

MISSION TO NEW ARRIVALS LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020
(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 2020.

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 2020 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 2020 and the state of affairs of the organization as at that date are set out in the financial statements on pages 5 to 12.

Directors

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

Ho Po Sang	
Ku Hok Bun	
Kwong Wai Man Raymond	(appointed on 19 March 2020)
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

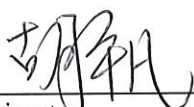
At no time during the financial year and up to the date of this Report of the Directors, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors of the Organization or an associated Organization.

MISSION TO NEW ARRIVALS LIMITED
REPORT OF THE DIRECTORS

Auditors

The financial statements for the year ended 31 March 2020 are audited by Peter Cheng & Company, Certified Public Accountants.

By order of the Board



Director
Hong Kong, - 2 NOV 2020

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 accompanying financial statements of Mission to New Arrivals Limited set out on pages 5 to 12, which comprise the statement of financial position as at 31 March 2020, the statement of income and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements of the Company are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-Sized Entity Financial Reporting Standard ("SME-FRS") 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 ("HKSA's") and with reference to PN 900 (Revised) Audit of Financial Statements Prepared in Accordance with the Small and Medium-Sized Entity Financial Reporting Standard 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 Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other 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 Director and Those Charged with Governance for the Financial Statements

The sole director is responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as The sole director 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 sole director are responsible for assessing the Company'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 sole director either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 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.



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

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 large, stylized handwritten signature in black ink, appearing to be 'Peter Cheng', written over the printed name of the auditor.

Peter Cheng & Company
Certified Public Accountants
Room 2303, 23/F., Lucky Commercial Centre,
103 Des Voeux Road West,
Hong Kong, - 2 NOV 2020

MISSION TO NEW ARRIVALS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	<u>Note</u>	<u>2020</u> <u>HK\$</u>	<u>2019</u> <u>HK\$</u>
Income			
3H Handicraft Income		1,413,875	1,352,859
Creation Farm Income		78,290	66,605
Donations		3,553,422	2,679,308
Ethnic Minority Income		312,547	139,462
Flag Day Income	6(a)	-	1,228,047
Fund Income	6(b)	1,550,000	1,932,100
Life Building Centre Income		309,677	207,021
Love Granary Income		233,808	158,507
Network Ministry Income		1,696,396	1,538,894
Other Income		95,531	2,010
Relief Fund Income	6(c)	518,735	415,357
School of Poverty Caring Income		581,883	795,581
		<u>10,344,164</u>	<u>10,515,751</u>
Program and ministry expenses			
3H Handicraft Ministry		1,189,989	1,114,955
Creation Farm Ministry		629,585	627,411
Ethnic Minority Ministry		709,547	459,228
Flag Day Expenses	6(a)	-	54,347
Life Building Centre Ministry		1,012,698	998,094
Love Granary Expenses		79,097	54,257
Network Ministry Expenses		3,424,606	3,251,745
Promotion & Fund Raising		415,339	359,899
Relief Fund Expenses		436,133	281,203
School of Poverty Caring Ministry		763,614	713,369
		<u>8,660,608</u>	<u>7,914,508</u>
		<u>1,683,556</u>	<u>2,601,243</u>

MISSION TO NEW ARRIVALS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	<u>2020</u>	<u>2019</u>
	<u>HK\$</u>	<u>HK\$</u>
Administrative Expenses		
Advertising	3,556	13,067
Auditors' Remuneration	7,000	6,700
Bank Charges	14,193	-
Cleaning	36,917	10,610
Computer Repair	14,459	8,687
Depreciation	253,268	186,653
Electricity & Water	43,336	45,603
Insurance	50,919	53,368
Medical	26,335	16,410
Messing	8,058	9,992
Postage	1,983	3,372
Printing & Stationery	29,651	45,929
Rent & Rates	802,664	800,360
Repair & Maintenance	4,852	6,357
Salary and Allowance	570,346	612,521
Staff Training	25,758	32,183
Sundry	18,316	14,166
Telephone & Telecommunication	22,235	22,683
	<u>1,933,846</u>	<u>1,888,661</u>
(Deficit)/surplus for the year	<u>(250,290)</u>	<u>712,582</u>

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

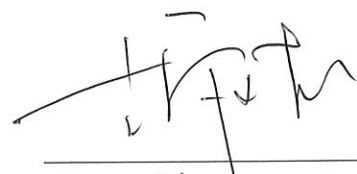
MISSION TO NEW ARRIVALS LIMITED
STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2020

	<u>Note</u>	<u>2020</u> <u>HK\$</u>	<u>2019</u> <u>HK\$</u>
Non-current assets			
Furniture, fixture and equipment	5	506,537	373,305
Current assets			
Accounts receivable		252,697	221,780
Rental and utilities deposits		168,100	188,700
Prepayments and other assets		120,973	145,992
Bank and cash balances		7,463,939	7,732,872
		8,005,709	8,289,344
Current liabilities			
Accrued expenses		109,387	9,500
		109,387	9,500
Net current assets		7,896,322	8,279,844
Net assets		8,402,859	8,653,149
 Representing: -			
General fund		5,270,882	5,438,486
Programme reserve fund	6(b)	320,000	640,000
Emergency relief fund	6(c)	1,311,977	1,074,663
Building fund	6(d)	1,500,000	1,500,000
Total funds		8,402,859	8,653,149

Approved and authorized for issue by the board of directors on **- 2 NOV 2020**



 Director



 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 2020

	General fund HK\$	Programme reserve fund HK\$	Emergency relief fund HK\$	Building fund HK\$	Total HK\$
Balance at 31 March 2018	4,644,307	960,000	836,260	1,500,000	7,940,567
Surplus for the year	712,582	-	-	-	712,582
Transferred from/(to): -					
- Programme reserve fund	320,000	(320,000)	-	-	-
- Emergency reserve fund	(238,403)	-	238,403	-	-
Balance at 31 March 2019	5,438,486	640,000	1,074,663	1,500,000	8,653,149
Deficit for the year	(250,290)	-	-	-	(250,290)
Transferred from/(to): -					
- Programme reserve fund	320,000	(320,000)	-	-	-
- Emergency reserve fund	(237,314)	-	237,314	-	-
Balance at 31 March 2020	<u>5,270,882</u>	<u>320,000</u>	<u>1,311,977</u>	<u>1,500,000</u>	<u>8,402,859</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 2020

1. Reporting entity

Mission to New Arrivals Limited ("the organization") is a company incorporated in Hong Kong with liability of the members limited by guarantee.

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.

Registered office of the Organization is located at 21st floor, Skyline Tower, 18 Tong Mi Road, Mongkok, Kowloon, Hong Kong. The organization helps new arrivals from the 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.

2. Basis of preparation and accounting policies

The Organization qualifies for the reporting exemption as a small private company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

In this year, the Organization firstly adopts the Hong Kong Small and Medium-Sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The Organization used to prepared its annual financial statements in compliance with Hong Kong Financial Reporting Standards ("HK-FRS").

The transition from HKFRS to SME-FRS has changed the presentation of the financial statements and the following accounting policies. The statement of comprehensive income has been replaced by statement of income and expenditure which has been presented in accordance with the SME-FRS and the Hong Kong Companies Ordinance. The change in accounting policies do not have significant effect on the results and the state of affairs of the Organization for the current and prior periods.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the company is a going concern.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

MISSION TO NEW ARRIVALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Basis of preparation and accounting policies (cont'd)

a) 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 recognized in profit or loss as follows:

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

b) Leases

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the income statement on a straight-line basis over the lease term.

c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the reducing balance basis over their estimated useful lives of 3 years.

d) Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognized in the income statement. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation), had no impairment losses been recognized for the asset in prior years.

3. Directors' remuneration

Directors' remuneration disclosed pursuant to section 383(1) of the Companies Ordinance is HK\$ Nil (2019: HK\$ Nil).

MISSION TO NEW ARRIVALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

4. Income tax expense

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.

5. Furniture, fixture and equipment

	<u>Machinery & equipment</u> HK\$	<u>Furniture & fixtures</u> HK\$	<u>Total</u> HK\$
Cost			
At 1 April 2018	1,080,589	2,125,758	3,206,347
Additions, at cost	<u>16,741</u>	<u>7,698</u>	<u>24,439</u>
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	<u>56,468</u>	<u>130,185</u>	<u>186,653</u>
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>
Cost			
At 1 April 2019	1,097,330	2,133,456	3,230,786
Additions, at cost	<u>13,000</u>	<u>373,500</u>	<u>386,500</u>
At 31 March 2020	<u>1,110,330</u>	<u>2,506,956</u>	<u>3,617,286</u>
Aggregated depreciation			
At 1 April 2019	984,396	1,873,085	2,857,481
Charge for the year	<u>41,978</u>	<u>211,290</u>	<u>253,268</u>
At 31 March 2020	<u>1,026,374</u>	<u>2,084,375</u>	<u>3,110,749</u>
Net Book value			
At 31 March 2020	<u>83,956</u>	<u>422,581</u>	<u>506,537</u>

MISSION TO NEW ARRIVALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

6. Funds

(a) Usage of charitable Fund-raising Income

	<u>2020</u>	<u>2019</u>
	<u>HK\$</u>	<u>HK\$</u>
Flag day fund raising income	-	1,228,047
Direct expenses	-	(54,347)
Net proceeds	<u>-</u>	<u>1,173,700</u>
Usage of the net proceeds in: -		
Relief fund	117,370	-
Network ministry	469,480	-
Ethnic minority ministry	58,685	-
Life building center and creation farm	117,370	-
School of poverty caring ministry	117,370	-
Administrative expenses and overheads	293,425	-
	<u>1,173,700</u>	<u>-</u>
(Deficit)/surplus for the year	(1,173,700)	1,173,700
Balance brought forward	1,173,700	-
Balance carried forward	<u>-</u>	<u>1,173,700</u>

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

b) Program reserve fund

This represents fund granted from the Abundance Grace Charity Foundation Limited to the Organization 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 financial year of 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 Organization 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 Organization in future.