



The Little Optimist Trust

(Registration number IT002355/2016)

Annual Financial Statements

for the year ended 28 February 2023

Compiled Financial Statements

Prepared by: DW Steyl

Professional designation: Professional Accountant (SA)

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

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General Information

Country of Incorporation and Domicile	South Africa
Nature of Business and Principal Activities	The trust Community based projects.
Trustees	G Bertish D Kantor DRD Mills
Bankers	Nedbank Limited
Compilers	Steyl en Cloete Hoogstraat 19 Oudtshoorn 6625
Trust Registration Number	IT002355/2016

Report of the Compiler

To the Trustees of the The Little Optimist Trust

We have compiled the accompanying financial statements of The Little Optimist Trust based on information you have provided. These financial statements comprise the statement of financial position of The Little Optimist Trust as at 28 February 2023, the statement of comprehensive income, the statement of changes in trust funds and the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements on the basis of accounting described in Note 2. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the basis of accounting described in Note 2.



DW STEYL
Professional Accountant (SA)
Member no. 25882

28/08/2023
DATE

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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 in the presentation of 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.

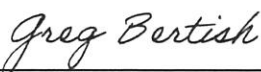
The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the trustees sets standards for internal 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.

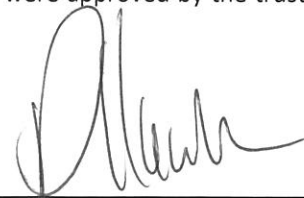
The trustees are of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance 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 professional accountants are responsible for reporting on the annual financial statements. The compilation 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 30 June 2023 and were signed on their behalf by:



G Bertish



D Kantor



DRD Mills

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Report of the Trustees

The trustees present their annual report for the year ended 28 February 2023.

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 28 February 2023 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. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

5. Events after reporting date

The trustees are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the trust.

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

G Bertish
D Kantor
DRD Mills

(Chairperson)

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Financial Statements for the year ended 28 February 2023

Statement of Financial Position

Figures in R	Notes	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	3	24,698	49,684
Loans to trustees	4	-	8,000
Current Assets			
Trade and other receivables	5	10,500	83,060
Cash and cash equivalents	6	1,419,962	161,713
Total Assets		1,455,160	294,457
Trust Funds and Liabilities			
Trust Fund			
Trust Capital Account		1	1
Retained earnings	7	1,437,975	276,519
Non-Current Liabilities			
Borrowings	8	180	-
Current Liabilities			
Trade and other payables	9	16,078	9,011
Borrowings	10	926	8,926
Total Funds and Liabilities		1,455,160	294,457

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Statement of Comprehensive Income

Figures in R	2023	2022
Income	2,864,704	889,549
Cost of sales	(370,225)	(126,600)
Gross profit	<u>2,494,479</u>	<u>762,949</u>
Operating costs	(1,333,023)	(755,436)
Profit for the year	<u>1,161,456</u>	<u>7,513</u>

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Statement of Changes in Trust Funds

Figures in R	Trust capital	Retained earnings	Total
Balance at 1 March 2021	1	269,006	269,007
Profit for the year	-	7,513	7,513
Balance at 28 February 2022	1	276,519	276,520
Balance at 1 March 2022	1	276,519	276,520
Profit for the year	-	1,161,456	1,161,456
Balance at 28 February 2023	1	1,437,975	1,437,976

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Statement of Cash Flows

Figures in R	Note	2023	2022
Cash flows from / (used in) operating activities			
Profit for the year		1,161,456	7,513
<i>Adjustments for:</i>			
Depreciation of tangible assets		16,986	15,520
Operating cash flow before working capital changes		1,178,442	23,033
<i>Working capital changes</i>			
Decrease / (increase) in trade and other receivables		72,560	(60,000)
Increase in short term loans		(8,000)	-
Increase / (decrease) in trade and other payables		7,067	(8,701)
Net cash flows from / (used in) operations		1,250,069	(45,668)
Net cash flows from / (used in) operating activities		1,250,069	(45,668)
Cash flows used in investing activities			
Property, plant and equipment acquired	3	-	(7,999)
Net cash flows used in investing activities		-	(7,999)
Cash flows from financing activities			
Loans raised		180	-
Trustees loans raised		8,000	-
Net cash flows from financing activities		8,180	-
Net increase / (decrease) in cash and cash equivalents		1,258,249	(53,667)
Cash and cash equivalents at beginning of the year		161,713	215,380
Cash and cash equivalents at end of the year	6	1,419,962	161,713

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Financial Statements for the year ended 28 February 2023

Accounting Policies

1. General information

The Little Optimist Trust is a trust founded in South Africa. The type of trust and its 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 accounting policies as 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:

2.1.1 Sales of goods – retail

Sales of goods are recognised when a entity sells a product to the customer as control passes to the customer on the day the transaction takes place. Retail sales are usually in cash or by credit card.

2.1.2 Non-profit income

Donations, sponsorships and income from fundraising events and auctions are recognised upon receipt either in cash or via electronic funds transfer.

2.2 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:

Office equipment	20.00%
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Accounting Policies

Summary of significant accounting policies continued...

2.3 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.

2.4 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 2023 2022

3. Property, plant and equipment

	Cost	Accumulated depreciation	2023 Carrying value	Cost	Accumulated depreciation	2022 Carrying value
<i>Owned assets</i>						
Plant and equipment	84,931	(60,233)	24,698	84,931	(43,247)	41,684
	84,931	(60,233)	24,698	84,931	(43,247)	41,684

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	2023 Carrying value at end of year
<i>Owned assets</i>					
Plant and equipment	41,684	-	-	(16,986)	24,698
	41,684	-	-	(16,986)	24,698

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2022 Carrying value at end of year
<i>Owned assets</i>					
Plant and equipment	49,205	7,999	-	(15,520)	41,684
	49,205	7,999	-	(15,520)	41,684

4. Loans to trustees

Non-interest bearing long term loans

G Bertish	-	8,000
	-	8,000

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

5. Trade and other receivables

Trade debtors	10,500	83,060
	10,500	83,060

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Notes to the Annual Financial Statements

Figures in R	2023	2022
6. Cash and cash equivalents		
Favourable cash balances		
Nedbank Limited	1,419,003	160,754
Cash on hand	959	959
	<u>1,419,962</u>	<u>161,713</u>
7. Retained earnings		
Profit for the year	1,161,456	7,513
Retained profit at beginning of the year	276,519	269,006
Undistributed retained earnings at the end of the year	<u>1,437,975</u>	<u>276,519</u>
8. Borrowings		
Loan: Little Optimist Publishing	180	-
	<u>180</u>	<u>-</u>
9. Trade and other payables		
Payroll Control	16,078	9,011
	<u>16,078</u>	<u>9,011</u>
10. Borrowings		
Publishing loan	926	8,926
	<u>926</u>	<u>8,926</u>

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

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Detailed Income Statement - Trust

Figures in R	2023	2022
Income	2,269,803	889,549
Book sales	9,360	14,016
Donations	1,666,239	252,483
Sponsorships	582,500	623,050
Merchandise Sales	11,704	-
Cost of Sales	23,394	126,600
Purchases	23,394	126,600
Gross profit	2,246,409	762,949
Expenditure	1,151,961	755,436
Accounting fees	17,681	34,226
Advertising	55,327	23,031
Assets under R7000	4,025	4,559
Auction and event expenses	-	4,274
Bank charges	4,581	3,574
Commission paid	30,325	-
Computer expenses	1,599	-
Consulting fees	13,575	1,050
Depreciation - Tangible assets	16,986	15,520
Donations	269,030	13,910
Entertainment	2,606	-
General expenses	4,869	11,053
Hire - Equipment	-	250
Insurance	3,849	11,810
Lease rental on operating lease	-	87,646
Legal expense	-	6,300
Motor vehicle expense	95	-
Postage	972	-
Repairs and maintenance	-	10,485
Salaries	726,441	503,985
Staff welfare	-	5,076
Travel - local	-	18,687
Net profit	1,094,448	7,513
Taxation	-	-
Net profit after tax	1,094,448	7,513

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Detailed Income Statement - Academy

Figures in R	2023
Income	594,901
Donations	503,555
Lessons	53,031
Merchandise Sales	38,315
Cost of Sales	346,831
Purchases	346,831
Gross profit	248,070
Expenditure	181,062
General expenses	11,526
Lease rental on operating lease	122,048
Setup Costs	12,258
Printing and stationery	4,998
Repairs and maintenance	2,300
Training	9,490
Travel - local	18,442
Net profit	67,008
Taxation	-
Net profit / (loss) after tax	67,008