

Reports and financial statements (Expressed in Hong Kong dollars)

Mission to New Arrivals Limited
For the period 1 April 2020 to 31 March 2021

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DIRECTORS' REPORT

Mission to New Arrivals Limited For the year ended 31 March 2021

The directors have pleasure in submitting the annual report together with the audited financial statements for the year ended 31 March 2021.

Principal activities and business review

Mission to New Arrivals Limited ("the organization") is limited by guarantee. The organization's registered office 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.

The organization is exempted from tax under Section 88 of the Inland Revenue Ordinance. No business review is presented as the organization has been able to claim an exemption under section 388(3) of the Companies Ordinance Cap. 622 since it falls within the reporting exemption.

Result and appropriations

The result of the organization and the state of the Directors' affairs as at that date are set out in the organization's financial statements on pages 6 to 12.

Directors

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

Ho Po Sang
Ku Hok Bun
Kwong Wai Man Raymond
Lai Chun Moon (resigned on 1 January 2021)
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 Directors' report, there was or is, any permitted indemnity provision being in force for the benefit of the directors of the organization or an associated company.

Auditor

The financial statements for the year have been audited by Alpha Bright CPA Limited who retire and, being eligible, offer themselves for re-appointment.

On behalf of the organization



Wu Ping Fan, Chairman
Hong Kong, 14 DEC 2021

INDEPENDENT AUDITOR'S REPORT

Mission to New Arrivals Limited For the year ended 31 March 2021

To the members of Mission to New Arrivals Limited.

Opinion

We have audited the financial statements of Mission to New Arrivals Limited ("the organization") set out on pages 6 to 12, which comprise the statement of financial position as at 31 March 2021, the statement of income and expenditure, and statement of change in funds and reserve for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the organization 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 ("HKASs") and with reference to Practice Note 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 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 the Sole Director and Those Charged with Governance for the Financial Statements

The directors are 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 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 organization'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 Company or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the organization'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 HKASs will always detect a material misstatement when it exists.

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 HKASs, 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- 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 organization'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 organization 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.



Cheng Kwan Sing
Certified Public Accountant (Practising)
Practising no.: P02347
Alpha Bright CPA Limited
Certified Public Accountants
Room 706A, 7/F., Harbour Crystal Center,
100 Granville Road, Tsimshatsui East, Kowloon,
Hong Kong,

14 DEC 2021

STATEMENT OF INCOME AND EXPENDITURE

Mission to New Arrivals Limited For the year ended 31 March 2021

	NOTES	2021	2020
Income			
3H Handicraft Ministry Income		1,525,522	1,413,875
Creation Farm Ministry Income		17,239	78,290
Donations		4,546,934	3,553,422
Employment support scheme Income		1,383,725	-
Ethnic Minority Ministry Income		208,469	312,547
Fund Income		1,658,093	1,550,000
HSBC Community Partnership Programme Income		445,340	-
Life Building Centre Ministry Income		113,014	309,677
Love Granary Income		503,298	233,808
New Arrivals Ministry Income		2,563,225	1,696,396
Other Income		13,627	95,531
Relief Fund Income		3,176,008	518,735
School of Poverty Caring Ministry Income		747,161	581,883
World Vision Hong Kong Income		350,000	-
		17,251,655	10,344,164
Program and ministry expenses			
3H Handicraft Ministry Expenses		1,199,804	1,189,989
Creation Farm Ministry Expenses		575,417	629,585
Ethnic Minority Ministry Expenses		478,479	709,547
HSBC Community Partnership Programme Expenses		220,592	-
Life Building Centre Ministry Expenses		626,534	1,012,698
Love Granary Expenses		358,744	79,097
New Arrivals Ministry Expenses		3,873,805	3,424,606
Promotion & Fund Raising Expenses		438,687	415,339
Relief Fund Expenses		2,407,318	436,133
School of Poverty Caring Ministry Expenses		791,934	763,614
World Vision Hong Kong Expenses		103,023	-
		11,074,337	8,660,608
		6,177,318	1,683,556
Administrative expenses			
Administration salaries		612,268	570,346
Advertising		3,567	3,556
Auditors' Remuneration		7,500	7,000
Bank Charges		24,577	14,193
Cleaning		27,182	36,917
Computer Repair		18,174	14,459
Depreciation		264,060	253,268
Electricity & Water		20,754	43,336
Insurance		52,816	50,919

STATEMENT OF INCOME AND EXPENDITURE

	NOTES	2021	2020
Medical		19,640	26,335
Messing		8,895	8,058
Postage		4,863	1,983
Printing & Stationery		41,508	29,651
Telephone & Telecommunication		21,790	22,235
Rent & Rates		664,401	802,664
Repair & Maintenance		4,659	4,852
Staff Training		16,703	25,758
Sundry		44,594	18,316
		1,857,951	1,933,846
Surplus/(deficit) for the year		4,319,367	(250,290)

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

STATEMENT OF FINANCIAL POSITION

Mission to New Arrivals Limited

As at 31 March 2021

	NOTES	31 MAR 2021	31 MAR 2020
Non current assets			
Furniture, fixtures and Equipment		528,119	506,537
		528,119	506,537
Current assets			
Accounts receivable		4,145	252,697
Rental and utility deposits		175,700	168,100
Prepayments and other assets		105,272	120,973
Cash and bank balance		11,917,286	7,463,939
		12,202,403	8,005,709
Current liabilities			
Accrued expenses		8,296	109,387
		8,296	109,387
Net current assets		12,194,107	7,896,322
Net assets		12,722,226	8,402,859
Funds and reserves			
General fund		7,997,006	5,270,882
Building fund		2,500,000	1,500,000
Emergency relief fund		2,225,220	1,311,977
Programme reserve fund		-	320,000
		12,722,226	8,402,859

Approved and authorised for issue by the directors on 14 DEC 2021



Wu Ping Fan



Ho Po Sang

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

STATEMENT OF CHANGES IN FUNDS AND RESERVE

Mission to New Arrivals Limited
For the year ended 31 March 2021

	2021	2020
Funds and reserve		
General fund		
Opening Balance	5,270,882	5,521,172
Surplus/(deficit) for the year	4,319,367	(250,290)
Transfer to designated funds	(1,913,243)	-
Transfer from designated funds	320,000	-
Closing Balance	7,997,006	5,270,882
Building fund		
Opening Balance	1,500,000	1,500,000
Transfer (to)/from general fund	1,000,000	-
Closing Balance	2,500,000	1,500,000
Emergency fund		
Opening Balance	1,311,977	1,074,663
Transfer (to)/from general fund	913,243	237,314
Closing Balance	2,225,220	1,311,977
Programme reserve fund		
Opening Balance	320,000	640,000
Transfer (to)/from general fund	(320,000)	(320,000)
Closing Balance	-	320,000
Total Funds and reserve	12,722,226	8,402,859

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

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

Mission to New Arrivals Limited For the year ended 31 March 2021

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.

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:

(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 statement of income and expenditure 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 any 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 straight-line method. The principal annual rates used for depreciation are as follows:

Machinery and equipment	33-1/3%
Furniture and fixtures	33-1/3%

(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. 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 recognised in the statement of income and expenditure.

An impairment loss in respect for goodwill is not reversed. In respect of assets other than goodwill, a previously recognised 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 amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

3. Directors' remuneration

Directors' emoluments disclosed 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 is HK\$ nil (2020: HK\$ nil).

4. Income tax expenses

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.

	2021	2020
5. Furniture, fixtures and equipment		
Machinery and equipment		
Cost		
Opening Balance	1,110,330	1,110,330
Additions	238,906	-
Closing Balance	1,349,236	1,110,330
Accumulated depreciation		
Opening Balance	1,026,374	1,026,374
Charge for the year	107,620	-
Closing Balance	1,133,994	1,026,374
Net book value	215,242	83,956
Furniture and fixtures		
Cost		
Opening Balance	2,506,956	2,506,956
Additions	46,735	-
Closing Balance	2,553,691	2,506,956
Accumulated depreciation		
Opening Balance	2,084,375	2,084,375

	2021	2020
Charge for the year	156,439	-
Closing Balance	2,240,814	2,084,375
Net book value	312,877	422,581
Total net book value		
Total cost	3,902,927	3,617,286
Total accumulated depreciation	(3,374,808)	(3,110,749)
	528,119	506,537

6. Funds

	2021	2020
a) Usage of charitable fund-raising income		
Balance brought forward		
At 1 April	-	1,173,700
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
	-	1,173,700
	-	-

The net proceeds received from a general charitable fund-raising activity on 16 February 2019 of HK\$1,173,700 has been fully used in the financial year ended 31 March 2020.

b) Programme 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 in prior year and is used in the subsequent financial years until 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.