

THE SHINE TRUST
(Registration number IT 624/2007)
Annual Financial Statements
for the year ended 31 December 2021

Compiled Financial Statements

THE SHINE TRUST

(Registration Number IT 624/2007)

Annual Financial Statements for the year ended 31 December 2021

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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	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	KL Ntsekhe GGN Auret DLD Turpin MM Weissenberg HL Mini (Appointed 5 July 2021) M Sithole (Resigned 24 March 2021)
Registered Office	Manor House Zonnebloem College Estate Cambridge Street Walmer Estate 7925
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 31 December 2021, 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.

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.

I believe that the evidence obtained in the compilation is sufficient as a basis for my conclusion.

Since a compilation engagement is not an assurance engagement, I am not required to verify the accuracy or completeness of the information you provided to me to compile these financial statements. Accordingly, I do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the basis of accounting described in Note 2.

Conclusion

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



C. Goodchild-Brown

Chartered Accountant (SA)

24 May 2022

Unit B11 Westlake Square
1 Westlake Drive
Tokai
7945

The Shine Trust

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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 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 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.

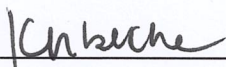
The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour 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.

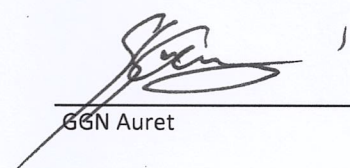
The professional accountant is responsible for reporting on the annual financial statements. The compilation report is presented on page 2.

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 4 to 11 were approved by the trustees on 24 May 2022 and were signed on their behalf by:

KL Ntsekhe



GSN Auret



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Financial Statements for the year ended 31 December 2021

Statement of Financial Position

Figures in R	Notes	2021	2020
Assets			
Non-Current Assets			
Property, plant and equipment	3	6,912	85,833
Current Assets			
Inventories	4	136,197	136,897
Trading investments	5	13,152,864	5,000,000
Trade and other receivables	6	278,857	10,581
Cash and cash equivalents	7	1,283,044	7,539,451
		14,850,962	12,686,929
Total Assets		14,857,874	12,772,762
Trust Funds and Liabilities			
Trust Fund			
Accumulated surplus	8	12,207,191	11,727,268
Non-Current Liabilities			
Deferred revenue		2,505,852	870,244
		2,505,852	870,244
Current Liabilities			
Provisions	9	133,691	121,941
Trade and other payables	10	11,140	53,309
		144,831	175,250
Total Funds and Liabilities		14,857,874	12,772,762

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Financial Statements for the year ended 31 December 2021

Statement of Comprehensive Income

Figures in R	Notes	2021	2020
Income	11	7,026,142	6,309,169
Operating costs		(6,809,546)	(6,158,975)
Operating surplus		216,596	150,194
 Finance income	12	 263,327	 321,864
Surplus for the year		479,923	472,058

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Statement of Changes in Trust Funds

Figures in R	Retained earnings	Total
Balance at 1 January 2020	11,255,210	11,255,210
Total comprehensive income for the year		
Profit for the year	472,058	472,058
Total comprehensive income for the year	472,058	472,058
Balance at 31 December 2020	11,727,268	11,727,268
Balance at 1 January 2021	11,727,268	11,727,268
Total comprehensive income for the year		
Profit for the year	479,923	479,923
Total comprehensive income for the year	479,923	479,923
Balance at 31 December 2021	12,207,191	12,207,191

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Statement of Cash Flows

Figures in R	Note	2021	2020
Cash flows used in operating activities			
Profit for the year		479,923	472,058
<i>Adjustments for:</i>			
Depreciation of tangible assets		78,920	178,973
Investment income		(263,327)	(321,864)
Loss on disposal of property, plant and equipment		-	24,113
Deferred revenue		1,635,608	(1,437,231)
Operating cash flow before working capital changes		<u>1,931,124</u>	<u>(1,083,951)</u>
<i>Working capital changes</i>			
Increase in financial assets		(8,152,864)	(500,000)
Decrease in inventories		700	17,193
(Increase) / decrease in trade and other receivables		(268,275)	123,480
(Decrease) / increase in trade and other payables		(30,419)	68,175
Net cash flows used in operations		<u>(6,519,734)</u>	<u>(1,375,103)</u>
Investment income		263,327	321,864
Net cash flows used in operating activities		<u>(6,256,407)</u>	<u>(1,053,239)</u>
Cash flows used in investing activities			
Property, plant and equipment acquired	3	-	(20,689)
Proceeds on disposals of property, plant and equipment		-	(24,113)
Net cash flows used in investing activities		<u>-</u>	<u>(44,802)</u>
Net decrease in cash and cash equivalents		(6,256,407)	(1,098,041)
Cash and cash equivalents at beginning of the year		7,539,451	8,637,492
Cash and cash equivalents at end of the year	7	<u>1,283,044</u>	<u>7,539,451</u>

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Financial Statements for the year ended 31 December 2021

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 Rand.

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 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%

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 month's operational funding. The current financial position of the Trust indicated that these goals are being met.

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Accounting Policies

Summary of significant accounting policies continued...

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.

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Financial Statements for the year ended 31 December 2021

Notes to the Annual Financial Statements

Figures in R	2021	2020
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3. Property, plant and equipment

	Cost	Accumulated depreciation	2021 Carrying value	Cost	Accumulated depreciation	2020 Carrying value
<i>Owned assets</i>						
Motor vehicles	385,634	(385,633)	1	385,634	(353,497)	32,137
Furniture and fittings	49,851	(49,848)	3	49,851	(49,848)	3
Computer equipment	117,590	(110,684)	6,906	197,476	(181,109)	16,367
Moveable Structure	373,252	(373,251)	1	373,252	(335,927)	37,325
Assets < R7000	7,720	(7,719)	1	7,720	(7,719)	1
	934,047	(927,135)	6,912	1,013,933	(928,100)	85,833

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Depreciation / Impairments	2021 Carrying value at end of year
<i>Owned assets</i>					
Motor vehicles	32,137	-	-	(32,135)	2
Furniture and fittings	3	-	-	-	3
Computer equipment	16,367	-	-	(9,461)	6,906
Moveable Structure	37,325	-	-	(37,324)	1
Assets < R7000	1	-	-	-	1
	85,833	-	-	(78,920)	6,913

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2020 Carrying value at end of year
<i>Owned assets</i>					
Motor vehicles	128,545	-	-	(96,408)	32,137
Furniture and fittings	1,031	-	-	(1,029)	2
Leasehold Improvements	1	-	-	-	1
Computer equipment	21,226	20,689	-	(25,548)	16,367
Moveable Structure	93,313	-	-	(55,988)	37,325
	244,116	20,689	-	(178,973)	85,832

4. Inventories

Inventories comprise:

Stock - Games	136,197	136,897
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5. Trading investments

Share portfolio	13,152,864	5,000,000
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Financial Statements for the year ended 31 December 2021

Notes to the Annual Financial Statements

Figures in R	2021	2020	
6. Trade and other receivables			
Prepayments	275,276	-	
Deposits	1,581	1,581	
Staff loans	2,000	9,000	
	<u>278,857</u>	<u>10,581</u>	
7. Cash and cash equivalents			
Favourable cash balances			
Cash on hand	2,537	5,740	
Bank balances	1,280,507	7,533,711	
	<u>1,283,044</u>	<u>7,539,451</u>	
8. Accumulated surplus			
Surplus for the year	479,923	472,058	
Accumulated surplus at the beginning of the year	11,727,268	11,255,210	
Accumulated surplus at the end of the year	<u>12,207,191</u>	<u>11,727,268</u>	
9. Provisions			
The following provisions are included in accounts payable:			
	Insurance	Audit Fee	Total
Carrying amount at the beginning of the year	96,575	25,366	121,941
Increase in provision	5,500	6,250	11,750
Carrying amount at end of the year	<u>102,075</u>	<u>31,616</u>	<u>133,691</u>
10. Trade and other payables			
Accrued liabilities		<u>11,140</u>	<u>53,309</u>
11. Income			
An analysis of income is as follows:			
Restricted donations	6,166,925	5,078,710	
Unrestricted donations	859,217	1,205,895	
Training income	-	24,564	
	<u>7,026,142</u>	<u>6,309,169</u>	
12. Finance income			
Interest income			
Interest received	263,327	321,864	

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Financial Statements for the year ended 31 December 2021

Detailed Income Statement

Figures in R	2021	2020
Income		
Restricted donations	6,166,925	5,078,710
Unrestricted donations	859,217	1,205,895
Training income	-	24,564
	<u>7,026,142</u>	<u>6,309,169</u>
Purchases	<u>(700)</u>	<u>(17,193)</u>
Other income		
Investment income	<u>263,327</u>	<u>321,864</u>
Expenditure		
Audit and accounting fees	122,122	126,253
Bank charges	15,360	18,246
Communication, Fundraising and PR	123,443	270,254
Consulting fees	151,383	231,094
Depreciation - Tangible assets	78,920	178,973
Donations	-	55,696
Insurance	34,897	27,423
Literacy facilitators	3,400	64,068
Literacy resources	1,457,536	745,633
Literacy travel	12,218	38,108
Loss on sale of fixed assets	-	24,113
Office expenses	78,730	80,932
Personnel costs	4,458,522	3,906,859
Rent and services	226,855	328,240
Telephone and internet	46,160	63,083
	<u>6,809,546</u>	<u>6,158,975</u>
Net surplus	<u>479,923</u>	<u>472,058</u>