



Shine Literacy Chairman and Treasurer Graeme Auret



## CHAIRMAN AND TREASURER REPORT:

The 2018/19 year has seen a number of changes and focus adaptations during the past 14 months, with new personnel, programme focus points and a change in the year end for financial reporting purposes.

To that end we point out the change in the year end from December to February to be in line with the requirements of our Revenue Services for filing of Trust returns. What this means is that when reflecting on financial performance this year, one must be reminded that we are comparing a 14 month period with a 12 Month period.

New personnel in the functions of Programme Manager and Communications and Stakeholder Management were welcomed to the Shine Literacy team since the last Chairperson's report. These functions are imperative to Shine Literacy and its delivery of ongoing programme benchmarks as well as ensuring Shine Literacy remains close to the donor environment – both existing and potential. It is exciting to see these positions filled. In addition, Shine Literacy has upped its social media presence with enhanced use of platforms such as Facebook and Twitter. This forms part of the Shine 2025 Strategic Vision where Shine Literacy states: 'We are operating as a tech-savvy organisation' by 2025.

More on the Shine Literacy 2025 Strategic Vision – the Board was privileged to observe and participate in the management team's Strategy session in August 2018, where the team tabled ideas and proposals, debated their effect, prioritised the actions and instituted clear action plans for the achievement of this vision – a key step to long term sustainability.

Management has also enhanced governance and related matters at Shine Literacy and reports regularly to the Board on these issues.

From a financial point of view the 14 month period saw some challenges in both the income and expense areas. It is clear that on a basis of adjusting for a 14 month versus a 12 month period that unrestricted donations in particular have been under pressure and are down, year on year. It is relevant to consider this against the parlous South African Economy which has shown almost no growth for a number of years now. These will have effects on donors' capacity to support an NPO both in absolute terms as well as their need to spread lesser funds around the causes that are important to them.

On the expense side, Shine Literacy has continued to invest in both the team as well as the delivery of programmes, as reflected in the rise in personnel costs and Literacy facilitators. These are the cornerstone of Shine Literacy's purpose – delivery of literacy programmes to those who we have made that promise. Notwithstanding the notes on performance, the year still delivered a surplus of over R1.1million, which is acceptable and reflects well on the management's ability to scale operations and delivery against the economic conditions referred to herein. The balance sheet continues to be robust reflecting reserves of R10.6million represented by cash and equivalent investments of R11.2million, demonstrating the effect of the drive to long term sustainability as well as having funds to invest in programmes at the right times.

To reiterate last year's statement of commitment: 'Shine Literacy has made a promise to the learners who rely on the spirit of Shine Literacy and what we deliver to them in contributing to their education. Continuing to do what we do well and having a robust financial position, with a well-considered approach and long term financial investment strategy, along with ongoing donor support, will allow this key promise to be met'.

Thank you