

THE LITTLE OPTIMIST TRUST

(Registration number IT002355/2016)

Annual Financial Statements

for the year ended 29 February 2020

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THE LITTLE OPTIMIST TRUST

(Registration Number IT002355/2016)

Annual Financial Statements for the year ended 29 February 2020

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The reports and statements set out below comprise the annual financial statements presented to the trustees:

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THE LITTLE OPTIMIST TRUST

(Registration Number IT002355/2016)

Annual Financial Statements for the year ended 29 February 2020

General Information

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
OBJECTIVE OF THE TRUST	Community based projects
TRUSTEES	G Bertish D Kantor DRD Mills
Independent Reviewers	Copia Business Administration CC 3 Herschel Road Claremont 7735
TRUST REGISTRATION NUMBER	IT002355/2016

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Independent Reviewer's Report

To the Trustees of the The Little Optimist Trust

We have reviewed the annual financial statements of The Little Optimist Trust set out on pages 6 to 13, which comprise the statement of financial position as at 29 February 2020, and the statement of comprehensive income, statement of changes in trust funds and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Annual Financial Statements

The trustees are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on these annual financial statements based on our review. We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the annual financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of annual financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review engagement are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these annual financial statements.

Copia Business Administration CC

2 November 2020

Per:
Alishia Kirsten Smith
Associate General Accountant (SA)

3 Herschel Road
Claremont
7735

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Trustees' Responsibilities and Approval

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations of the trust, and explain the transactions and financial position of the business of the trust at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the trust and supported by reasonable and prudent judgements and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the trustees sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the trust and all trustees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees are of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the trustees have no reason to believe that the trust will not be a going concern in the foreseeable future. The financial statements support the viability of the trust.

The independent reviewers are responsible for independently reviewing and reporting on the annual financial statements. The independent reviewers report is presented on page 3.

The annual financial statements have been prepared on the going concern basis and are not subject to any material changes to the present financial status. The annual financial statements as set out on pages 6 to 13 were approved by the trustees on 31 August 2020 and were signed on their behalf by:



G Bertish



D Kantor



DRD Mills

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Annual Financial Statements for the year ended 29 February 2020

Report of the Trustees

The trustees present their annual report for the year ended 29 February 2020.

1. Objective of the trust

The primary object of the trust is community based projects.

2. Financial results

The financial statements reflect the financial position of the trust at 29 February 2020 and the result of its activities for the year then ended.

3. Business and operations

The trust's business and operations and the results thereof are clearly reflected in the attached financial statements. No material fact or circumstance has occurred between the accounting date and the date of this report. There was no major change in the nature of the business.

4. The Trustees during the year to the date of this report were the following:

G Bertish
D Kantor
DRD Mills

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THE LITTLE OPTIMIST TRUST

(Registration Number IT002355/2016)

Financial Statements for the year ended 29 February 2020

Statement of Financial Position

Figures in R	Notes	2020	2019
Assets			
Non-Current Assets			
Property, plant and equipment	3	64,591	67,400
Current Assets			
Trade and other receivables	4	58,767	33,206
Cash and cash equivalents	5	233,071	175,970
		291,838	209,176
Total Assets		356,429	276,576
Trust Funds and Liabilities			
Trust Fund			
Trust Capital Account		1	1
Retained earnings		343,316	80,050
		343,317	80,051
Non-Current Liabilities			
Loans from trustees	6	-	107,299
		-	107,299
Current Liabilities			
Trade and other payables	7	4,186	80,300
Borrowings	8	8,926	8,926
		13,112	89,226
Total Funds and Liabilities		356,429	276,576

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Financial Statements for the year ended 29 February 2020

Statement of Comprehensive Income

Figures in R	2020	2019
Income	1,979,069	1,351,408
Cost of sales	(231,584)	(187,400)
Gross profit	<u>1,747,485</u>	<u>1,164,008</u>
Other income	55,099	-
Operating costs	(1,539,318)	(1,258,832)
Operating profit / (loss)	<u>263,266</u>	<u>(94,824)</u>
Profit / (loss) for the year	<u>263,266</u>	<u>(94,824)</u>



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Statement of Changes in Trust Funds

Figures in R	Trust capital	Retained earnings	Total
Balance at 1 March 2018	1	174,874	174,875
Total comprehensive income for the year			
Loss for the year		(94,824)	(94,824)
Total comprehensive income for the year	-	(94,824)	(94,824)
Balance at 28 February 2019	1	80,050	80,051
Balance at 1 March 2019	1	80,050	80,051
Total comprehensive income for the year			
Profit for the year		263,266	263,266
Total comprehensive income for the year	-	263,266	263,266
Balance at 29 February 2020	1	343,316	343,317



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Statement of Cash Flows

Figures in R	Note	2020	2019
Cash flows from / (used in) operating activities			
Profit / (loss) for the year		263,266	(94,824)
<i>Adjustments for:</i>			
Depreciation of tangible assets		8,541	21,200
Profit on disposal of property, plant and equipment		(55,099)	-
Operating cash flow before working capital changes		216,708	(73,624)
<i>Working capital changes</i>			
Increase in trade and other receivables		(25,561)	-
Increase in short term loans		-	-
Decrease in trade and other payables		(76,114)	-
Net cash flows from / (used in) operations		115,033	(73,624)
Net cash flows from / (used in) operating activities		115,033	(73,624)
Cash flows from investing activities			
Property, plant and equipment acquired	3	(57,932)	-
Proceeds on disposals of property, plant and equipment		107,299	-
Net cash flows from investing activities		49,367	-
Cash flows (used in) / from financing activities			
Trustees loans repaid		(107,299)	-
Long term loans movement		-	2,524
Net cash flows (used in) / from financing activities		(107,299)	2,524
Net increase / (decrease) in cash and cash equivalents		57,101	(71,100)
Cash and cash equivalents at beginning of the year		175,970	247,070
Cash and cash equivalents at end of the year	5	233,071	175,970



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Accounting Policies

1. General information

The Little Optimist Trust is a trust founded in South Africa. The principal activities is that of a Community based projects.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities issued by the International Accounting Standards Board. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and are presented in South African Rand.

2.1 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and / or services in the ordinary course of the trust's activities. Revenue is shown net of value-added tax, returns, and discounts.

The trust recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the trust's activities, as described below:

2.2 Income taxes

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.3 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

Other fixed assets	20.00%
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2.4 Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the trust will not be able to collect all amounts due according to the original terms of the receivables.

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Accounting Policies

Summary of significant accounting policies continued...

2.5 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

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Notes to the Annual Financial Statements

Figures in R 2020 2019

3. Property, plant and equipment

	Cost	Accumulated depreciation	2020 Carrying value	Cost	Accumulated depreciation	2019 Carrying value
<i>Owned assets</i>						
Other fixed assets	76,932	(12,341)	64,591	106,000	(38,600)	67,400

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year	Additions / Fair value gains	Classified as held for sale / Disposals	Depreciation / Impairments	2020 Carrying value at end of year
<i>Owned assets</i>					
Other fixed assets	67,400	57,932	(52,200)	(8,541)	64,591

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2019 Carrying value at end of year
<i>Owned assets</i>					
Other fixed assets	88,600	-	-	(21,200)	67,400

4. Trade and other receivables

Trade debtors	58,767	33,206
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5. Cash and cash equivalents

Favourable cash balances

Nedbank trust account	232,012	114,925
Nedbank publishing account	-	57,792
Petty cash	1,059	3,253
	<u>233,071</u>	<u>175,970</u>

6. Loans from trustees

Non-interest bearing long term loans

G Bertish	-	107,299
	<u>-</u>	<u>107,299</u>

The loan is unsecured, bears no interest and have no fixed terms of repayment.

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Notes to the Annual Financial Statements

Figures in R	2020	2019
7. Trade and other payables		
Trade creditors	-	80,300
Other creditor	4,188	-
	<u>4,188</u>	<u>80,300</u>
8. Borrowings		
Publishing loan	8,926	8,926
	<u>8,926</u>	<u>8,926</u>



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Detailed Income Statement

Figures in R	2020	2019
Income		
Book sales	280,085	161,495
Other Income	-	113,515
Donations	1,050,651	956,621
Ticket sales	24,903	99,777
Sponsorships	623,430	20,000
	<u>1,979,069</u>	<u>1,351,408</u>
Cost of Sales		
Purchases	231,584	187,400
	<u>231,584</u>	<u>187,400</u>
Gross Profit	<u>1,747,485</u>	<u>1,164,008</u>
Other income		
Profit on sale of fixed assets	55,099	-
Expenditure		
Accounting fees	29,605	-
Advertising	106,634	183,896
Assets less than R7000	14,871	-
Auction and event expenses	11,000	164,427
Bank charges	5,922	3,638
Cleaning	-	390
Commission paid	-	10,030
Computer expenses	3,099	902
Consulting fees	20,000	50,000
Depreciation - Tangible assets	8,541	21,200
Donations	126,682	83,909
Electricity and water	-	4,730
Entertainment	-	6,290
General expenses	59,700	3,019
Hire - Equipment	8,350	-
Motor vehicle expense	2,407	13,601
Postage	1,295	300
Printing and stationery	3,894	1,486
Rent Paid	45,991	16,675
Repairs and maintenance	91,296	1,360
Salaries	934,924	689,010
Staff welfare	13,858	2,769
Travel - local	51,249	1,200
	<u>1,539,318</u>	<u>1,258,832</u>
Operating profit / (loss) before distributions	<u>263,266</u>	<u>(94,824)</u>
Distributions paid		
Distribution	-	-

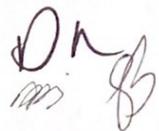
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Detailed Income Statement

Figures in R	2020	2019
Profit / (loss) after distribution	263,266	(94,824)



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Income Tax Computation

Figures in R	Add Back	Deduct	2020	2019
Profit / (loss) before tax			263,266	(94,824)
Wear and tear	-	25,941		(21,000)
Depreciation per income statement	25,941	-		21,000
Donations received	-	1,050,651		(956,621)
	25,941	1,076,592	(1,050,651)	(956,621)
Computed loss for the year			<u>(787,385)</u>	<u>(1,051,445)</u>
Assessed loss brought forward			(1,051,445)	-
Computed loss before capital gain / (loss)			(1,838,830)	(1,051,445)
Capital Gain Portion			-	-
Taxable loss			<u>(1,838,830)</u>	<u>(1,051,445)</u>
Tax amnesty payment	43,159.00		-	-

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