

THE SHINE TRUST
(Registration number IT 624/2007)
Annual Financial Statements
for the year ended 31 December 2016

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 create a culture of reading in South African schools, homes, workplaces and communities, thereby improving literacy outcomes for young children from low-income communities.

TRUSTEES

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

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
Cape Town
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 2016, 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

23 May 2017

Unit B11
Westlake Square
Tokai
Cape Town
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.

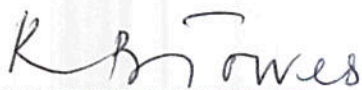
The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the trustees sets standards for internal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

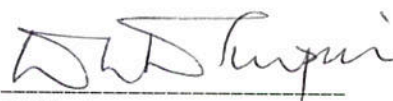
The trustees are of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance 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 5 to 13 were approved by the trustees on 23 May 2017 and were signed on their behalf by:



KB Torres



DLD Turpin

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Annual Financial Statements as at 31 December 2016

Statement of Financial Position

Figures in R	Note(s)	2016	2015
Assets			
Non-Current Assets			
Property, plant and equipment	3	358,058	412,436
Current Assets			
Inventories	4	170,634	179,718
Trade and other receivables	5	219,922	47,765
Cash and cash equivalents	6	9,681,221	8,257,911
		10,071,777	8,485,394
Total Assets		10,429,835	8,897,830
Trust Funds and Liabilities			
Trust Fund			
Accumulated surplus	7	7,213,250	5,298,035
Non-Current Liabilities			
Deferred revenue	8	2,971,845	3,333,600
		2,971,845	3,333,600
Current Liabilities			
Provisions		93,000	83,460
Trade and other payables		151,740	182,735
		244,740	266,195
Total Funds and Liabilities		10,429,835	8,897,830

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Statement of Comprehensive Income

Figures in R		2016	2015
Revenue	9	7,519,714	8,262,695
Operating costs		(6,167,393)	(6,373,329)
Operating surplus		1,352,321	1,889,366
Finance income	10	562,894	338,321
Finance costs		-	(1,574)
Net surplus for the year		1,915,215	2,226,113

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Statement of Changes in Trust Funds

Figures in R	Accumulated surplus	Total
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
Balance at 1 January 2016	5,298,035	5,298,035
Total comprehensive surplus for the year		
Surplus for the year	1,915,215	1,915,215
Total comprehensive surplus for the year	1,915,215	1,915,215
Balance at 31 December 2016	7,213,250	7,213,250

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Statement of Cash Flows

Figures in R	Note(s)	2016	2015
Cash flows from operating activities			
Surplus for the year		1,915,215	2,226,113
<i>Adjustments for:</i>			
Finance costs		-	1,574
Depreciation - Tangible assets		111,009	125,691
Investment income		(562,894)	(338,321)
Deferred revenue		(361,755)	475,865
Operating cash flow before working capital changes		1,101,575	2,490,922
<i>Working capital changes</i>			
Decrease in inventories		9,084	25,975
(Increase)/decrease in trade and other receivables		(172,157)	152,003
Decrease in trade and other payables		(21,455)	(120,166)
Cash generated by operating activities		917,047	2,548,734
Investment income		562,894	338,321
Finance costs		-	(1,574)
Net cash from operating activities		1,479,941	2,885,481
Cash flows from investing activities			
Property, plant and equipment acquired	3	(56,631)	(60,550)
Net cash utilised in investing activities		(56,631)	(60,550)
Increase in cash and cash equivalents		1,423,310	2,824,931
Cash and cash equivalents at beginning of the year		8,257,911	5,432,980
Cash and cash equivalents at end of the year	6	9,681,221	8,257,911

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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 create a culture of reading in South African schools, homes, workplaces and communities, thereby improving literacy outcomes for young children from low-income communities.

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, interest received and fees for training provided. 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.

2.1.1 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.

As referred to above, it is Shine's intention to manage its reserves strategically with a specific focus on managing our funds for the short, medium and long terms, ensuring the long term sustainability of the organisation.

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Notes to the Annual Financial Statements

Figures in R

2016

2015

3. Property, plant and equipment

	Cost	Accumulated depreciation	2016 Carrying value	Cost	Accumulated depreciation	2015 Carrying value
<i>Owned assets</i>						
Furniture and fittings	57,328	(45,398)	11,930	57,328	(40,164)	17,164
Leasehold Improvements	119,687	(97,675)	22,012	118,262	(81,601)	36,661
Computer equipment	280,363	(218,773)	61,590	228,793	(192,446)	36,347
Computer software	30,019	(28,769)	1,250	30,019	(25,019)	5,000
Moveable structure	373,252	(111,976)	261,276	373,252	(55,988)	317,264
	894,417	(536,359)	358,058	807,654	(395,218)	412,436

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	2016 Carrying value at end of year
<i>Owned assets</i>					
Furniture and fittings	17,164	-	-	(5,234)	11,930
Leasehold Improvements	36,661	1,424	-	(16,073)	22,012
Computer equipment	36,347	51,570	-	(26,327)	61,590
Computer software	5,000	-	-	(3,750)	1,250
Moveable structure	317,264	-	-	(55,988)	261,276
Assets < R7000	-	3,637	-	(3,637)	(0)
	412,436	56,631	-	(111,009)	358,058

3.1

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2015 Carrying value at end of year
<i>Owned assets</i>					
Furniture and fittings	22,519	4,675	-	(10,030)	17,164
Leasehold Improvements	54,494	-	-	(17,833)	36,661
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
	477,577	60,550	-	(125,691)	412,436

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Notes to the Annual Financial Statements

Figures in R	2016	2015
4. Inventories		
Inventories comprise:		
Stock - Games	170,634	179,718
5. Trade and other receivables		
Prepayments	17,157	-
Deposits	47,765	47,765
Monies outstanding for training work done	155,000	-
	219,922	47,765
6. Cash and cash equivalents		
Favourable cash balances		
Bank balances	9,681,221	8,257,911
Additional details		
As noted in 2.3, certain of these funds will be invested with the aim of managing our funds for the short, medium and long terms, ensuring the long term sustainability of the organisation.		
7. Accumulated surplus		
Surplus for the year	1,915,215	2,226,113
Accumulated surplus at beginning of the year	5,298,035	3,071,922
Accumulated surplus at end of the year	7,213,250	5,298,035

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Notes to the Annual Financial Statements

Figures in R

2016

2015

8. Deferred revenue

ABAX Development Trust	300,000	250,000
Annie Lennox Foundation	851,845	1,070,000
Coronation Fund Managers	50,000	50,000
Deutsche Bank South Africa Foundation	550,000	500,000
DG Murray Trust	-	122,000
Egg Trust	-	200,000
Grindrod Family Centenary Trust	-	14,000
MAID Foundation	-	105,000
Mapula Trust	-	200,000
Oppenheimer Memorial Trust	350,000	200,000
Other	550,000	150,000
Paddy and Sue Kell Family Trust		150,000
Roddick Foundation		97,600
Rolf Stephan Nussbaum Foundation	250,000	-
SABIC	-	45,000
Vintage with Love		100,000
Volkswagen Community Trust	70,000	
Woolworths Financial Services	-	80,000
	<u>2,971,845</u>	<u>3,333,600</u>

9. Revenue

An analysis of income is as follows:

Restricted donations	5,994,231	6,557,524
Unrestricted donations	1,307,733	1,544,501
Training	217,750	160,670
	<u>7,519,714</u>	<u>8,262,695</u>

10. Finance income

Interest income

Interest received

562,894

338,321

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Detailed Income Statement

Figures in R	2016	2015
Revenue		
Restricted donations	5,994,231	6,557,524
Unrestricted donations	1,307,733	1,544,501
Training	217,750	160,670
	<u>7,519,714</u>	<u>8,262,695</u>
Other income		
Investment income	<u>562,894</u>	<u>338,321</u>
Expenditure		
Accounting fees	111,831	105,370
Bank charges	20,631	20,500
Consulting fees	324,768	231,930
Depreciation - Tangible assets	111,009	125,691
Finance costs	-	1,574
Fundraising, Marketing and PR	233,771	292,870
Insurance	6,000	6,000
Literacy facilitators	339,153	122,370
Literacy resources	1,063,905	1,153,776
Literacy travel	195,097	240,363
Office expenses	67,031	79,780
Postage and delivery	19,540	15,890
Professional fees	125,903	60,013
Rent and services	248,762	232,131
Repairs and maintenance	54,842	21,578
Salaries and wages	3,118,097	3,468,189
Staff welfare, training and development	48,019	99,338
Telephone and internet	79,034	97,540
	<u>6,167,393</u>	<u>6,374,903</u>
Net surplus	<u>1,915,215</u>	<u>2,226,113</u>