

MISSION TO NEW ARRIVALS LIMITED  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019  
(Expressed in Hong Kong Dollars)



**Peter Cheng & Company**  
**Certified Public Accountants (practising)**

MISSION TO NEW ARRIVALS LIMITED  
REPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report and the audited financial statements for the year ended 31 March 2019.

**Principal place of business**

The Mission to New Arrivals Limited ("the organization") is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 21st floor, Skyline Tower, 18 Tong Mi Road, Mongkok, Kowloon, Hong Kong.

**Principal activities and business review**

The organization helps new arrivals from mainland China and South Asia, as well as poor and grassroots families integrate to the Hong Kong society; and also shares with them the Christian faith. The organization is exempted from tax under Section 88 of the Inland Revenue Ordinance. No business review is presented for the year ended 31 March 2019 as the Company has been able to claim an exemption under section 388(3) of the Companies Ordinance Cap. 622 since it falls within the reporting exemption.

**Financial statements**

The result of the organization for the year ended 31 March 2019 and the state of affairs of the organization as at that date are set out in the financial statements on pages 5 to 13.

**Directors**

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

Ho Po Sang  
Ku Hok Bun  
Lai Chun Moon  
Ng Lai Ping  
Wu Ping Fan  
Yuen Yuet Mui

In accordance with the organization's Articles of Association, one-third of the directors, or if their number is not three or multiple of three, then the number nearest to but not exceeding one-third, shall retire from office. A retiring director shall be eligible for re-election.

**Permitted indemnity provisions**

At no time during the financial year and up to the date of this Report of the Directors, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors of the Organisation or an associated Organisation.

MISSION TO NEW ARRIVALS LIMITED  
REPORT OF THE DIRECTORS

**Auditors**

Peter Cheng & Company retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Peter Cheng & Company as auditors of the organization is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



Director

Hong Kong, 03 DEC 2010

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
MISSION TO NEW ARRIVALS LIMITED

(incorporated in Hong Kong with liabilities limited by guarantee)



**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Mission to New Arrivals Limited ("the Organisation") set out on pages 5 to 13, which comprise the statement of financial position as at 31 March 2019, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Organisation as at 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") 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 ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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.

**Responsibilities of Directors and Those Charged with Governance for the Financial Statements**

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities 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.

Those charged with governance are responsible for overseeing the Organisation's financial reporting process.

**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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
MISSION TO NEW ARRIVALS LIMITED

(incorporated in Hong Kong with liabilities limited by guarantee)



**Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)**

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 Company'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 Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink, appearing to read 'Peter Cheng', written over a circular stamp or seal.

Peter Cheng & Company  
Certified Public Accountants  
Room 1602, 16/F., Everprofit Commercial Building,  
36 Ko Shing Street, Sheung Wan,  
Hong Kong, 03 DEC 2013

MISSION TO NEW ARRIVALS LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 HK\$	2018 HK\$
<b>Income</b>			
3H Handicraft Income		1,352,859	773,007
Charitable Fund-raising Income	6(a)	-	6,883
Creation Farm Income		66,605	119,179
Donations		2,679,308	4,178,130
Ethnic Minority Income		139,462	-
Flag Day Income	6(a)	1,228,047	-
Fund Income	6(b)	1,932,100	3,047,216
Life Building Centre Income		207,021	227,661
Love Granary Income		158,507	93,236
Network Ministry Income		1,538,894	-
Other Income		2,010	111,372
Relief Fund Income	6(c)	415,357	292,059
School Based Program Income		-	272,270
School of Poverty Caring Income		795,581	213,880
The Community Chest Fund Income			
- Capital Project		-	25,248
- School of Poverty Caring		-	528,200
		<u>10,515,751</u>	<u>9,888,341</u>
<b>Program and Ministry Expenses</b>			
3H Handicraft Ministry		1,114,955	1,098,033
Charitable Fund-raising Expenses	6(a)	-	3,266
Creation Farm Ministry		627,411	630,472
Ethnic Minority Ministry		459,228	475,059
Flag Day Expenses	6(a)	54,347	-
Life Building Centre Ministry		998,094	1,038,639
Love Granary Expenses		54,257	104,510
Network Ministry Expenses		3,251,745	3,149,080
Promotion & Fund Raising		359,899	-
Relief Fund Expenses		281,203	444,684
School Based Program		-	219,978
School of Poverty Caring Ministry		713,369	-
The Community Chest Program - School of Poverty Caring Ministry		-	657,888
		<u>7,914,508</u>	<u>7,821,609</u>
		<u>2,601,243</u>	<u>2,066,732</u>

MISSION TO NEW ARRIVALS LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2019

	<u>2019</u>	<u>2018</u>
	<u>HK\$</u>	<u>HK\$</u>
<b>Administrative Expenses</b>		
Advertising	13,067	3,696
Auditors' Remuneration	6,700	6,400
Cleaning	10,610	4,602
Computer Repair	8,687	11,376
Depreciation	186,653	267,759
Electricity & Water	45,603	48,063
Insurance	53,368	23,361
Medical	16,410	12,750
Messing	9,992	8,618
Postage	3,372	3,302
Printing & Stationery	45,929	34,939
Promotion & Development	-	547,209
Rent & Rates	800,360	803,693
Repair & Maintenance	6,357	6,767
Salary and Allowance	612,521	630,913
Staff Training	32,183	35,954
Sundry	14,166	16,044
Telephone & Telecommunication	22,683	27,741
Web Maintenance	-	7,029
	<u>1,888,661</u>	<u>2,500,216</u>
<b>Surplus/(deficit) for the year</b>	712,582	(433,484)
<b>Other comprehensive income</b>	<u>-</u>	<u>-</u>
<b>Total comprehensive income/(deficit) for the year</b>	<u>712,582</u>	<u>(433,484)</u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

MISSION TO NEW ARRIVALS LIMITED  
STATEMENT OF FINANCIAL POSITION  
AT 31 MARCH 2019

	<u>Note</u>	<u>2019</u> <u>HK\$</u>	<u>2018</u> <u>HK\$</u>
<b>Non-current assets</b>			
Furniture, fixture and equipment	5	<u>373,305</u>	<u>535,519</u>
<b>Current assets</b>			
Accounts receivable		221,780	165,862
Rental and utilities deposits		188,700	187,100
Prepayments and other assets		145,992	156,118
Bank and cash balances		<u>7,732,872</u>	<u>6,902,368</u>
		<u>8,289,344</u>	<u>7,411,448</u>
<b>Current liabilities</b>			
Accrued expenses		<u>9,500</u>	<u>6,400</u>
		<u>9,500</u>	<u>6,400</u>
<b>Net current assets</b>		<u>8,279,844</u>	<u>7,405,048</u>
<b>Net assets</b>		<u>8,653,149</u>	<u>7,940,567</u>
<b>Representing: -</b>			
General fund		5,438,486	4,644,307
Programme reserve fund	6(b)	640,000	960,000
Emergency relief fund	6(c)	1,074,663	836,260
Building fund	6(d)	<u>1,500,000</u>	<u>1,500,000</u>
<b>Total funds</b>		<u>8,653,149</u>	<u>7,940,567</u>

Approved and authorised for issue by the board of directors on **03 DEC 2019**

  
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 Director

  
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 Director

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.



MISSION TO NEW ARRIVALS LIMITED  
STATEMENT OF CHANGES IN FUNDS  
FOR THE YEAR ENDED 31 MARCH 2019

	General fund HK\$	Programme reserve fund HK\$	Emergency relief fund HK\$	Building fund HK\$	Total HK\$
Balance at 31 March 2017	4,593,892	1,280,000	1,000,159	1,500,000	8,374,051
Total comprehensive income	(433,484)	-	-	-	(433,484)
Transferred from: -					
- Programme reserve fund	320,000	(320,000)	-	-	-
- Emergency reserve fund	163,899	-	(163,899)	-	-
Balance at 31 March 2018	4,644,307	960,000	836,260	1,500,000	7,940,567
Total comprehensive income	712,582	-	-	-	712,582
Transferred from: -					
- Programme reserve fund	320,000	(320,000)	-	-	-
Transferred to: -					
- Emergency reserve fund	(238,403)	-	238,403	-	-
Balance at 31 March 2019	<u>5,438,486</u>	<u>640,000</u>	<u>1,074,663</u>	<u>1,500,000</u>	<u>8,653,149</u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

MISSION TO NEW ARRIVALS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

**1. Status of the organization**

Liabilities of the organization is limited by guarantee, such that under the provisions of the organization's memorandum of association, every member shall, in the event of the organization being wound up, contribute such amount as may be required to meet the liabilities of the organization, but not exceeding HK\$100 each.

The organization helps new arrivals from mainland China and South Asia, as well as poor and grassroots families integrate to the Hong Kong society; and also shares with them the Christian faith. The Mission to New Arrivals Limited ("the organization") is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 21st floor, Skyline Tower, 18 Tong Mi Road, Mongkok, Kowloon, Hong Kong.

**2. Significant accounting policies**

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, 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. A summary of the significant accounting policies adopted by the organization is set out below.

The HKICPA has issued a number of amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the organization. The adoption of them did not result in significant changes to the organization's accounting policies in these financial statements for the years presented.

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. 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 judgments 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.

MISSION TO NEW ARRIVALS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

**2. Significant accounting policies (cont'd)**

(c) Revenue recognition

Where a revenue item is attributable to designated funds, the revenue is allocated to the respective funds; all other revenue is allocated to general fund.

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the organization and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

- Donation and other income is recognized on cash receipt basis.

(d) Operating lease

Where the organization has the use of assets under operating lease, payments made under the leases are charged to the income and expenditure account in equal installments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognized in the income and expenditure account as an integral part of the aggregated net lease payments made.

(e) Fixed assets and depreciation

Fixed assets are stated in the statement of financial position at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated to write off the cost of items of fixed assets, less their estimated residual value, if any, on a reducing balance basis over their estimated useful lives of 3 years.

The carrying amounts of fixed assets are reviewed for indications of impairment at each balance sheet date. 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. The recoverable amount of an asset, or of the cash-generating unit to which it belongs, is the greater of its fair value less costs to sell 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. An impairment loss is reversed if there has been a favourable change in estimates used to determine the recoverable amount.

Gains or losses arising from the retirement or disposal of a fixed asset 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.

MISSION TO NEW ARRIVALS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

**2. Significant accounting policies (cont'd)**

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits at banks, net of short-term bank loans and bank overdrafts which are repayable on demand.

(g) Account and other payables

Account and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which cases, they are stated at cost.

(h) Provisions

Provisions are recognized when the Organization has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Organization expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(i) Employee benefits

Salaries, annual bonuses, 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.

(j) During the year, the Organisation changed its accounting policy with respect to the calculation of the full cost of the program and ministry. The Organisation now allocates the salaries and allowances of program staff to the respective programs. Prior to this change in policy, the Organisation showed the salary and allowance as a lump sum expense. The Organisation believes the new policy is preferable as it reflects the true cost of the program and ministry more closely.

**3. Income tax**

No provision has been made for Hong Kong Profits Tax as the organization is an approved charitable organization and is exempt from tax under section 88 of the Hong Kong Inland Revenue Ordinance.

**4. Directors' remuneration**

Directors' remuneration disclosed pursuant to section 383(1) of the Companies Ordinance is as follows:

	<u>2019</u>	<u>2018</u>
	<u>HK\$</u>	<u>HK\$</u>
Fees	-	-
Salaries, allowances and benefits in kind	-	-
Discretionary bonuses	-	-
Retirement scheme contributions	-	-

MISSION TO NEW ARRIVALS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

**5. Furniture, fixture and equipment**

	Machinery & equipment HK\$	Furniture & fixtures HK\$	Total HK\$
Cost			
At 1 April 2017	1,022,761	2,102,960	3,125,721
Additions, at cost	57,828	22,798	80,626
At 31 March 2018	<u>1,080,589</u>	<u>2,125,758</u>	<u>3,206,347</u>
Aggregated depreciation			
At 1 April 2017	851,598	1,551,471	2,403,069
Charge for the year	76,330	191,429	267,759
At 31 March 2018	<u>927,928</u>	<u>1,742,900</u>	<u>2,670,828</u>
Net Book value			
At 31 March 2018	<u>152,661</u>	<u>382,858</u>	<u>535,519</u>
Cost			
At 1 April 2018	1,080,589	2,125,758	3,206,347
Additions, at cost	16,741	7,698	24,439
At 31 March 2019	<u>1,097,330</u>	<u>2,133,456</u>	<u>3,230,786</u>
Aggregated depreciation			
At 1 April 2018	927,928	1,742,900	2,670,828
Charge for the year	56,468	130,185	186,653
At 31 March 2019	<u>984,396</u>	<u>1,873,085</u>	<u>2,857,481</u>
Net Book value			
At 31 March 2019	<u>112,934</u>	<u>260,371</u>	<u>373,305</u>

**6. Funds**

(a) Usage of charitable Fund-raising Income

	2019 HK\$	2018 HK\$
Charitable Fund-raising Income	1,228,047	6,883
Charitable Fund-raising expenses	(54,347)	(3,266)
	<u>1,173,700</u>	<u>3,617</u>

The net proceeds received from the general charitable fund-raising activity on 16 February 2019 of HK\$1,173,700 (2018:HK\$3,617) has not been used in the financial year ended 31 March 2019, but will be utilized in the financial year ending 31 March 2020 according to the usage allocation stated in the application form for flag day fund raising.

MISSION TO NEW ARRIVALS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

**6. Funds (cont'd)**

(b) Program reserve fund

This represents fund granted from the Abundance Grace Charity Foundation Limited to the Organisation to support the "Love - Brighten Up Your Lives" program during the years from 2016/17 to 2020/21. The fund granted was fully received during the year and shall be applied for the current year and the subsequent 2 financial years from 2019/20 to 2020/21.

(c) Emergency relief fund

Emergency relief fund represents the fund set aside for the emergency relief and love granary ministries. The balance of such fund represents the accumulated net surplus or deficit arisen from designated income and expense associated with such purposes.

This includes funds received from the Abundance Grace Charity Foundation Limited to the Organisation to support the "Emergency relief fund" during the years from 2016/17 to 2020/21.

(d) Building fund

Building fund was set up for the acquisition of a permanent office of the Organisation in future.