

THE SHINE TRUST
(Registration number IT 624/2007)
Annual Financial Statements
for the year ended 31 December 2015

Compiled Financial Statements

Prepared: Angelique Walker

Position: Manager

Reviewed: Clive Goodchild-Brown

Position: Partner

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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

TYPE OF TRUST AND NATURE OF BUSINESS

Non-profit organisation that seeks to improve literacy outcomes for young children from disadvantaged communities in South Africa

TRUSTEES

KB Torres
DLD Turpin
MM Weissenberg
KR Cele
X Guzula
KF Price
AM Simpson

REGISTERED OFFICE

Unit 2,
Devonshire Court
20 Devonshire Road
Wynberg
7800

BANKERS

Standard Bank

CHARTERED ACCOUNTANT

Bridge the Gap Consulting
Unit B11
Westlake Square
Tokai
7945

TRUST REGISTRATION NUMBER

IT 624/2007

PUBLIC BENEFIT ORGANISATION NUMBER

930 025 382

NON-PROFIT ORGANISATION NUMBER

060-696

REPORT OF THE COMPILER

To the Trustees of the The Shine Trust

We have compiled the accompanying financial statements of The Shine Trust based on information you have provided. These financial statements comprise the statement of financial position of The Shine Trust as at 31 December 2015, 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 in accordance with International Financial Reporting Standards for Small- and Medium-sized Entities (IFRS for SMEs). We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

We believe that the evidence we obtained in our compilation is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our findings, nothing has come to our attention that causes us to believe that the annual financial statements of The Shine Trust are not prepared, in all material respects, in accordance with International Financial Reporting Standards for Small and Medium-sized Entities.

Bridge the Gap Consulting



Per: Clive Stuart Goodchild-Brown
Chartered Accountant

17 May 2016

Unit B11
Westlake Square
Tokai
7945

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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.

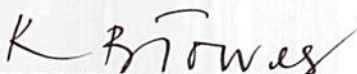
The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the trustees set standards for internal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

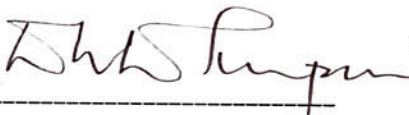
The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour 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 is not subject to any material changes to the present financial status. The annual financial statements as set out on pages 5 to 13 were approved by the trustees on 17 May 2016 and were signed on their behalf by:


KB Torres


DLD Turpin

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Annual Financial Statements as at 31 December 2015

Statement of Financial Position

Figures in R	Note(s)	2015	2014
Assets			
Non-Current Assets			
Property, plant and equipment	3	412 436	477 576
Current Assets			
Inventories	4	179 718	205 693
Trade and other receivables	5	47 765	199 769
Cash and cash equivalents	6	8 257 911	5 432 980
		8 485 394	5 838 442
Total Assets		8 897 830	6 316 018
Trust Funds and Liabilities			
Trust Fund			
Accumulated surplus	7	5 298 035	3 071 922
Non-Current Liabilities			
Deferred revenue	8	3 333 600	2 857 735
		3 333 600	2 857 735
Current Liabilities			
Provisions		83 460	78 000
Trade and other payables		182 735	308 361
		266 195	386 361
Total Funds and Liabilities		8 897 830	6 316 018

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Statement of Comprehensive Income

Figures in R		2015	2014
Revenue	9	8 262 695	5 449 403
Operating costs		(6 373 329)	(4 687 951)
Operating surplus		1 889 366	761 452
Finance income	10	338 321	197 268
Finance costs		(1 574)	-
Net surplus for the year		2 226 113	958 720

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Statement of Changes in Trust Funds

Figures in R	Accumulated surplus	Total
Balance at 1 January 2014	2 113 202	2 113 202
Total comprehensive surplus for the year		
Surplus for the year	958 720	958 720
Total comprehensive surplus for the year	958 720	958 720
Balance at 31 December 2014	3 071 922	3 071 922
Balance at 1 January 2015	3 071 922	3 071 922
Total comprehensive surplus for the year		
Surplus for the year	2 226 113	2 226 113
Total comprehensive surplus for the year	2 226 113	2 226 113
Balance at 31 December 2015	5 298 035	5 298 035

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Statement of Cash Flows

Figures in R	Note(s)	2015	2014
Cash flows from operating activities			
Surplus for the year		2 226 113	958 720
<i>Adjustments for:</i>			
Finance costs		1 574	-
Depreciation - Tangible assets		125 691	149 310
Investment income		(338 321)	(197 268)
Deferred revenue		475 865	891 973
Operating cash flow before working capital changes		2 490 922	1 802 735
<i>Working capital changes</i>			
Decrease in inventories		25 975	20 135
Decrease/(increase) in trade and other receivables		152 003	(164 069)
(Decrease)/Increase in trade and other payables		(120 166)	251 413
Cash generated by operating activities		2 548 734	1 910 214
Investment income		338 321	197 268
Finance costs		(1 574)	-
Net cash from operating activities		2 885 481	2 107 482
Cash flows from investing activities			
Property, plant and equipment acquired	3	(60 550)	(464 961)
Net cash utilised in investing activities		(60 550)	(464 961)
Increase in cash and cash equivalents		2 824 931	1 642 521
Cash and cash equivalents at beginning of the year		5 432 980	3 790 459
Cash and cash equivalents at end of the year	6	8 257 911	5 432 980

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Accounting Policies

1. General information

The Shine Trust is a trust founded in South Africa. The type of trust and its principal activities is that of a Non-profit organisation that seeks to improve literacy outcomes for young children from disadvantaged communities in South Africa.

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 Rands.

2.1 Revenue recognition

Revenue represents donations and interest received. Donations designated for specific purposes and projects are brought into income when the Trust becomes entitled to such income, generally as and when the related expenditure is incurred. Other donations are recognised when received.

Interest income

Interest income is recognised using the effective interest rate method.

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:

Furniture and fittings	16.67%
Leasehold Improvements	16.67%
Computer equipment	33.33%
Computer software	50.00%
Moveable structure	15.00%
Assets < R7000	100.00%

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Accounting Policies

2.3 Reserves

The Shine Trust believes in the imperative of building a reserve fund to ensure the sustainability of the Trust. This in the view of the board of trustees should equate to twelve months' operational funding. The current financial position of the Trust indicates that these goals are being met.

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Notes to the Annual Financial Statements

Figures in R

2015

2014

3. Property, plant and equipment

	Cost	Accumulated depreciation	2015 Carrying value	Cost	Accumulated depreciation	2014 Carrying value
<i>Owned assets</i>						
Furniture and fittings	57 328	(40 164)	17 164	52 653	(30 134)	22 519
Leasehold Improvements	118 262	(81 601)	36 661	118 262	(63 769)	54 493
Computer equipment	228 793	(192 446)	36 347	187 939	(160 627)	27 312
Computer software	30 019	(25 019)	5 000	15 321	(15 321)	-
Moveable structure	373 252	(55 988)	317 264	373 252	-	373 252
	807 654	(395 218)	412 436	747 427	(269 851)	477 576

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	2015 Carrying value at end of year
<i>Owned assets</i>					
Furniture and fittings	22 519	4 675	-	(10 030)	17 164
Leasehold Improvements	54 493	-	-	(17 833)	36 660
Computer equipment	27 312	40 854	-	(31 819)	36 347
Computer software	-	14 697	-	(9 697)	5 000
Moveable structure	373 252	-	-	(55 988)	317 264
Assets < R7000	-	324	-	(324)	(0)
	477 576	60 550	-	(125 691)	412 435

3.1

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2014 Carrying value at end of year
<i>Owned assets</i>					
Furniture and fittings	19 759	27 279	-	(24 519)	22 519
Leasehold Improvements	81 260	-	-	(26 767)	54 493
Computer equipment	37 852	54 429	-	(64 970)	27 312
Computer software	641	6 240	-	(6 881)	(0)
Moveable structure	-	373 252	-	-	373 252
Assets < R7000	22 412	3 761	-	(26 173)	(0)
	161 925	464 961	-	(149 310)	477 576

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Notes to the Annual Financial Statements

Figures in R	2015	2014
4. Inventories		
Inventories comprise:		
Stock - Games	<u>179 718</u>	<u>205 693</u>
5. Trade and other receivables		
Prepayments	-	144 680
Deposits	47 765	39 101
Staff loans	-	15 988
	<u>47 765</u>	<u>199 769</u>
6. Cash and cash equivalents		
Favourable cash balances		
Bank balances	<u>8 257 911</u>	<u>5 432 980</u>
7. Accumulated surplus		
Surplus for the year	2 226 113	958 720
Accumulated surplus at beginning of the year	<u>3 071 922</u>	<u>2 113 202</u>
Accumulated surplus at end of the year	<u>5 298 035</u>	<u>3 071 922</u>

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Figures in R

2015

2014

8. Deferred revenue

ABAX Development Trust	250 000	250 000
Annie Lennox Foundation	1 070 000	1 036 735
Coronation Fund Managers	50 000	150 000
Deutsche Bank Africa Foundation	500 000	-
Douglas Murray Trust	122 000	765 000
Egg Trust	200 000	-
Grindrod Family Centenary Trust	14 000	20 000
MAID Foundation	105 000	-
Mapula Trust	200 000	-
Oppenheimer Memorial Trust	200 000	200 000
Paddy and Sue Kell Family Trust	150 000	-
Rolf-Nussbaum Foundation	-	250 000
SABIC	45 000	-
The Roddick Foundation	97 600	186 000
Vintage with Love	100 000	-
Woolworths Financial Services	80 000	-
Other	150 000	-
	<u>3 333 600</u>	<u>2 857 735</u>

9. Revenue

An analysis of income is as follows:

Restricted donations	6 557 524	3 556 468
Unrestricted donations	1 544 501	1 886 435
Training	160 670	6 500
	<u>8 262 695</u>	<u>5 449 403</u>

10. Finance income

Interest income		
Interest received	<u>338 321</u>	<u>197 268</u>

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Detailed Income Statement

Figures in R	2015	2014
Revenue		
Restricted donations	6 557 524	3 556 468
Unrestricted donations	1 544 501	1 886 435
Training	160 670	6 500
	<u>8 262 695</u>	<u>5 449 403</u>
Other income		
Investment income	<u>338 321</u>	<u>197 268</u>
Expenditure		
Accounting fees	105 370	84 246
Bank charges	20 500	18 358
Consulting fees	231 930	193 120
Depreciation - Tangible assets	125 691	149 310
Finance costs	1 574	-
Fundraising, Marketing and PR	292 870	348 611
Insurance	6 000	6 000
Legal expense	-	2 910
Literacy facilitators	122 370	127 750
Literacy resources	1 153 776	681 071
Literacy travel	240 363	137 182
Office expenses	79 780	71 738
Postage and delivery	15 890	16 032
Professional fees	60 013	112 645
Rent and services	232 131	200 119
Repairs and maintenance	21 578	49 570
Salaries and wages	3 468 189	2 339 043
Staff welfare, training and development	99 338	65 659
Telephone and internet	97 540	84 587
	<u>6 374 903</u>	<u>4 687 951</u>
Net surplus	<u>2 226 113</u>	<u>958 720</u>