The Childrens Book Network Trust

(Registration Number IT20964/2014)
Annual Financial Statements
for the year ended 29 February 2024

Audited Financial Statements

in compliance with the Nonprofit Organisation Act of South Africa
Prepared by: Pragma Konsult
Professional designation: Chartered Accountants (SA)

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Index

	Page
General Information	2
Trustees' Responsibilities and Approval	3
Independent Auditor's Report	4 - 5
Trustees' Report	6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Accounting Policies	11
Notes to the Annual Financial Statements	12 - 13
The supplementary information presented does not form part of the Financial Statements and is unaudited: Detailed Income Statement	14

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Annual Financial Statements for the year ended 29 February 2024

General Information

Country of Incorporation and Domicile	South Africa
Registration Number	IT20964/2014
Trustees	Anthony Gregorowski Maurine Lesley Beake Hildegard Witbooi Dave Mohr
Postal Address	PO Box 121 Stanford 7210
Auditor	Pragma Konsult 20 Hope Street Hermanus 7200

Trustees' Responsibilities and Approval

The trustees are required by the Nonprofit Organisation Act of South Africa 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 with regards to form and content and present fairly the statement of financial position, results of operations and business of the nonprofit organisation, and explain the transactions and financial position of the business of the nonprofit organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the nonprofit organisation 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 nonprofit organisation and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the trustees set 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 nonprofit organisation and all employees are required to maintain the highest ethical standards in ensuring the nonprofit organisation's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the nonprofit organisation is on identifying, assessing, managing and monitoring all known forms of risk across the nonprofit organisation. While operating risk cannot be fully eliminated, the nonprofit organisation 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, based on the information and explanations given by management, 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 nonprofit organisation will not be a going concern in the foreseeable future. The annual financial statements support the viability of the nonprofit organisation.

The annual financial statements have been audited by the independent auditing firm, Pragma Konsult, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the trustee, the trustees and committees of the trustees. The trustees believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 4 to 5.

The annual financial statements set out on pages 7 to 13, and the supplementary information set out on page 14 which have been prepared on the going concern basis, were approved by the trustees and were signed on _____ on their behalf by:

Anthony Gregorowski

Maurine Lesley Beake

Independent Auditor's Report

To the Trustee of The Childrens Book Network Trust

Opinion

We have audited the annual financial statements of The Childrens Book Network Trust set out on pages 7 to 13, which comprise the statement of financial position as at 29 February 2024, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of The Childrens Book Network Trust as at 29 February 2024, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Nonprofit Organisation Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the nonprofit organisation in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the document titled "The Childrens Book Network Trust Annual Financial Statements for the year ended 29 February 2024", which includes the Trustees' Report, and the statement of Trustees' Responsibilities and Approval as required by the Nonprofit Organisation Act of South Africa, which we obtained prior to the date of this report, and the supplementary information set out on page 14. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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 the Trustees for the Annual Financial Statements

The trustees are responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Nonprofit Organisation Act of South Africa, 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.

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In preparing the annual financial statements, the trustees are responsible for assessing the nonprofit organisation'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 trustees either intend to liquidate the nonprofit organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 ISAs 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 annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual 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 nonprofit organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' 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 nonprofit organisation'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 annual 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 nonprofit organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees 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.

Pragma Konsult
Per: Juan Pieterse
Director / Partner
Chartered Accountant (SA)

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(Registration Number IT20964/2014)
Annual Financial Statements for the year ended 29 February 2024

Trustees' Report

The trustees present their report for the year ended 29 February 2024.

1. **Review of activities**

Main business and operations

The operating results and statement of financial position of the nonprofit organisation are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. **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 nonprofit organisation.

3. **Trustees**

The trustees of the nonprofit organisation during the year and up to the date of this report are as follows:
Anthony Gregorowski
Maurine Lesley Beake
Hildegard Witbooi
Dave Mohr

4. **Independent Auditors**

Pragma Konsult were the independent auditors for the year under review.

The Childrens Book Network Trust

(Registration Number IT20964/2014)

Annual Financial Statements for the year ended 29 February 2024

Statement of Financial Position

Figures in R	Notes	2024	2023
Assets			
Non-current assets			
Property, plant and equipment	2	13,065	-
Current assets			
Cash and cash equivalents	3	38,209	3,744
Total assets		**51,274**	**3,744**
Equity and liabilities			
Equity			
Initial donation		1,000	1,000
Retained surplus/deficit		50,274	(28,056)
Total equity		**51,274**	**(27,056)**
Liabilities			
Current liabilities			
Trade and other payables	4	-	30,800
Total equity and liabilities		**51,274**	**3,744**

The Childrens Book Network Trust

(Registration Number IT20964/2014)

Annual Financial Statements for the year ended 29 February 2024

Statement of Comprehensive Income

Figures in R	Note	2024	2023
Revenue	5	586,369	348,104
Other income		24,040	5,500
Administrative expenses		(29,191)	(27,941)
Other expenses		(502,888)	(352,790)
Surplus / (deficit) from operating activities		**78,330**	**(27,127)**
Surplus / (deficit) for the year		**78,330**	**(27,127)**

The Childrens Book Network Trust

(Registration Number IT20964/2014)

Annual Financial Statements for the year ended 29 February 2024

Statement of Changes in Equity

Figures in R	Donor capital	Retained surplus/deficit	Total
Balance at 1 March 2022	1,000	(929)	71
Changes in equity			
Deficit for the year	-	(27,127)	(27,127)
Total comprehensive income for the year	-	(27,127)	(27,127)
Balance at 28 February 2023	**1,000**	**(28,056)**	**(27,056)**
Balance at 1 March 2023	1,000	(28,056)	(27,056)
Changes in equity			
Surplus for the year	-	78,330	78,330
Total comprehensive income for the year	-	78,330	78,330
Balance at 29 February 2024	**1,000**	**50,274**	**51,274**

The Childrens Book Network Trust

(Registration Number IT20964/2014)

Annual Financial Statements for the year ended 29 February 2024

Statement of Cash Flows

Figures in R	Note	2024	2023
Cash flows (used in) / from operations			
Surplus / (deficit) for the year		**78,330**	**(27,127)**
Adjustments to reconcile surplus / (deficit)			
Adjustments for decrease in trade accounts payable		(30,800)	(5,292)
Adjustments for depreciation and amortisation expense		2,305	-
Total adjustments to reconcile surplus / (deficit)		**(28,495)**	**(5,292)**
Net cash flows from / (used in) operations		**49,835**	**(32,419)**
Cash flows used in investing activities			
Purchase of property, plant and equipment		(15,370)	-
Cash flows used in investing activities		**(15,370)**	**-**
Net increase / (decrease) in cash and cash equivalents		**34,465**	**(32,419)**
Cash and cash equivalents at beginning of the year		3,744	36,162
Cash and cash equivalents at end of the year	**3**	**38,209**	**3,743**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements of The Childrens Book Network Trust have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Nonprofit Organisation Act of South Africa. The annual financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property, certain property, plant and equipment, biological assets and derivative financial instruments at fair value. They are presented in South African Rand.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the trustees.

The nonprofit organisation adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the nonprofit organisation. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to surplus or deficit during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Asset class	Useful life / depreciation rate
Office equipment	
Computer equipment	Straight line - 3 years

1.2 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts.

Interest income is recognised using the effective interest method.

1.3 Borrowing costs

All borrowing costs are recognised in surplus or deficit in the period in which they are incurred.

Notes to the Annual Financial Statements

Figures in R	2024	2023

2. Property, plant and equipment

Balances at year end and movements for the year

	Office equipment	Computer equipment	Total
Reconciliation for the year ended 29 February 2024			
Balance at 1 March 2023			
At cost	-	7,498	**7,498**
Accumulated depreciation	-	(7,498)	**(7,498)**
Carrying amount	**-**	**-**	**-**
Movements for the year ended 29 February 2024			
Additions from acquisitions	15,370	-	**15,370**
Depreciation	(2,305)	-	**(2,305)**
Property, plant and equipment at the end of the year	**13,065**	**-**	**13,065**
Closing balance at 29 February 2024			
At cost	15,370	7,498	**22,868**
Accumulated depreciation	(2,305)	(7,498)	**(9,803)**
Carrying amount	**13,065**	**-**	**13,065**

3. Cash and cash equivalents

Cash and cash equivalents included in current assets:

Cash		
Cash on hand	522	56
Balances with banks	37,687	3,688
	38,209	**3,744**

4. Trade and other payables

Trade and other payables comprise:

Trade creditors	-	30,800

Notes to the Annual Financial Statements

Figures in R	2024	2023

5. Revenue

Revenue comprises:

C Welch	459,259	170,714
CFE/SCS	-	10,000
Givengain	-	28,559
Gregorowski	3,600	3,900
Hugh Clarke	48,011	-
Jenny Hobbs	-	1,500
Klaus Pampel	-	1,500
L Beake	-	1,925
M Hertzberg	1,200	1,200
N Stephens	-	500
Rotary	57,648	113,306
Rotary Stanford	-	5,000
Springfontein	-	10,000
	586,369	**348,104**

The Childrens Book Network Trust

(Registration Number IT20964/2014)

Annual Financial Statements for the year ended 29 February 2024

Detailed Income Statement

Figures in R	Note	2024	2023
Revenue	5		
Donations received		569,718	348,104
Poppy income		16,651	-
		586,369	**348,104**
Other income			
Insurance claim received		24,040	5,500
Administrative expenses			
Accounting fees		(13,845)	(9,335)
Bank charges		(3,137)	(4,284)
Computer expenses		(1,740)	(5,923)
Telecommunication		(10,469)	(8,399)
		(29,191)	**(27,941)**
Other expenses			
Consulting fees		-	(166,090)
Depreciation - property, plant and equipment		(2,305)	-
Employee costs - salaries		(3,996)	(93,604)
Entertainment		-	(285)
General expenses		(12,400)	(1,420)
Insurance		(7,446)	(8,325)
Poppy		(6,705)	(2,250)
Social Media & Fundraising		(84,488)	(4,367)
Toolbox		(56,191)	(18,889)
Travel - Local		(3,524)	(1,900)
Website & materials development		(52,875)	(8,281)
Workshop expenses		(272,958)	(47,379)
		(502,888)	**(352,790)**
Surplus / (deficit) from operating activities		**78,330**	**(27,127)**
Surplus / (deficit) for the year		**78,330**	**(27,127)**

The supplementary information presented does not form part of the annual financial statements and is unaudited