

World Vision Hong Kong
(Limited by Guarantee)
香港世界宣明會

Financial Statements
Year ended 30 September 2025

Report of the directors

The directors present their report and the audited financial statements of World Vision Hong Kong 香港世界宣明會 (“the Organisation”) for the year ended 30 September 2025.

Principal activity

The principal activity of the Organisation is fundraising for charitable purposes. There was no significant change in the nature of the Organisation’s principal activity during the year.

Share capital

The Organisation was incorporated under the laws of Hong Kong as a company limited by guarantee and not having a share capital. The details of the liability of its members are set out in note 1 to the financial statements.

Directors

The directors of the Organisation during the year were:

Chan Chiu Kong, Edmond	
Lo Kwan Yee	
Tsang Enian	
Yuen Sui See	
Leung Kit Kan, Ingrid	(retired and re-elected on 19 December 2024)
Lu Yuen Shun, Joseph	(retired and re-elected on 19 December 2024)
Yeung Benjamin	(retired and re-elected on 19 December 2024)
Ho Yin Fong, Julian	(retired on 20 December 2024)
Lo Wai Sang	(retired on 20 December 2024)
Nip Tak Kuen	(appointed on 1 January 2025)
Yeung Eirene	(retired and re-elected on 27 June 2025)

In accordance with the Organisation’s new articles of association adopted on 14 June 2010, every director shall be elected for a term of three years. A retiring director shall be eligible for re-election save that a retiring director who has or shall have, immediately preceding his retirement, already served as a director for nine or more consecutive years shall not be eligible for re-election. The restriction on the eligibility for re-election as a director shall not apply where the person is a member of the board of directors of World Vision International (“WVI”).

Directors’ interests in transactions, arrangements or contracts

No director had a material beneficial interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Organisation to which the Organisation was a party during the year.

International relief and community development expenditure

During the year, HK\$375,181,062 (2024: HK\$371,763,451) was transferred in the form of cash for the purpose of funding of international relief and community development programmes via WVI member organisations.

Business review

Objectives

The Organisation is a Christian humanitarian organisation working to create lasting change in the lives of children, families and communities living in poverty. The Organisation serves all people regardless of religion, race, ethnicity or gender. As followers of Jesus, the Organisation is dedicated to working with the world's most vulnerable people.

The Organisation focuses on children and empowers their communities through its development works in education, water, health, child protection and livelihoods. The Organisation also promotes public awareness of global issues such as poverty, hunger, climate change, health and child rights.

Our Work

Community Development Programmes

The Organisation works with families, communities, and other World Vision offices in different continents and regions, including Africa, Asia, Latin America, the Middle East and Eastern Europe to implement community development programmes to ensure that children enjoy good health, are educated for life, experience the love of God and love from their neighbours.

Emergency Relief

The Organisation works with other World Vision offices to promptly respond with emergency assistance to the affected people by providing basic necessities required to meet their urgent needs and psychological counselling for survivors in the short-term, and carrying out long-term recovery projects to help them regain their livelihoods and rebuild their communities.

Local Programmes and Public Education

The Organisation cares for local children and advocate for those in need through local programmes and public education services. The local programmes address the challenges faced by grass-roots children and families, including those with Special Educational Needs (SEN). Pillars of work include Nutrition and Health, Support for Special Educational Needs, Experiential Learning and Learning Support and Mental Wellness. The public education services provided by the Organisation aim to raise public awareness of the needs of people living in poverty. A range of educational materials is produced and made available to schools, churches, and educational institutions to support their learning activities. Through diverse initiatives such as talks, experiential workshops, famine events, service-learning trips, and internship programmes, students gain a deeper understanding of the realities faced by those in poverty.

Business review (continued)

Financial Performance

The total income of HK\$627 million for 2025 was 11% or HK\$62 million more than in 2024. It was mainly due to the increase in donations from the gifts-in-kind received and emergency appeal during the year.

Key Financial Performance

- Donations from the public for aid and development programmes amounted to HK\$385 million this year, which was decreased by 5% or HK\$22 million from last year.
- Donations from the public for emergency relief amounted to HK\$15 million this year, which was increased by 85% or HK\$7 million from last year.
- Grants from the Hong Kong Special Administrative Region Government (the "Hong Kong SAR Government") for emergency relief amounted to HK\$23 million this year, which was increased by 65% or HK\$9 million from last year.
- Donations from international relief and development organisations amounted to HK\$24 million this year, which was increased by 68% or HK\$10 million from last year.
- Gifts-in-kind received for international relief and community development programmes amounted to HK\$173 million this year, which was increased by 48% or HK\$56 million from last year.

Due to economic uncertainty, the Organisation's fundraising and public engagement activities have been negatively affected. The next fiscal year is still expected to be very challenging to the Organisation, pending a full economic recovery.

Emergency Relief

Donations received from the public for designated emergency relief were mainly for the Organisation's responses to the earthquakes in Myanmar and Afghanistan, Global Hunger and Ukraine crisis.

Grants from the Hong Kong SAR Government for emergency relief mainly included the grants for the Organisation's responses to floods in Bangladesh, Brazil, China, Kenya, Myanmar, Vietnam and earthquake in Myanmar.

Funds Allocation

The Organisation supported 218 projects in 33 countries around the world in 2025, including 61 Area Programmes ("APs") across 23 countries, 91 short- to mid- term projects and 66 relief and rehabilitation projects in different areas.

The Organisation strives to be a good steward of donations, endeavouring to make sure every dollar is well accounted for. In the 2025 financial year, 90.6% of the total income was allocated to the global ministry programmes. Administration and fundraising costs accounted for 3.6% and 5.7% respectively of the total income.

Business review (continued)

The Organisation has allocated HK\$515 million to international aid and community development programmes. It mainly supported the projects through Child Sponsorship, World Vision China Partners and Childhood Rescue to improve the lives of children and assist children and families in distress. The Organisation has also allocated HK\$15 million to local programmes and public education to address the needs of local grass-roots children and families, including those with Special Education Needs, while advocating in schools and churches through a diverse range of educational activities.

Besides this, the Organisation committed about HK\$38 million to relief and recovery projects to assist people affected by the global hunger crisis, as well as disasters including earthquakes in Myanmar, floods in Bangladesh, Brazil, China, Kenya, Myanmar, Vietnam and the Ukraine crisis.

Surplus Funds

The Organisation commits reserves to global relief and community development programmes according to the wishes of its donors. While the surplus is generated from cost savings, that is under-budget spending of operating expenditure, it can utilise the surplus as undesignated funds for local or international ministry projects without sufficient sources of donations.

Corporate Governance

Governance Structure

World Vision operates as a federal partnership of which the Organisation is a member. Through the Covenant of Partnership, the Organisation agrees to align with WVI policies, standards and core documents that bind the Partnership together, with adaptations to the local context and supplemented by its own policies. Mutual accountability is enabled by regular peer reviews that evaluate the above alignment.

The World Vision Hong Kong Board, formed by 9 independent and non-executive Directors, carries out important governance work through its five Committees: Audit & Risk Committee, Governance Committee, Strategy Committee, Human Resources & Administration Committee, and Executive Committee.

Cost Control and Accountability

The Organisation is committed to ensuring the proper and effective use of fund entrusted by donors. All projects are appraised, managed and monitored according to standard policies and procedures. Expenditures are carefully managed by strict cost control policies and audits.

For donations (excluding government grants) towards an emergency appeal, the Organisation would only charge direct fundraising cost against the income. For government grants, the Organisation would not charge any cost against the grants.

Business review (continued)

Corporate Governance (continued)

Risk Management

The Organisation's risk management framework aligns with that of WVI. Key risks are identified annually, analysed, evaluated and treated in a proactive manner. It manages risks systematically according to its risk management policy approved by the Board of Directors and in response to changes within the internal and external environment. The Board has delegated regular scrutiny of risk management to the Audit & Risk Committee.

WVI has internal governance mechanisms monitoring the implementation of controls and risk management practices by project offices, providing feedback loops or escalating compliance issues or risk as appropriate.

Audit

The Organisation's internal audit function independently evaluates and improves the effectiveness of its risk management, internal controls and governance processes. It reports to the Audit & Risk Committee which meets at least three times a year to provide risk management oversight, monitor the use of funds, evaluate internal control system, review financial statements and appoint external auditors.

WVI also has a Global Assurance & Advisory ("GAA") function to regularly provide audit and assurance on its worldwide operations, including those to which the Organisation provides funding. The mission of the GAA is to enhance and protect organisation values and assist WVI to accomplish its objectives by providing risk-based and objective assurance, advice and insight to improve the effectiveness of WVI governance, risk management and internal control processes. This includes ensuring ministry quality and the proper use of funds, and that internal monitoring mechanisms are adequate and effective. GAA also monitors and reports quarterly on the remediation of audit findings.

Green Policy

The Organisation has seen the effects of climate change and environmental degradation in the countries where it works. It acknowledges that its activities may have an impact on the global environment and that it can modify its operations to reduce the harm to the environment and increase its positive environmental impact. The Organisation is committed to improving its environmental performance and reducing its organisational contribution to climate change and environmental degradation. It adopts the following guidelines in pursuance of this commitment:

- It seeks to comply with the applicable environmental legislation, standards and regulations;
- It seeks to make a positive impact on the environment through developing and implementing an effective green policy aiming at an efficient use of energy and other natural resources and minimising waste or pollution arising from its activities;

Business review (continued)

Green Policy (continued)

- It seeks to engage its staff and volunteers in encouraging participation in environmental sustainability; and
- It seeks to encourage its supporters, suppliers and contractors to adopt similar environmental standards.

Auditor

KPMG retire and a resolution for their reappointment as auditor of the Organisation will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Chan Chiu Kong, Edmond
Chairman

Hong Kong

18 December 2025



Independent auditor's report to the members of World Vision Hong Kong

(Incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of World Vision Hong Kong (the "Organisation") set out on pages 10 to 45, which comprise the statement of financial position as at 30 September 2025, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Organisation as at 30 September 2025, and of its financial performance and its 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 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 Organisation 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.

Information other than the financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than 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.



Independent auditor's report to the members of World Vision Hong Kong (continued)

(Incorporated in Hong Kong and limited by guarantee)

Responsibilities of the directors 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 HKFRS Accounting Standards as 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 Organisation'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 Organisation or to cease operations, or have no realistic alternative but to do so.

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. This report is made 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 HKSA's 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 HKSA's, we exercise professional judgement and maintain professional scepticism 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 Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



Independent auditor's report to the members of World Vision Hong Kong (continued)

(Incorporated in Hong Kong and limited by guarantee)

Auditor's responsibilities for the audit of the financial statements (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 Organisation'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 Organisation 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 the directors 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.

The engagement partner on the audit resulting in this independent auditor's report is Chen Xin (practicing certificate number: P08295).

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

18 December 2025

Statement of comprehensive income for the year ended 30 September 2025 (Expressed in Hong Kong dollars)

	<i>Notes</i>	2025 HK\$	2024 HK\$
Income	5		
Donations		446,566,293	442,836,823
Other income		7,460,677	5,397,204
Gifts-in-kind		172,580,383	116,573,702
		626,607,353	564,807,729
Expenditure			
Administration	6	22,385,166	22,425,279
Fundraising	7	35,667,891	35,606,947
Ministry			
- International relief and community development programmes	8	552,231,011	493,005,933
- Local programmes and public education	9	15,479,918	13,209,987
		625,763,986	564,248,146
Interest expense on lease liabilities	25(c)	17,607	7,976
		625,781,593	564,256,122
Surplus before tax	10	825,760	551,607
Income tax	13	-	-
Surplus and total comprehensive income for the year		825,760	551,607

The notes on pages 16 to 45 form part of these financial statements.

Statement of financial position at 30 September 2025

(Expressed in Hong Kong dollars)

	Notes	2025 HK\$	2024 HK\$
Non-current assets			
Property, plant and equipment	16	16,428,322	11,319,984
Investment properties	17	2,981,313	3,027,197
Intangible assets	18	4,227,427	4,955,226
Right-of-use assets	25(a)	8,322,072	9,101,739
Prepayments	21	481,464	1,092,468
		32,440,598	29,496,614
Current assets			
Other receivables	20	214,967	523,239
Prepayments and deposits	21	1,106,903	1,156,370
Time deposits with original maturity over three months	22	27,740,707	-
Cash and cash equivalents	22	79,126,440	116,433,018
		108,189,017	118,112,627
Current liabilities			
Commitments payable to World Vision International member organisations	19	1,424,600	1,400,122
Other payables and accruals	23	5,070,310	7,032,870
Lease liabilities	25(b)	329,713	318,390
Deferred income	24	749,918	6,497,005
		7,574,541	15,248,387
Net current assets		100,614,476	102,864,240
Total assets less current liabilities		133,055,074	132,360,854
Non-current liabilities			
Lease liabilities	25(b)	-	329,716
Other payables and accruals	23	3,287,391	3,089,215
		3,287,391	3,418,931
Net assets		129,767,683	128,941,923

Statement of financial position at 30 September 2025
(continued)
(Expressed in Hong Kong dollars)

	Notes	2025 HK\$	2024 HK\$
Fund balances			
General operating funds	14	121,973,304	120,981,560
Designated funds	15	<u>7,794,379</u>	<u>7,960,363</u>
		<u>129,767,683</u>	<u>128,941,923</u>

Approved and authorised for issue by the board of directors on 18 December 2025

Chan Chiu Kong, Edmond, Director

Benjamin Yeung, Director

The notes on pages 16 to 45 form part of these financial statements.

Statement of changes in equity for the year ended 30 September 2025 (Expressed in Hong Kong dollars)

	<i>General operating funds</i> HK\$ (Note 14)	<i>Designated funds</i> HK\$ (Note 15)	<i>Total fund balances</i> HK\$
At 1 October 2023	120,367,464	8,022,852	128,390,316
Surplus/(deficit) for the year and total comprehensive income for the year	614,096	(62,489)	551,607
At 30 September 2024 and at 1 October 2024	120,981,560	7,960,363	128,941,923
Surplus/(deficit) for the year and total comprehensive income for the year	991,744	(165,984)	825,760
At 30 September 2025	121,973,304	7,794,379	129,767,683

The notes on pages 16 to 45 form part of these financial statements.

Cash flow statement

for the year ended 30 September 2025

(Expressed in Hong Kong dollars)

	<i>Notes</i>	2025 HK\$	2024 HK\$
Operating activities			
Surplus before tax		825,760	551,607
Adjustments for:			
Interest income	5	(2,808,358)	(4,886,322)
Net loss on disposal of property, plant and equipment	5	-	14,474
Depreciation and amortisation	10(b)	3,942,295	2,669,997
Interest expense on lease liabilities	25(c)	17,607	7,976
		1,977,304	(1,642,268)
Operating profit/(loss) before changes in working capital			
Movement in balance with World Vision International member organisations		24,478	(575,511)
Decrease in other receivables		308,272	404,882
Decrease in prepayments and deposits		49,467	74,234
(Decrease)/increase in other payables and accruals		(1,284,759)	3,230,911
(Decrease)/increase in deferred income		(5,747,087)	5,821,911
		(4,672,325)	7,314,159
Net cash (used in)/generated from operating activities			
Investing activities			
Interest received		2,808,358	4,886,322
Increase in time deposits with original maturity over three months		(27,740,707)	-
Payment for purchases of property, plant and equipment		(5,587,085)	(1,573,569)
Payment for purchase of intangible assets		(1,778,819)	(2,977,765)
Proceeds from disposal of items of property, plant and equipment		-	9,000
		(32,298,253)	343,988
Net cash (used in)/generated from investing activities			
Financing activities			
Capital element of lease rentals paid	22(b)	(318,393)	(317,776)
Interest element of lease rentals paid	22(b)	(17,607)	(7,976)
		(335,000)	(325,752)

Cash flow statement

for the year ended 30 September 2025 (continued)

(Expressed in Hong Kong dollars)

	<i>Notes</i>	2025 HK\$	2024 HK\$
Net cash used in financing activities		<u>(336,000)</u>	<u>(325,752)</u>
Net (decrease)/increase in cash and cash equivalents		(37,306,578)	7,332,395
Cash and cash equivalents at beginning of year		<u>116,433,018</u>	<u>109,100,623</u>
Cash and cash equivalents at end of year	22(a)	<u><u>79,126,440</u></u>	<u><u>116,433,018</u></u>

The notes on pages 16 to 45 form part of these financial statements.

Notes to the financial statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Corporate information

World Vision Hong Kong 香港世界宣明會 (“the Organisation”) is a company limited by guarantee and is incorporated in Hong Kong. The registered office and principal place of business of the Organisation is located at 2/F, Mayfair Centre, 4 Anchor Street, Tai Kok Tsui, Kowloon, Hong Kong.

World Vision of Macau Association 世界宣明會澳門分會 is a division of the Organisation and is a charitable association established in Macau as an administrative public welfare legal person in accordance with Law No. 11/96/M of 12 August.

World Vision International (“WVI”) is the lead organisation in a network of worldwide affiliated organisations under the entire World Vision family throughout the world using the World Vision trademark and the Organisation is a separate affiliated entity in the network.

During the year, the Organisation was involved in fundraising activities for charitable purposes in Hong Kong and Macau.

The liability of each member is limited to HK\$100 in the event of the Organisation being wound up while he/she is a member, or within one year after he/she ceases to be a member.

2 Material accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. Material accounting policies adopted by the Organisation are disclosed below.

The HKICPA has issued certain new or amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Organisation. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Organisation for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis. These financial statements are presented in Hong Kong dollars (“HK\$”).

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 expenses.

2 Material accounting policies (continued)

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 of making the judgements about 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.

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

(c) Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Organisation. None of the developments have had a material effect on how the Organisation's results and financial position for the current or prior periods have been prepared or presented. The Organisation has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Property, plant and equipment

Property, plant and equipment, including right-of-use assets arising from leases of underlying property, plant and equipment (see note 2(g)), are stated at cost less accumulated depreciation and impairment losses (see note 2(h)).

Depreciation is calculated to write off the cost of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives with annual rates as follows:

<i>Owned assets</i>	
Freehold land	Not depreciated
Buildings	2% - 3.125%
Leasehold improvements	10%
Office equipment	20%
Office furniture and fixtures	20%
Computer equipment	25%
Motor vehicle	25%
 <i>Right-of-use assets</i>	
Land	2%
Buildings	3.5%

Both the useful life of an asset and its residual value, if any, are reviewed annually. Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss on the date of retirement or disposal.

2 Material accounting policies (continued)

(e) *Investment properties*

Investment properties are land and/or buildings (including the leasehold property held as right-of-use assets which would otherwise meet the definition of an investment property) which are owned or held under a leasehold interest (see note 2(g)) to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes. Such properties are measured initially at cost, including transaction costs. Subsequent to the initial recognition, investment properties are stated at cost less accumulated depreciation (see note 2(d)) and any impairment losses (see note 2(h)).

The Organisation's investment properties are rented out under an operating lease. The above investment properties are depreciated on a straight-line method over their estimated useful lives with annual rates as follows:

Freehold land	Not depreciated
Buildings	3.125%

(f) *Intangible assets*

Intangible assets that are acquired by the Organisation are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 2(h)).

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 from the date they are available for use with annual rates as follows:

Computer software	25%
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Both the period and method of amortisation are reviewed annually.

(g) *Leased assets*

At inception of a contract, the Organisation assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

At the lease commencement date, the Organisation recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Organisation enters into a lease in respect of a low-value asset, the Organisation decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

2 Material accounting policies (continued)

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation (see note 2(d) and impairment losses (see note 2(h)).

The initial fair value of refundable rental deposits is accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in debt securities carried at amortised cost. Any difference between the initial fair value and the nominal value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Organisation's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Organisation will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

(ii) As a lessor

When the Organisation acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

Where the Organisation is a lessor under operating lease, lease payments from the operating leases is recognised as income on either a straight-line basis or another systematic basis as set out in note 2(l)(v). Costs, including depreciation, incurred in earning the lease income is recognised as expenses in the profit or loss.

2 Material accounting policies (continued)

(h) Impairment of non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased.

- Property, plant and equipment, including right-of-use assets;
- Investment properties; and
- Intangible assets

If any such indication exists, the asset's recoverable amount is estimated.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

- Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior periods. Reversals of impairment losses are credited to profit or loss in the period in which the reversals are recognised.

(i) Receivables

Receivables are recognised when the Organisation has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

2 Material accounting policies (continued)

Receivables are subsequently stated at amortised cost using the effective interest method and including an allowance for credit losses as determined below:

Measurement of expected credit losses (“ECLs”)

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Organisation in accordance with the contract and the cash flows that the Organisation expects to receive).

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

For all financial instruments, the Organisation recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Organisation 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 reassessment, the Organisation considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Organisation in full, without recourse by the Organisation to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Organisation 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.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument’s external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor’s ability to meet its obligation to the Organisation.

2 Material accounting policies (continued)

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Organisation recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The gross carrying amount of a debtor is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Organisation determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

(j) *Payables*

Payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(k) *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECLs in accordance with the policy set out in note 2(i).

(l) *Revenue and other income*

Income is classified by the Organisation as revenue when it arises from the receipt of donation in the ordinary course of the Organisation's business.

Further details of the Organisation's revenue and other income recognition policies are as follows:

(i) Donations

Donations are recognised when the Organisation becomes entitled to the donations or it is probable that they will be received, which is generally upon the receipt of cash.

2 Material accounting policies (continued)

(ii) Governmental grants

Governmental grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Governmental grants received for which related expenditure has not yet been undertaken are included in deferred income in the statement of financial position. Grants relating to purchases of property, plant and equipment are set off against the acquisition cost of the assets.

(iii) Gifts-in-kind

Gifts-in-kind represent food and cash voucher received from World Food Programme (“WFP”) by other WVI member organisations on behalf of the Organisation, which are recorded by the Organisation in accordance with agreements signed between WFP and WVI member organisations of which the Organisation is a member, are recorded in the period in which the gifts-in-kind are received and calculated based on pre-set values for each metric tonnage of foods and the cash voucher value.

(iv) Interest income

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

(v) Rental income from operating lease

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term.

(m) Translation of foreign currencies

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

(n) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

2 Material accounting policies (continued)

(ii) Defined benefit plan obligations

The Organisation has LSP under the Hong Kong Employment Ordinance. The Organisation's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Organisation's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

(iii) Termination benefits

Termination benefits are recognised when, and only when, the Organisation demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(o) *Provisions and contingent liabilities*

Provisions are recognised for other liabilities of uncertain timing or amount when the Organisation has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(p) *Related parties*

- (a) A person, or a close member of that person's family, is related to the Organisation if that person:
 - (i) has control or joint control over the Organisation;
 - (ii) has significant influence over the Organisation; or
 - (iii) is a member of the key management personnel of the Organisation or the Organisation's parent.

2 Material accounting policies (continued)

- (b) An entity is related to the Organisation if any of the following conditions applies:
- (i) The entity and the Organisation 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 Organisation or an entity related to the Organisation.
 - (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).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Organisation or to the Organisation's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(q) **Fund movement**

The Organisation has chosen to present the results and financial position of the Organisation attributable to different funds including general operating funds and designated funds for more informative presentation.

General operating funds include aid & development and emergency relief. Aid & development represents long-term projects undertaken by the Organisation for lasting change in the lives of children, families and communities living in poverty. Emergency relief represents relief and rehabilitation projects undertaken by the Organisation in response to disasters, bringing urgently needed food and supplies to people in emergency situations as well as rehabilitation of the communities after the crisis.

Designated funds represent particular forms of funds, consisting of amounts which have been allocated or designated for specific purposes.

3 Material accounting judgements and estimates

The preparation of the Organisation's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

(a) Judgments

In the process of applying the Organisation's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Classification between investment properties and owner-occupied properties

The Organisation determines whether a property qualifies as an investment property, and has developed criteria in making that judgment. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Organisation considers whether a property generates cash flows largely independently of the other assets held by the Organisation.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Organisation accounts for the portions separately. If the portions could not be sold separately, the property is investment properties only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgment is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

(b) Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Organisation has to consider various factors, such as commercial obsolescence arising from changes or improvements, expected usage of an asset, respected physical wear and tear, care or maintenance of the asset. The estimate of the useful life of the asset is based on the experience of the Organisation with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from previous estimation. Useful lives and residual values are reviewed, at each financial year end, based on changes in circumstances.

4 Fund movement

Based on the allocation agreed by the management, the fund movement for the Organisation's operating results is as follows:

	<u>General operating funds</u>			<i>Designated funds</i> HK\$	<i>Total</i> HK\$
	<i>Aid & development</i> HK\$	<i>Emergency relief</i> HK\$	<i>Subtotal</i> HK\$		
At 1 October 2024			120,981,560	7,960,363	128,941,923
Movement during the year					
Income					
Donations	408,809,876	37,756,417	446,566,293	-	446,566,293
Other income	7,460,677	-	7,460,677	-	7,460,677
Gifts-in-kind	172,580,383	-	172,580,383	-	172,580,383
	<u>588,850,936</u>	<u>37,756,417</u>	<u>626,607,353</u>	-	<u>626,607,353</u>
Expenditure					
Administration	22,219,182	-	22,219,182	165,984	22,385,166
Fundraising	35,291,405	376,486	35,667,891	-	35,667,891
Ministry					
- International relief and community development programmes	514,915,197	37,315,814	552,231,011	-	552,231,011
- Local programmes and public education	15,479,918	-	15,479,918	-	15,479,918
	<u>587,905,702</u>	<u>37,692,300</u>	<u>625,598,002</u>	165,984	<u>625,763,986</u>
Interest expense on lease liability	17,607	-	17,607	-	17,607
	<u>587,923,309</u>	<u>37,692,300</u>	<u>625,615,609</u>	165,984	<u>625,781,593</u>
Surplus/(deficit) for the year	<u>927,627</u>	<u>64,117</u>	<u>991,744</u>	<u>(165,984)</u>	<u>825,760</u>
At 30 September 2025			<u>121,973,304</u>	<u>7,794,379</u>	<u>129,767,683</u>

4 Fund movement (continued)

	<u>General operating funds</u>			<u>Designated funds</u>	<u>Total</u>
	<u>Aid & development</u>	<u>Emergency relief</u>	<u>Subtotal</u>		
	HK\$	HK\$	HK\$	HK\$	HK\$
At 1 October 2023			120,367,464	8,022,852	128,390,316
Movement during the year					
Income					
Donations	420,894,879	21,941,944	442,836,823	-	442,836,823
Other income	5,397,204	-	5,397,204	-	5,397,204
Gifts-in-kind	116,573,702	-	116,573,702	-	116,573,702
	<u>542,865,785</u>	<u>21,941,944</u>	<u>564,807,729</u>	<u>-</u>	<u>564,807,729</u>
Expenditure					
Administration	22,362,790	-	22,362,790	62,489	22,425,279
Fundraising	35,537,358	69,589	35,606,947	-	35,606,947
Ministry					
- International relief and community development programmes	470,411,787	22,594,146	493,005,933	-	493,005,933
- Local programmes and public education	13,209,987	-	13,209,987	-	13,209,987
	<u>541,521,922</u>	<u>22,663,735</u>	<u>564,185,657</u>	<u>62,489</u>	<u>564,248,146</u>
Interest expense on lease liability	7,976	-	7,976	-	7,976
	<u>541,529,898</u>	<u>22,663,735</u>	<u>564,193,633</u>	<u>62,489</u>	<u>564,256,122</u>
Surplus/(deficit) for the year	<u>1,335,887</u>	<u>(721,791)</u>	<u>614,096</u>	<u>(62,489)</u>	<u>551,607</u>
At 30 September 2024			<u>120,981,560</u>	<u>7,960,363</u>	<u>128,941,923</u>

5 Income

The principal activity of the Organisation is fundraising for charitable purposes. Income represents donations and gifts-in-kind received from various fundraising projects during the year and other income.

An analysis of other income is as follows:

	2025	2024
	HK\$	HK\$
Bank interest income	2,808,358	4,886,322
Rental income from investment properties	496,516	504,216
Foreign exchange difference, net	6,907	21,140
Net loss on disposal of property, plant and equipment	-	(14,474)
Insurance compensation income (note (i))	4,148,896	-
	<u>7,460,677</u>	<u>5,397,204</u>

5 Income (continued)

Notes:

- (i) The insurance compensation income represented the total claim settlement for loss and damage of office assets in a flood incident.

6 Administration

This represents all executive, organisational, and clerical costs incurred for common objectives that benefit multiple functions administered by the Organisation, or the Organisation as a whole.

7 Fundraising

This represents all costs associated with acquiring and retaining donors to make voluntary contributions to the Organisation.

8 International relief and community development programmes

This represents funds and gifts used to develop international ministry for the long-term interest of the communities and in pursuit of the Organisation's mission.

An analysis of expenditure on international relief and community development programmes is as follows:

	2025 HK\$	2024 HK\$
International relief and community development programmes		
- Cash	375,181,062	371,763,451
- Gifts-in-kind	172,580,383	116,573,702
Other expenditure	4,469,566	4,668,780
	<u>552,231,011</u>	<u>493,005,933</u>

9 Local programmes and public education

This represents funds used for local children and advocate for those in need through local programmes and public services and to promote awareness among the people of Hong Kong and Macau on social, economic and spiritual factors of developing countries.

10 Surplus before tax

The Organisation's surplus before tax is arrived at after charging/(crediting):

	2025 HK\$	2024 HK\$
(a) Employee benefits expenses		
Wages, salaries and allowances		
- Administration	14,625,815	14,197,642
- Fundraising	22,505,991	21,621,095
- Ministry	13,338,817	12,234,402
	50,470,623	48,053,139
Long service payments (defined benefit plan)		
- Administration	58,655	401,434
- Fundraising	38,865	986,614
- Ministry	100,656	652,295
	198,176	2,040,343
Pension scheme contributions (defined contribution schemes)		
- Administration	515,254	527,412
- Fundraising	1,145,985	1,138,683
- Ministry	656,749	634,735
	2,317,988	2,300,830
	52,986,787	52,394,312
	2025 HK\$	2024 HK\$
(b) Other items		
Depreciation and amortisation		
- owned property, plant and equipment (note 16)	1,552,695	1,062,221
- investment properties (note 17)	45,884	45,883
- intangible assets (note 18)	1,564,049	794,540
- right-of-use assets (note 25(a))	779,667	767,353
	3,942,295	2,669,997
Auditor's remuneration	443,000	435,000
Government grants released for the expenditure incurred during the year (note (i))	(22,898,269)	(13,917,123)
	(22,898,269)	(13,917,123)

10 Surplus before tax (continued)

Notes:

- (i) These amounts have been recognised under Donations in the statement of comprehensive income. Various government grants have been received from the Hong Kong SAR Government to carry out relief projects in the developing countries for a specific period during the year. Grants received for which the related expenditure has not yet been undertaken are included in deferred income in the statement of financial position according to the accounting policy as set out in note 2(l)(ii).

11 Directors' remuneration

No director received any fees or emoluments in respect of their services rendered to the Organisation during the year (2024: Nil) pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation.

12 Fund-raising activity with Public Subscription Permit

In 2025, according to the requirement of the Public Subscription Permits issued by the Social Welfare Department under Section 4(17)(i) of the Summary Offences Ordinance, Cap 228, the net proceeds from the fundraising activities approved in the Permits are listed as follows:

	2025 HK\$
Permit Number 2024/160/1 - For Solicitation of Signed Authorisation Forms	
For supporting global relief, community development program and expenses, including marketing, administration and public education.	
Income raised	1,620
Expenditure incurred	(3,024)
Net loss	(1,404)
Permit Number 2025/058/1 - For the General Charitable Fund-Raising Activity "Sunday Market"	
For supporting the earthquake disaster in Myanmar.	
Income raised	1,234
Expenditure incurred	(4,661)
Net loss	(3,427)

12 Fund-raising activity with Public Subscription Permit (continued)

2024
HK\$

Permit Number 2024/077/1 - "Used Book Recycling Campaign 2024"

For supporting World Vision Hong Kong's local programme that provides education and skills training for children with Special Educational Needs (SEN) in Hong Kong.

Income raised	811,280
Expenditure incurred	(347,214)
	<hr/>
Net proceeds	464,066
	<hr/> <hr/>

13 Income tax

The Organisation is a charitable organisation within the meaning of Section 88 of the Hong Kong Inland Revenue Ordinance (Chapter 112) and, accordingly, is exempted from Hong Kong Profits Tax.

The Organisation's Macau Branch is a charitable organisation within the meaning of law no. 11/96M of the laws of Macau and, accordingly, is exempted from Macau profits tax.

14 General operating funds

The balance represents funds intended for use for global relief and community development programmes.

15 Designated funds

The balance represents funds allocated by the Organisation to certain projects or to projects designated by the donors.

16 Property, plant and equipment

	<i>Freehold land</i> HK\$	<i>Buildings</i> HK\$	<i>Leasehold improvements</i> HK\$	<i>Office equipment</i> HK\$	<i>Office furniture and fixtures</i> HK\$	<i>Computer equipment</i> HK\$	<i>Motor vehicle</i> HK\$	<i>Total</i> HK\$
Cost:								
At 1 October 2024	3,134,233	13,533,077	3,741,617	1,475,010	33,700	3,585,298	10,000	25,512,935
Additions	-	-	4,752,523	312,606	1,147,236	448,668	-	6,661,033
At 30 September 2025	<u>3,134,233</u>	<u>13,533,077</u>	<u>8,494,140</u>	<u>1,787,616</u>	<u>1,180,936</u>	<u>4,033,966</u>	<u>10,000</u>	<u>32,173,968</u>
Accumulated depreciation:								
At 1 October 2024	-	8,385,427	1,439,331	1,153,981	33,700	3,170,512	10,000	14,192,951
Charge for the year	-	287,091	675,159	139,647	172,081	278,717	-	1,552,695
At 30 September 2025	<u>-</u>	<u>8,672,518</u>	<u>2,114,490</u>	<u>1,293,628</u>	<u>205,781</u>	<u>3,449,229</u>	<u>10,000</u>	<u>15,745,646</u>
Net book value:								
At 30 September 2025	<u>3,134,233</u>	<u>4,860,559</u>	<u>6,379,650</u>	<u>493,988</u>	<u>975,155</u>	<u>584,737</u>	<u>-</u>	<u>16,428,322</u>

16 Property, plant and equipment (continued)

	<i>Freehold land</i> HK\$	<i>Buildings</i> HK\$	<i>Leasehold improvements</i> HK\$	<i>Office equipment</i> HK\$	<i>Office furniture and fixtures</i> HK\$	<i>Computer equipment</i> HK\$	<i>Motor vehicle</i> HK\$	<i>Total</i> HK\$
Cost:								
At 1 October 2023	3,134,233	13,533,077	5,571,185	1,659,424	33,700	3,760,493	10,000	27,702,112
Additions	-	-	695,700	161,889	-	102,967	-	960,556
Disposal	-	-	(2,525,268)	(346,303)	-	(278,162)	-	(3,149,733)
At 30 September 2024	<u>3,134,233</u>	<u>13,533,077</u>	<u>3,741,617</u>	<u>1,475,010</u>	<u>33,700</u>	<u>3,585,298</u>	<u>10,000</u>	<u>25,512,935</u>
Accumulated depreciation:								
At 1 October 2023	-	8,098,336	3,699,749	1,363,402	33,700	3,051,802	10,000	16,256,989
Charge for the year	-	287,091	264,850	136,882	-	373,398	-	1,062,221
Written back on disposal	-	-	(2,525,268)	(346,303)	-	(254,688)	-	(3,126,259)
At 30 September 2024	<u>-</u>	<u>8,385,427</u>	<u>1,439,331</u>	<u>1,153,981</u>	<u>33,700</u>	<u>3,170,512</u>	<u>10,000</u>	<u>14,192,951</u>
Net book value:								
At 30 September 2024	<u>3,134,233</u>	<u>5,147,650</u>	<u>2,302,286</u>	<u>321,029</u>	<u>-</u>	<u>414,786</u>	<u>-</u>	<u>11,319,984</u>

The Organisation's freehold land is situated in Macau and the buildings are situated in Hong Kong and Macau. The buildings as at 30 September 2025 and 30 September 2024 are owner-occupied.

17 Investment properties

	HK\$
Cost:	
At 1 October 2023, 30 September 2024 and 30 September 2025	3,811,043

Accumulated depreciation:	
At 1 October 2023	737,963
Charge for the year	45,883

At 30 September 2024	783,846

At 1 October 2024	783,846
Charge for the year	45,884

At 30 September 2025	829,730

Net book value:	
At 30 September 2024	3,027,197

At 30 September 2025	2,981,313

The Organisation's investment properties are situated in Macau and their land portions are held under freehold terms. The fair value of the Organisation's investment properties as at 30 September 2025 was HK\$11,520,000 (2024: HK\$13,500,000). The fair value has been arrived at based on a valuation carried out by Tak Kei Limited, a subsidiary of Tai Fung Bank Limited in Macau.

The fair value of the investment property was measured using the direct comparison method based on market observable transactions of similar properties without any significant adjustments and hence the investment property was classified as Level 2 of the fair value hierarchy.

The Organisation has adopted the cost model under HKAS 40 to account for its investment properties, and accordingly, the carrying amounts of the investment properties were not adjusted to the revalued amount as at 30 September 2025 and 2024.

The investment properties are for the time being surplus to the Organisation's current use and are now being held for rental purpose. During the year, the properties were all leased out under operating leases for 2 to 3 years.

17 Investment properties (continued)

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Organisation in the future periods as follows:

	2025 HK\$	2024 HK\$
Within 1 year	495,816	496,516
In the 2 to 5 years, inclusive	169,226	665,042
	665,042	1,161,558

18 Intangible assets

	<i>Computer software</i> HK\$
Cost:	
At 1 October 2023	11,309,353
Addition for the year	5,668,610
	16,977,963
At 30 September 2024	16,977,963
At 1 October 2024	16,977,963
Addition for the year	836,250
	17,814,213
At 30 September 2025	17,814,213
Accumulated amortisation:	
At 1 October 2023	11,228,197
Charge for the year	794,540
	12,022,737
At 30 September 2024	12,022,737
At 1 October 2024	12,022,737
Charge for the year	1,564,049
	13,586,786
At 30 September 2025	13,586,786
Net book value:	
At 30 September 2024	4,955,226
At 30 September 2025	4,227,427

19 Commitments payable to World Vision International Member Organisations

The balance represents commitments payable to WVI member organisations for the international relief and community development programmes. The balance is unsecured, interest-free and repayable on demand.

20 Other receivables

All of the other receivables are expected to be recovered or recognised as expense within one year. Details on the Organisation's credit policy are set out in note 28(a).

21 Prepayments and deposits

	2025 HK\$	2024 HK\$
Prepayments	1,322,062	1,978,043
Deposits	266,305	270,795
	<u>1,588,367</u>	<u>2,248,838</u>
Less: non-current portion	<u>(481,464)</u>	<u>(1,092,468)</u>
	<u><u>1,106,903</u></u>	<u><u>1,156,370</u></u>

Except for prepayments of HK\$481,464 (2024: HK\$1,092,468), all of the prepayments and deposits are expected to be recovered within one year. Details on the Organisation's credit policy are set out in note 28(a).

22 Cash and cash equivalents and other cash flow information

(a) Cash and cash equivalents and time deposits comprise:

	2025 HK\$	2024 HK\$
Time deposits with original maturity less than three months	59,079,914	84,223,737
Cash at bank and on hand	20,046,526	32,209,281
	<u>79,126,440</u>	<u>116,433,018</u>
Cash and cash equivalents	79,126,440	116,433,018
Time deposits with original maturity more than three months	27,740,707	-
	<u>106,867,147</u>	<u>116,433,018</u>
Cash and bank balances	<u><u>106,867,147</u></u>	<u><u>116,433,018</u></u>

22 Cash and cash equivalents and other cash flow information(continued)

Cash at banks earn interest at floating rates based on daily bank deposits rates. Short-term time deposits are made for varying periods depending on the immediate cash requirements of the Organisation, and earn interest at the respective short-term time deposit rates. The bank balances are deposited with licensed banks with no recent history of default.

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Organisation's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the cash flow statement as cash flows from financing activities.

	<u>Lease liabilities (note 25(b))</u>	
	2025	2024
	HK\$	HK\$
At 1 October	648,106	319,659
Changes from financing cash flows		
Capital element of lease rentals paid	(318,393)	(317,776)
Interest element of lease rentals paid	(17,607)	(7,976)
Total changes from financing cash flows	<u>(336,000)</u>	<u>(325,752)</u>
Other changes:		
Lease modification	-	646,223
Interest expense	17,607	7,976
Total other charges	<u>17,607</u>	<u>654,199</u>
At 30 September	<u>329,713</u>	<u>648,106</u>

(c) Total cash outflow for leases

The total cash outflow for leases included in the cash flow statement is as follows:

	2025	2024
	HK\$	HK\$
Within financing activities	<u>336,000</u>	<u>325,752</u>

23 Other payables and accruals

	2025 HK\$	2024 HK\$
Other payables	66,642	950,420
Accruals	8,291,059	9,171,665
	<u>8,357,701</u>	<u>10,122,085</u>
Less: non-current portion-accruals	<u>(3,287,391)</u>	<u>(3,089,215)</u>
	<u><u>5,070,310</u></u>	<u><u>7,032,870</u></u>

Except for accruals of HK\$3,287,391 (2024: HK\$3,089,215) for long service payment, all of the other payables and accruals are expected to be settled within one year.

24 Deferred income

The balance represents governmental grants received for which related expenditure has not yet been undertaken.

25 Leases

The Organisation has a lease contract of a property used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners and no ongoing payments will be made under the terms of these land leases. The leasehold land is situated in Hong Kong and held on a long-term lease expiring on 29 January 2078. Lease of property is situated in Hong Kong and negotiated for terms of 2 years with no extension or termination options and all the lease payments are fixed. Generally, the Organisation is restricted from assigning and subleasing the leased asset outside the Organisation.

25 Leases (continued)

(a) Right-of-use assets

The carrying amount of the Organisation's right-of-use assets and the movement during the year is as follows:

	<i>Land</i> HK\$	<i>Property</i> HK\$	<i>Total</i> HK\$
At 1 October 2024	8,456,636	645,103	9,101,739
Depreciation charge during the year	<u>(457,116)</u>	<u>(322,551)</u>	<u>(779,667)</u>
At 30 September 2025	<u>7,999,520</u>	<u>322,552</u>	<u>8,322,072</u>
	<i>Land</i> HK\$	<i>Property</i> HK\$	<i>Total</i> HK\$
At 1 October 2023	8,913,752	309,117	9,222,869
Lease modification	-	646,223	646,223
Depreciation charge during the year	<u>(457,116)</u>	<u>(310,237)</u>	<u>(767,353)</u>
At 30 September 2024	<u>8,456,636</u>	<u>645,103</u>	<u>9,101,739</u>

(b) Lease liabilities

At 30 September 2025, the lease liabilities were repayable as follows:

	2025 HK\$	2024 HK\$
Within 1 year	329,713	318,390
After 1 year within 2 years	<u>-</u>	<u>329,716</u>
	<u>329,713</u>	<u>648,106</u>

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 HK\$	2024 HK\$
Interest expense on lease liabilities	17,607	7,976
Depreciation charge of right-of-use assets	<u>779,667</u>	<u>767,353</u>
	<u>797,274</u>	<u>775,329</u>

26 Capital commitments

The Organisation had the following capital commitments with service providers at the end of the reporting period:

	2025 HK\$	2024 HK\$
Contracted, but not provided for		
Intangible assets-computer software	376,160	987,280
Tangible assets-leasehold improvement	-	4,078,000
	<u>376,160</u>	<u>5,065,280</u>

27 Material related party transactions

(a) Compensation of key management personnel of the Organisation:

	2025 HK\$	2024 HK\$
Short term employee benefits	5,721,415	6,174,217
Post-employment benefits	293,964	196,200
	<u>6,015,379</u>	<u>6,370,417</u>
Total compensation paid to key management personnel	<u>6,015,379</u>	<u>6,370,417</u>
Average headcount	<u>5</u>	<u>6</u>

(b) In addition to the transactions and balances detailed elsewhere in these financial statements, the Organisation had the following material transactions with related parties during the year:

	2025 HK\$	2024 HK\$
International relief and community development programmes		
- cash, to WVI member organisations	375,181,062	371,763,451
International relief and community development programmes		
- gifts-in-kind, to WVI member organisations	<u>172,580,383</u>	<u>116,573,702</u>

International relief and community development programmes expenditure to WVI were made on bases determined between the parties involved.

WVI is the lead organisation in a network of worldwide affiliated organisations under the entire World Vision family throughout the world using the World Vision trademark. The Organisation is a separate affiliated entity, which under the relevant accounting standards are not owned or controlled by WVI.

28 Financial risk management and fair values

Exposure to credit, liquidity and currency risks arises in the normal course of the Organisation's business. The Organisation's exposure to these risks and the financial risk management policies and practices used by the Organisation to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Organisation.

The Organisation's credit risk is primarily attributable to cash and cash equivalents and time deposits, other receivables and deposits. Management has a credit policy in place and the exposures to those credit risks are monitored on an ongoing basis.

The Organisation's exposure to credit risk arising from cash and cash equivalents and time deposits is limited because the counterparties are reputable banks and financial institutions with sound credit rating for which the Organisation considers to have insignificant credit risk.

The directors considered the credit risk arising from other receivables and deposits is insignificant in view of the credit status of the debtors.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position after deducting any loss allowance. At 30 September 2025 and 2024, no loss allowance was recognised.

(b) Liquidity risk

The Organisation monitors its risk to a shortage of funds using a recurring liquidity planning tool. The tools regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient cash to meet its liquidity requirements in the short and longer term.

The following table shows the remaining contractual maturities at the end of the reporting period of the Organisation's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Organisation can be required to pay:

	2025			Carrying amount at 30 September HK\$
	<i>Contractual undiscounted cash outflows</i>			
	<i>Within 1 year or on demand</i> HK\$	<i>1 to 5 years</i> HK\$	<i>Total</i> HK\$	
Commitments payable to World Vision International members organisation	1,424,600	-	1,424,600	1,424,600
Other payables and accruals	5,070,310	-	5,070,310	5,070,310
Lease liabilities	336,000	-	336,000	329,713
	<u>6,830,910</u>	<u>-</u>	<u>6,830,910</u>	<u>6,824,623</u>

28 Financial risk management and fair values (continued)

	2024			Carrying amount at 30 September HK\$
	<i>Contractual undiscounted cash outflows</i>			
	<i>Within 1 year or on demand HK\$</i>	<i>1 to 5 years HK\$</i>	<i>Total HK\$</i>	
Commitments payable to World Vision International members organisation	1,400,122	-	1,400,122	1,400,122
Other payables and accruals	7,032,870	-	7,032,870	7,032,870
Lease liabilities	336,000	336,000	672,000	648,106
	<u>8,768,992</u>	<u>336,000</u>	<u>9,104,992</u>	<u>9,081,098</u>

(c) Currency risk

The Organisation has transactional currency exposures. Such exposures arise from Macau patacas (“MOP”) exposures in the daily operations and United States Dollar (“US\$”) exposures in the international relief and community development programmes expenditure via WVI in US\$. As the Hong Kong dollar, the Organisation’s functional currency, is pegged to both US\$ and MOP with a fluctuation limit, there is limited foreign currency risk to the Organisation.

(d) Fair value measurement

Fair value hierarchy

HKFRS 13, *Fair value measurement* categorises fair value measurements into a three-level hierarchy. The level into which fair value is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

28 Financial risk management and fair values (continued)

	<i>Fair value at 30 September 2025</i>	<i>Fair value measurements as at 30 September 2025 categorised into</i>		
	\$	Level 1 \$	Level 2 \$	Level 3 \$
Recurring fair value measurements				
<i>Assets:</i>				
Investment properties	11,520,000	-	11,520,000	-

	<i>Fair value at 30 September 2024</i>	<i>Fair value measurements as at 30 September 2024 categorised into</i>		
	\$	Level 1 \$	Level 2 \$	Level 3 \$
Recurring fair value measurements				
<i>Assets:</i>				
Investment properties	13,500,000	-	13,500,000	-

All of the Organisation's financial assets and liabilities are carried at amounts not materially different from their fair values as at 30 September 2025 and 30 September 2024.

29 Capital policy

The Organisation is incorporated in Hong Kong as a company limited by guarantee without a share capital. It is a tax-exempt charity recognised by the Inland Revenue Department. Its constitution prohibits the payment of remuneration to its directors, and the distribution of its surplus and assets to its members.

The Organisation manages its general operating funds and designated funds so as to (i) fulfill its commitments to relief and community development ministries; (ii) support its own long-term development; and (iii) meet short-term cash flow requirements.

Movements of the general operating funds and designated funds are set out in the statement of changes in equity on page 13.

30 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 30 September 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 30 September 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Organisation.

	<i>Effective for accounting periods beginning on or after</i>
Amendments to HKAS 21, <i>The effects of changes in foreign exchange rates - Lack of exchangeability</i>	1 January 2025
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures - Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to HKFRS Accounting Standards - Volume 11	1 January 2026
HKFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
HKFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027

The Organisation is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements except for HKFRS18, where the structure of the Organisation's statement of comprehensive income is expected to change.