 April 2024. Government grant is recognised when there is reasonable assurance that it will be received and that the Fund will comply with the conditions attaching to it.

(ii) Donation income is recognised once the amount is received and approval for acceptance is obtained.

(iii) Interest income is recognised as it accrues using the effective interest method.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash with the Director of Accounting Services and time deposits with original maturities within three months.

## 3. Administration of the Fund

The Fund is administered in a General account together with two donation accounts (with donations made to and interest income earned by each, and assets and equities of each maintained for specified purposes – notes 4 and 5). The total assets, liabilities, income and expenditure of the Fund are as follows.

| | **2025** | 2024 |
|---|---|---|
| | **HK$** | HK$ |
| Assets | **11,207,343** | 10,581,608 |
| Liabilities | **68,540** | 48,845 |
| Income | **2,611,549** | 2,630,469 |
| Expenditure | **2,005,509** | 1,656,046 |

## 4. Donations for an arson attack incident account

A separate account is kept for recording the donations received by the Fund and the payments made for the surviving family of the late Mr LEUNG Kam-kwong and the staff injured in an arson attack.

## 5. Donations for children's education account

In appreciation of the Immigration Department's excellent service to the community, Young Chi Wan Foundation Limited has made donations to the Fund since 2021 for providing financial support to members of the Immigration Service for the education of their children. A separate account is kept to record the donation and its movements.

## 6. Cash and cash equivalents

| | **2025** **HK$** | 2024 HK$ |
|---|---|---|
| General account | | |
| Time deposits with original maturities within three months | **2,547,111** | 3,888,894 |
| Cash with the Director of Accounting Services | **307,642** | 169,311 |
| | **2,854,753** | 4,058,205 |
| Donations for an arson attack incident account | | |
| Time deposits with original maturities within three months | **205,521** | 204,211 |
| Donations for children's education account | | |
| Time deposits with original maturities within three months | **4,920,449** | 6,191,334 |
| Cash with the Director of Accounting Services | **3,000,000** | - |
| | **7,920,449** | 6,191,334 |

## 7. Capital

Capital represents the donations made by the late Sir Shiu-kin TANG in 1983 and 1986.

## 8. Financial risk management

The Fund's financial instruments are accounts receivable, interest receivable, time deposits, cash with the Director of Accounting Services and accounts payable. The major risks associated with these financial instruments are set out below.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The maximum exposure to credit risk of the financial assets of the Fund at the reporting date is equal to their carrying amounts.

To minimise the credit risk arising from time deposits, all deposits are placed with reputable licensed banks in Hong Kong. Hence, the Fund's exposure to credit risk is considered to be limited. The credit risk in respect of cash with the Director of Accounting Services is considered minimal. For accounts receivable, the Fund closely monitors the granting of credit and considers that accounts receivable has no significant default risk.

The credit quality of bank balances, analysed by the ratings designated by Moody's, at the reporting date is shown below.

| | **2025** | 2024 |
|---|---|---|
| | **HK$** | HK$ |
| Time deposits, by credit rating | | |
| General account | | |
| A1 to A3 | **2,547,111** | 3,888,894 |
| Donations for an arson attack incident account | | |
| Baa1 to Baa3 | **205,521** | 204,211 |
| Donations for children's education account | | |
| Baa1 to Baa3 | **4,920,449** | 6,191,334 |

While other financial assets are subject to the impairment requirements, the Fund has estimated that their expected credit losses are minimal and considers that no loss allowance is required.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. This can be further classified into fair value interest rate risk and cash flow interest rate risk.

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. Since the Fund's time deposits bear interest at fixed rates, their fair values will fall when market interest rates increase. However, as they are stated at amortised cost, changes in market interest rates will not affect their carrying amounts and the Fund's surplus/deficit for the year.

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund is not exposed to material cash flow interest rate risk because it has no major financial instruments bearing interest at a floating rate.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

In the management of liquidity risk, the Fund maintains a level of cash and cash equivalents that is considered adequate to finance its operations and mitigate the effect of fluctuations in cash flows. Hence, the Fund does not have significant exposures to liquidity risk.

As at 31 March 2025, the remaining contractual maturities of all financial liabilities, based on contractual undiscounted cash flows and the earliest date on which the Fund can be required to pay, were one month or less (2024: one month or less).

## 9. Capital management

The capital structure of the Fund comprises the amount set aside as capital from the donations made by the late Sir Shiu-kin TANG (note 7) and the accumulated surplus of the Fund. The Fund's objectives when managing capital are:

(a) to comply with the Immigration Service Ordinance and the Immigration Service (Welfare Fund) Regulation; and

(b) to maintain a strong capital base for carrying out the purposes of the Fund as stated in note 1 above.

The Fund manages capital to ensure that its level is adequate to fund expenditure, taking into account its projected cash flow requirements, future financial obligations and commitments.

## 10. Fair values of financial assets and financial liabilities

All financial assets and financial liabilities are stated in the balance sheet at amounts equal to or not materially different from their fair values.