

**THE SHINE TRUST**  
(Registration number IT 624/2007)  
Financial Statements  
for the 14 month period ended 28 February 2019

**Compiled Financial Statements**

Prepared: C. Goodchild-Brown

Position: Accountant

# THE SHINE TRUST

(Registration Number IT 624/2007)

Financial Statements for the 14 month period ended 28 February 2019

## INDEX

---

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

General Information	2
Report of the Compiler	3
Trustees' Responsibilities and Approval	4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Changes in Trust Funds	7
Statement of Cash Flows	8
Accounting Policies	9 - 10
Notes to the Financial Statements	11 - 13
Supplementary information: Detailed Income Statement	14

# THE SHINE TRUST

(Registration Number IT 624/2007)

Financial Statements for the 14 month period ended 28 February 2019

## 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  
GGN Auret  
HD George  
DLD Turpin  
M Sithole  
KL Ntsekhe  
MM Weissenberg  
AM Simpson

### REGISTERED OFFICE

Unit 2,  
Devonshire Court  
20 Devonshire Road  
Wynberg  
7800

### BANKERS

Standard Bank

### CHARTERED ACCOUNTANT

C. Goodchild-Brown  
Unit B11 Westlake Square  
1 Westlake Drive  
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**

I 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 28 February 2019, the statement of comprehensive income, the statement of changes in trust funds and the statement of cash flows for the 14 month period then ended, a summary of significant accounting policies and other explanatory information.

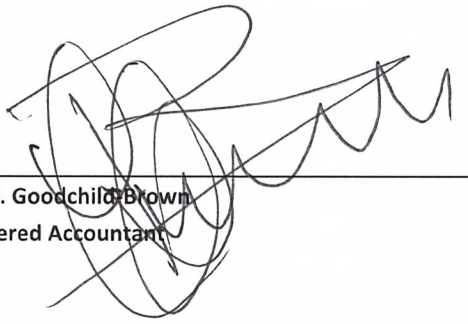
I performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

I have applied my 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. I have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

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

### **Conclusion**

Based on our findings, nothing has come to our attention that causes us to believe the annual financial statements of The Shine Trust aren't fairly presented in all material aspects.



---

Per: C. Goodchild-Brown  
Chartered Accountant

4 June 2019

Unit B11 Westlake Square  
1 Westlake Drive  
Tokai  
7945

# THE SHINE TRUST

(Registration Number IT 624/2007)

Financial Statements for the 14 month period ended 28 February 2019

## Trustees' Responsibilities and Approval

---

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 14 month financial period. The financial statements are based upon appropriate accounting policies consistently applied throughout the trust and supported by reasonable and prudent judgements and estimates.

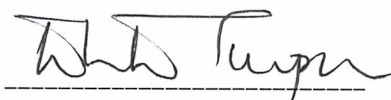
The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the trustees sets standards for internal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

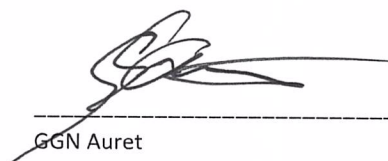
The trustees are of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance 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 accountant is responsible for reporting on the annual financial statements. The compilation report is presented on page 3.

The financial statements have been prepared on the going concern basis and are not subject to any material changes to the present financial status. The financial statements as set out on pages 5 to 13 were approved by the trustees on 4 June 2019 and were signed on their behalf by:



DLD Turpin



GGN Auret

# THE SHINE TRUST

(Registration Number IT 624/2007)

Financial Statements for the 14 month period ended 28 February 2019

## Statement of Financial Position

Figures in R	Note(s)	28 February 2019	31 December 2017
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	399,051	609,421
<b>Current Assets</b>			
Inventories	4	156,361	158,632
Trade and other receivables	5	51,250	96,977
Cash and cash equivalents	6	11,223,666	11,242,599
		<b>11,431,277</b>	<b>11,498,208</b>
<b>Total Assets</b>		<b>11,830,328</b>	<b>12,107,629</b>
<b>Trust Funds and Liabilities</b>			
<b>Trust Fund</b>			
Accumulated surplus	7	10,664,051	9,528,392
<b>Non-Current Liabilities</b>			
Deferred revenue	8	1,005,786	2,329,690
		<b>1,005,786</b>	<b>2,329,690</b>
<b>Current Liabilities</b>			
Provisions	9	104,825	100,500
Trade and other payables	10	55,666	149,047
		<b>160,491</b>	<b>249,547</b>
<b>Total Funds and Liabilities</b>		<b>11,830,328</b>	<b>12,107,629</b>

# THE SHINE TRUST

(Registration Number IT 624/2007)

Financial Statements for the 14 month period ended 28 February 2019

## Statement of Comprehensive Income

		14 months	
Figures in R		28 February 2019	31 December 2017
<b>Revenue</b>	11	8,592,461	8,232,192
Operating costs		(8,318,254)	(6,630,268)
<b>Operating surplus</b>		<b>274,207</b>	<b>1,601,924</b>
Finance income	12	861,452	713,215
<b>Net surplus for the year</b>		<b>1,135,659</b>	<b>2,315,139</b>



# THE SHINE TRUST

(Registration Number IT 624/2007)

Financial Statements for the 14 month period ended 28 February 2019

## Statement of Changes in Trust Funds

Figures in R	Accumulated surplus	Total
<b>Balance at 1 January 2016</b>	7,213,253	7,213,253
<b>Total comprehensive surplus for the year</b>		
Surplus for the year	2,315,139	2,315,139
<b>Total comprehensive surplus for the year</b>	2,315,139	2,315,139
<b>Balance at 31 December 2017</b>	<b>9,528,392</b>	<b>9,528,392</b>
<b>Balance at 1 January 2018</b>	9,528,392	9,528,392
<b>Total comprehensive surplus for the year</b>		
Surplus for the year	1,135,659	1,135,659
<b>Total comprehensive surplus for the year</b>	1,135,659	1,135,659
<b>Balance at 28 February 2019</b>	<b>10,664,051</b>	<b>10,664,051</b>



# THE SHINE TRUST

(Registration Number IT 624/2007)

Financial Statements for the 14 month period ended 28 February 2019

## Statement of Cash Flows

Figures in R	Note(s)	14 months	
		28 February 2019	31 December 2017
<b>Cash flows from operating activities</b>			
Surplus for the year		1,135,659	2,315,139
<i>Adjustments for:</i>			
Depreciation - Tangible assets		235,886	173,519
Investment income		(861,452)	(713,215)
Loss on disposal of property, plant and equipment		1,029	-
Deferred revenue		(1,323,904)	(642,155)
<b>Operating cash flow before working capital changes</b>		<b>(812,782)</b>	<b>1,133,288</b>
<i>Working capital changes</i>			
Decrease in inventories		2,271	12,002
Decrease in trade and other receivables		45,730	122,943
(Decrease)/Increase in trade and other payables		(89,056)	4,810
<b>Cash (utilised in)/generated by operating activities</b>		<b>(853,837)</b>	<b>1,273,043</b>
Investment income		861,452	713,215
<b>Net cash from operating activities</b>		<b>7,615</b>	<b>1,986,258</b>
<b>Cash flows from investing activities</b>			
Property, plant and equipment acquired	3	(26,548)	(424,880)
Proceeds on disposals of property, plant and equipment		(0)	-
<b>Net cash utilised in investing activities</b>		<b>(26,548)</b>	<b>(424,880)</b>
(Decrease)/increase in cash and cash equivalents		(18,933)	1,561,378
Cash and cash equivalents at beginning of the year		11,242,599	9,681,221
<b>Cash and cash equivalents at end of the year</b>	6	<b>11,223,666</b>	<b>11,242,599</b>

# THE SHINE TRUST

(Registration Number IT 624/2007)

Financial Statements for the 14 month period ended 28 February 2019

## 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 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 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 when received.

#### 2.2 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation.

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 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%

# THE SHINE TRUST

(Registration Number IT 624/2007)

Financial Statements for the 14 month period ended 28 February 2019

## 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.

### 2.4 Trade and other receivables

Trade receivables are recognised at the transaction price.

### 2.5 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.

### 2.6 Trade payables

Trade payables are recognised at the transaction price.

# THE SHINE TRUST

(Registration Number IT 624/2007)

Financial Statements for the 14 month period ended 28 February 2019

## Notes to the Annual Financial Statements

Figures in R	28 February 2019	31 December 2017
--------------	---------------------	---------------------

### 3. Property, plant and equipment

	Cost	Accumulated depreciation	2019 Carrying value	Cost	Accumulated depreciation	2017 Carrying value
<i>Owned assets</i>						
Motor vehicles	385,634	(176,749)	<b>208,885</b>	385,634	(64,272)	321,362
Furniture and fittings	57,328	(54,265)	<b>3,063</b>	57,328	(49,530)	7,798
Leasehold Improvements	119,687	(119,686)	<b>1</b>	119,687	(110,735)	8,952
Computer equipment	206,725	(159,592)	<b>47,133</b>	319,609	(253,589)	66,020
Moveable structure	373,252	(233,283)	<b>139,969</b>	373,252	(167,963)	205,289
Assets < R7000	33,768	(33,768)	-	33,768	(33,768)	-
	<b>1,206,413</b>	<b>(807,362)</b>	<b>399,051</b>	<b>1,319,297</b>	<b>(709,876)</b>	<b>609,421</b>

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	2019 Carrying value at end of year
<i>Owned assets</i>					
Motor vehicles	321,362	-	-	(112,476)	208,886
Furniture and fittings	7,798	-	-	(4,735)	3,063
Leasehold Improvements	8,952	-	-	(8,950)	2
Computer equipment	66,020	26,548	(1,029)	(44,406)	47,133
Moveable structure	205,289	-	-	(65,319)	139,970
Assets < R7000	-	-	-	-	-
	<b>609,421</b>	<b>26,548</b>	<b>(1,029)</b>	<b>(235,886)</b>	<b>399,054</b>

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2017 Carrying value at end of year
<i>Owned assets</i>					
Motor vehicles	-	385,634	-	(64,272)	321,362
Furniture and fittings	11,930	-	-	(4,132)	7,798
Leasehold Improvements	22,013	-	-	(13,061)	8,952
Computer equipment	61,590	39,246	-	(34,816)	66,020
Moveable structure	261,277	-	-	(55,988)	205,289
Assets < R7000	-	-	-	-	-
	<b>358,060</b>	<b>424,880</b>	<b>-</b>	<b>(173,519)</b>	<b>609,421</b>

# THE SHINE TRUST

(Registration Number IT 624/2007)

Financial Statements for the 14 month period ended 28 February 2019

## Notes to the Annual Financial Statements

Figures in R	28 February 2019	31 December 2017
--------------	---------------------	---------------------

### 4. Inventories

Inventories comprise:

Stock - Games	156,361	158,632
---------------	---------	---------

### 5. Trade and other receivables

Prepayments	-	45,727
Deposits	51,250	51,250
	<u>51,250</u>	<u>96,977</u>

### 6. Cash and cash equivalents

#### Favourable cash balances

Cash on hand	8,355	1,554
Bank balances	8,111,346	5,601,994
Investment balances	3,103,965	5,639,051
	<u>11,223,666</u>	<u>11,242,599</u>

Additional details

As noted in 2.3, certain of these funds have been 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	1,135,659	2,315,139
Accumulated surplus at beginning of the year	<u>9,528,392</u>	<u>7,213,253</u>
Accumulated surplus at end of the year	<u>10,664,051</u>	<u>9,528,392</u>



# THE SHINE TRUST

(Registration Number IT 624/2007)

Financial Statements for the 14 month period ended 28 February 2019

## Notes to the Annual Financial Statements

Figures in R	28 February 2019	31 December 2017
--------------	---------------------	---------------------

### 8. Deferred revenue

ABAX Development Trust	296,464	350,000
Annie Lennox Foundation	-	898,690
Collective Funding	117,286	-
Deutsche Bank South Africa Foundation	-	600,000
Fynbos Foundation	102,456	-
Grindrod Family Centenary Trust	140,462	-
Much Asphalt	24,760	-
Rolf-Stephan Nussbaum Foundation	82,354	-
Oppenheimer Memorial Trust	-	350,000
Other	-	61,000
Designated Corporate Income	101,542	-
Volkswagen Community Trust	140,462	70,000
	<u>1,005,786</u>	<u>2,329,690</u>

### 9. Provisions

The following provisions are included in accounts payable:

	Insurance	Audit Fee	Total
Carrying amount at the beginning of the year	84,000	16,500	100,500
Increase in provision	1,575	2,750	4,325
Carrying amount at end of the year	<u>85,575</u>	<u>19,250</u>	<u>104,825</u>

### 10. Trade and other payables

Payroll taxes	<u>55,666</u>	<u>149,047</u>
	<u>55,666</u>	<u>149,047</u>

### 11. Revenue

An analysis of income is as follows:

Restricted donations	6,852,055	6,382,669
Unrestricted donations	1,314,858	1,304,848
Training	425,548	544,675
	<u>8,592,461</u>	<u>8,232,192</u>

### 12. Finance income

Interest received	861,452	713,215
-------------------	---------	---------

# THE SHINE TRUST

(Registration Number IT 624/2007)

Financial Statements for the 14 month period ended 28 February 2019

## Detailed Income Statement

Figures in R	14 months	
	28 February 2019	31 December 2017
<b>Revenue</b>		
Restricted donations	6,852,055	6,382,669
Unrestricted donations	1,314,858	1,304,848
Training	425,548	544,675
	<u>8,592,461</u>	<u>8,232,192</u>
<b>Other income</b>		
Investment income	<u>861,452</u>	<u>713,215</u>
<b>Expenditure</b>		
Audit and accounting fees	124,716	95,279
Bank charges	27,013	26,199
Communication, Fundraising and PR	339,734	192,727
Consulting fees	395,729	350,582
Depreciation - Tangible assets	235,886	173,519
Insurance	23,439	14,047
Literacy facilitators	608,562	210,987
Literacy resources	772,616	959,030
Literacy travel	217,273	251,711
Loss on sale of fixed assets	1,029	-
Office expenses	122,719	110,095
Personnel costs	4,949,558	3,855,615
Rent and services	436,443	347,469
Telephone and internet	63,537	43,008
	<u>8,318,254</u>	<u>6,630,268</u>
<b>Net surplus</b>	<u><b>1,135,659</b></u>	<u><b>2,315,139</b></u>