

PEOPLESTORIES CHARITY LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31ST OCTOBER, 2021

麥基隆會計師事務所
D K MAK & CO.

CERTIFIED PUBLIC ACCOUNTANTS

PEOPLESTORIES CHARITY LIMITED

(Not Having a Share Capital)

REPORT OF THE DIRECTORS

The Board of Directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31st October, 2021.

REGISTERED OFFICE

The Company's registered office was located at Unit D, 11/F, World Trust Tower, 50 Stanley Street, Central, Hong Kong until it was changed to Rooms 2102-3 China Insurance Group Building, 141 Des Voeux Road Central, Hong Kong on 1st March, 2021.

PURPOSE AND PRINCIPAL ACTIVITIES

The Company is a non-profit making entity and aims to provide greater access to education to the communities in need. PeopleStories mission is to help underprivileged children complete school and empower them to uplift from their poverty cycle. PeopleStories currently supports 10 government schools with 3,000 students in rural Siem Reap, Cambodia.

FINANCIAL STATEMENTS

The results of the Company for the year ended 31st October, 2021 and the financial position of the Company at that date are set out in the financial statements on pages 4 to 7.

BOARD OF DIRECTORS

The directors during the year were: -

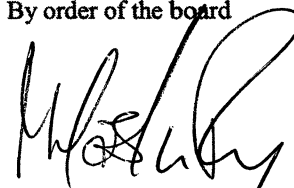
Victoria Wai-Ping MILOSCHESKY
Oliver MILOSCHESKY

In accordance with the articles 21(1)(a) and (2) of the Company's articles of association, both existing directors shall continue to hold office for an unlimited period of time.

AUDITOR

A resolution for the re-appointment of D K Mak & Co., Certified Public Accountant, as auditor of the Company is to be proposed at the forthcoming annual general meeting.

By order of the board



Oliver MILOSCHESKY
Director

Hong Kong,

24 May 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

PEOPLESTORIES CHARITY LIMITED

(Not Having a Share Capital)

(Incorporated in Hong Kong and Limited by Guarantee)

OPINION

We have audited the financial statements of PeopleStories Charity Limited (“the Company”) set out on pages 4 to 7, which comprise the statement of financial position as at 31st October, 2021, and the income statement and statement of changes in equity 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 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”) and with reference to Practice Note 900 (Revised), Audit of Financial Statements Prepared in Accordance with the SME-FRS 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.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include 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.

RESPONSIBILITIES OF DIRECTORS 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 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors and those charged with governance are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF****PEOPLESTORIES CHARITY LIMITED**

(Not Having a Share Capital)

(Incorporated in Hong Kong and Limited by Guarantee)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

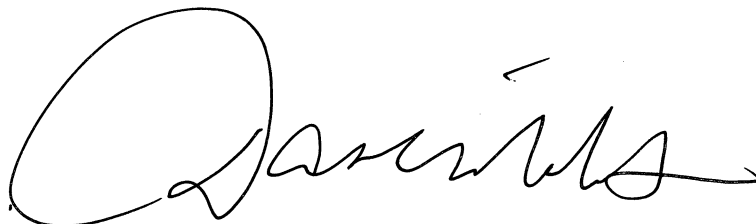
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 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 the 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 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 directors and 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.



D K MAK & CO.,
Certified Public Accountants,
Rooms 2101-3,
China Insurance Group Building,
141 Des Voeux Road Central,
Hong Kong.

Date: 24 MAY 2022

PEOPLESTORIES CHARITY LIMITED

(Not Having a Share Capital)

INCOME STATEMENT**FOR THE YEAR ENDED 31ST OCTOBER, 2021**

	Note	<u>2021</u> USD	<u>2020</u> USD
DIRECT DONATIONS	3		
Institutional donations		42,596	3,540
Individual donations		20,438	15,861
		63,034	19,401
LESS : DIRECT PROGRAMME EXPENDITURE	4 & 5		
Direct programme expenses		16,049	15,350
Programme management expenses		-	1,747
		16,049	17,097
		46,985	2,304
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OTHER INCOME	6		
Directors' donations		1,907	1,673
Event-based fundraising income		4,992	19,144
		6,899	20,817
LESS : OTHER EXPENDITURE	7		
Event-based fundraising expenses		2,177	6,663
General & Administration expenses		2,469	3,232
		4,646	9,895
		2,253	10,922
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SURPLUS BEFORE TAXATION		49,238	13,226
TAXATION	8	-	-
SURPLUS FOR THE YEAR / PERIOD		49,238	13,226

The attached notes form part of these financial statements.

PEOPLESTORIES CHARITY LIMITED
(Not Having a Share Capital)

STATEMENT OF FINANCIAL POSITION

AS AT 31ST OCTOBER, 2021

	<u>2021</u> USD	<u>2020</u> USD
CURRENT ASSETS		
Cash held by directors	68,848	19,481
 CURRENT LIABILITIES		
Accruals	<u>968</u>	<u>839</u>
NET ASSETS	<u><u>67,880</u></u>	<u><u>18,642</u></u>
 Represented by:		
 ACCUMULATED FUNDS		
Balance brought forward	18,642	5,416
Surplus for the year / period	<u>49,238</u>	<u>13,226</u>
 Balance carried forward	<u><u>67,880</u></u>	<u><u>18,642</u></u>

Approved by the board of directors on **24 MAY 2022**



Victoria Wai-Ping MILOSCHEWSKY



Oliver MILOSCHEWSKY

The attached notes form part of these financial statements.

PEOPLESTORIES CHARITY LIMITED

(Not Having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS**1. GENERAL**

The Company was incorporated under the Hong Kong Companies Ordinance and is limited by guarantee without a share capital. Every member shall in the event of the Company being wound up, contribute to the assets of the Company to the extent of HK\$10,000. At 31st October, 2021 the Company had 2 members.

The financial statements are presented in United States dollars (USD), unless otherwise stated.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

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

(a) Recognition of income

Donations are recognised when they are received. Other income and expenses are accounted for on an accrual basis.

(b) Translation of foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into United States dollars at the rates of exchange ruling at the end of the reporting period. Transactions during the year are translated at the rates ruling at the dates of transactions. Profits and losses resulting from the above translation policy are dealt with in the income statement.

(c) Taxation

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided.

3. DIRECT DONATIONS

These are the funds generously donated by our supporters for the direct implementation of educational projects and to deliver on PeopleStories Vision and Mission. These donations come from "Individual" as well as "Institution".

4. DIRECT PROGRAMME EXPENSES

These are the necessary expenses to implement educational projects and to deliver PeopleStories Vision and Mission. The programmes directly impact beneficiaries and the communities PeopleStories is serving. Programmes included “School for Life” Scholarship programme, “Road to STEM”, “Covid 19 Relief Programme”, “Smart School Anywhere”, “Khmer for Success” literacy programme, School Ground project at Chea Smonn Secondary school as well as various other school improvements projects.

5. PROGRAMME MANAGEMENT EXPENSES

These are essential expenses to support the implementation of programmes, including but are not limited to Local Office Expenditure, Local Worker’s Salary & Reward, Local Office Supplies, and Travel & Transportation.

6. OTHER INCOME

As part of PeopleStories Charity’s operating principle, most of the “Direct Donation” is being spent on the “Direct Program Expenditure”. To fund other essential expenses for their general operations, there are other efforts to generate proceeds from “Event-based Fundraising” such as “Charity Dinner”, “Project Based Volunteering” and “Doing Good Events”. The director also makes regular donations to fund the general operations of PeopleStories Charity.

7. OTHER EXPENDITURE

These are expenses to operate PeopleStories as a registered charity. These include the unavoidable expenses such as “Legal & Professional Services” as well as operational expenses including “Technology” and “Marketing”. “Event-based Fundraising Expenses” are expenses to generate event based fundraising income.

8. TAXATION

The Company is entitled to exemption under Section 88 of the Inland Revenue Ordinance with effect from 30th June, 2020 and is, therefore, exempt from all taxes payable under the Ordinance.

9. DIRECTORS’ REMUNERATION

None of the directors received or will receive any fees or other emoluments during the year.