



Annual Report
and Accounts
for the year
ended

January 1

2022

Shine

Sharing the gift of literacy with Africa's poorest children

The Trustees of Shine present their report and consolidated financial statements for the charity and its subsidiary Shine Zambia for the period ended 31st May 2022.

Shine is a charity registered with the Charity Commission for England and Wales under registration number 1117954.

Charitable objects

As stated in our Constitution, the objects for which Shine was established for the public benefit are:

- The advancement of education of children in Africa
- To meet the educational needs of children and young people in deprived, poverty-stricken communities in Africa with teaching in literacy and numeracy, where access to education is limited
- To provide an opportunity to these children to learn how to read and write, where their needs have not been met by the local education system
- To provide education to children in state or community schools who are unable to read or write
- To reduce the rate of child illiteracy in poor communities in Africa
- To give illiterate children and young people in Africa the opportunity to develop a sense of value, self-worth and hope for the future, through the provision of literacy skills so that they may go on to become educated and contribute to their community
- To provide these opportunities without distinction of gender, race, religion or physical ability
- To work together with other organisations and community groups in a common effort to advance the above objects

In setting our objectives and planning our activities our Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Focus of this Annual Report

The period from 01 June 2021 to 31 May 2022 constitutes the focus of this Annual Report. The Report covers the charity's operations during the period. It also presents a Financial Report outlining our financial position at the end of the period. The operations of the charity are primarily focused on running our Literacy Centre in Zambia, *Shine Zambia Reading Academy*, as well as other activities related to the provision of literacy skills in Zambia.

In summary, the key activities and milestones during the period are as follows:

- Exploring new models of reaching our beneficiaries
- Expanding our reach through the Literacy Hubs pilot program
- Review of our Sustainability initiatives and resetting our Pig Farm
- Continuation of our Adult Literacy Programme

ADMINISTRATIVE INFORMATION ABOUT THE CHARITY

Name of charity:	Shine
Charity registration number:	1117954
Registered office:	46 Heathcliff Avenue Stotfold Hitchin Hertfordshire SG5 4EY
Telephone:	07949 611 832 (primary contact) 07540 109 096 (secondary contact)
E-mail:	info@shinecharity.org
Web:	www.shinecharity.org
Trustees:	Vineet Bhatnagar (Chair) Siân Elizabeth Bhatnagar (Secretary) Richard Mumba
Staff:	None
Bank:	HSBC 7 West Nile Street Glasgow G1 2RQ

There were no changes to the Board during the reporting period.

This Annual Report was approved by the Board of Trustees on **28th March 2023** and signed on its behalf by:



Vineet Bhatnagar
Chair & Founder
28 March 2023

SHINE – WHO WE ARE AND WHAT WE DO

Registration, structure and governance

Shine is an international educational charity that was registered with the Charity Commission of England & Wales in February 2007. Shine works exclusively in Africa. Its governing body is the Board of Trustees, currently consisting of three UK-based individuals. Shine's governing document is its constitution, which was adopted in May 2006 by the Board of Trustees prior to registration with the Charity Commission. Shine is a non-governmental, non-political and non-religious organisation.

Although Shine is based in England, it works exclusively in Africa. Currently, its work is being implemented specifically in Zambia through its subsidiary, Shine Zambia – a registered NGO in Zambia. Shine and Shine Zambia essentially share the same constitution, and the three current Trustees are also Trustees of Shine Zambia.

Shine has no UK staff. Its work is carried out by the Trustees and by volunteers, therefore administration costs are kept to a minimum. Funds raised by Shine in the UK are sent to Shine Zambia for use in its projects to tackle illiteracy.

Trustees

The Board of Trustees meets as and when necessary, but at least once per quarter, to review performance and to plan forthcoming activities. Day-to-day decisions are made by the Trustees, often in consultation with the Trustees of Shine Zambia and other advisors. All trustees give of their time freely. The names of the Trustees are listed above in the chapter *Administrative Information about the Charity*.

Regarding the appointment of new Trustees, existing Trustees identify possible new Trustees, taking into account the need for a range of skills and experience to be represented on the Board to ensure effective management. We also desire diversity within the group with regard to gender and ethnicity.

Chair

The Chair of Shine is Mr. Vineet Bhatnagar. Vineet is responsible for the day-to-day running of the charity and its local branch in Zambia, Shine Zambia. He is actively involved in the running of the school in Zambia along with his wife, Siân. By profession, Vineet is an IT consultant and his permanent residence is in the UK.

Our vision

Shine's vision is of a Zambia where every child can read and write. Its aim is to help alleviate poverty in Zambia by tackling one of its root causes - illiteracy - in the poorest areas by setting up schools specialising in providing free literacy education. The charity's target beneficiaries are poor and vulnerable children in urban shanty towns and rural areas, where poverty levels are high and literacy rates are low.

Our activities

Shine's primary function is to financially support its local branch, Shine Zambia, which conducts charitable activities for achieving our objectives. Shine is helping to educate underprivileged children in Lusaka, Zambia by providing free literacy education to children who were previously out of school and illiterate, and who are living in poverty. Shine set up its first Literacy Centre in January 2007 in a shanty town called Kalikiliki, an urban 'compound' on the outskirts of Lusaka. The school is called Shine Zambia Reading Academy and currently has an enrolment of around 150 orphans and vulnerable children from nearby townships.

An overview of our Literacy Centre, Shine Zambia Reading Academy

Soon after Shine was established in the UK and was registered in Zambia (as 'Shine Zambia'), we began our first literacy-focused school or centre in a compound called Kalikiliki in the east of the capital, Lusaka. Kalikiliki has around 30,000 inhabitants and is one of the poorest compounds in Lusaka. Educational facilities in the compound are poor – there are no government schools and just a few 'community schools', which charge fees and generally have little resources and unqualified and inexperienced teachers.

Shine wanted to address the problem of illiteracy in Kalikiliki by starting a literacy school called Shine Zambia Reading Academy. The school started as a pilot project in January 2007 with just 30 children and two local teachers. It started in a room in someone's house in the community. Since then, it has grown significantly. The school now has its own premises on a 4-acre plot of land in the township, including a 4-classroom block, an administration block, library and separate water-borne toilets for pupils.

During the period of this report, there were around 150 pupils enrolled in the school with 10 full-time teachers and several auxiliary workers: an office administrator, a caretaker/landscaper, security guard and cooks to prepare food for the children every day. All our staff are from the local community and are paid a monthly living allowance by Shine.

The Academy offers a program which is not offered by other schools in Zambia. It is a two-year program, specialising in literacy. Children who enrol at Shine Zambia Reading Academy are completely illiterate or very poor at reading at the start. By the end of the program they achieve the level of literacy expected at Zambian Grade 4 level. This means we deliver 4 years' education within 2 years. Other points to note about the program:

- Pupils are between 8 and 12 years old when they enrol
- Pupils pay no fees whatsoever at the school and receive free exercise books
- Every child receives a meal at the school each day
- Each class has only 15-20 pupils – this allows us to provide a high quality of education
- Literacy makes up > 50% of the timetable. This includes teaching children how to 'sound out' letters and words in English using phonics, and lots of reading practice
- Pupils also learn Maths alongside literacy and, in Year 2 of the program, Science, Cinyanja (local language) and Social & Development Studies
- Although teachers are not government qualified, they have been trained in specialist literacy teaching by volunteer teachers and experts from the UK and the US
- After 2 years, pupils take their final exams at Shine. If they pass, they 'graduate' from the school. Shine then arranges places for them in nearby mainstream schools. They go directly into Grade 5 or 6, depending on their level. Pupils who do not pass stay at Shine until they are good enough to survive and thrive in a formal Zambian school

MESSAGE FROM THE CHAIR



2021/22, was difficult financially, with a drop in income from donations seen in the UK, fewer grants and a number of issues with our locally-generated income streams in Zambia, meaning that local funding was lower than expected. In addition, the continually rising cost of living in Zambia as well as the weakening of the pound added extra financial pressure on the charity.

Despite these challenges, Shine is continuing to achieve its main aims. Our core purpose – teaching underprivileged children how to read – continued at our Literacy Centre in Zambia, with around 150 children enrolled in the program. These children received a free education from Shine as well as a free meal every day. This is what we have always set out to achieve.

A key achievement of the period was reviewing our delivery model and creating a new outreach programme (Literacy Hubs) as a pilot as we explore new ways of reaching our beneficiaries.

Shine Zambia, our local entity, maintained its policy of raising funds locally through its various income streams – a rental property, a car park business within the boundary of the school's security fence and hiring of the school premises to churches at weekends. In addition to this is our pig farm. However, its poor performance - partially caused by rising local prices for feed and other materials, but also poor management – caused the initiative to make a net loss. This is an issue we have now addressed.

During the course of the year, we achieved our aim of offering a high-quality literacy program for the orphans and vulnerable children of Kalikiliki, Zambia. This is ultimately our aim – to share the gift of literacy with underprivileged children in Zambia.

I would like to extend my thanks to everyone who have supported Shine, whether through donating money or materials, participating in fundraising events for us, offering their time or giving us their advice and moral support. Without the generosity of these individuals and organisations, we would not have enjoyed a year which will enable us to help empower many more vulnerable Zambian children.

Vineet Bhatnagar
Chair & Founder, **Shine**

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

Exploring new models of reaching our beneficiaries

During the period, the Shine board (both UK and Zambian members) conducted a review of our overall vision, aims and objectives with a view to assessing whether our current delivery model is effective.

The board drew the following conclusions:

1. We have been unintentionally moving towards running a conventional school rather than a Literacy Centre

We never originally intended to set up a 'normal' community school, which runs a standard educational programme like other schools. However, over the years, this is effectively what we have moved towards. The perception of people in the community (and indeed some staff within Shine) is that we are running a normal community school with the full spectrum of subjects, covering all the material in depth. Our model of teaching all the subjects in Year 2 consumes a lot of time and effort and requires a lot of input from the Board in order to manage the school.

2. The above is not sustainable

Running fully-fledged community schools is not in-line with our original aims and objectives, or our constitution. It is not a model that can easily be expanded; we aim to set up multiple literacy programmes across Zambia. It would be extremely difficult and costly to set up a network of community schools across Zambia, and running/maintaining them would be highly challenging. At Shine's programme, we cannot teach all the subjects in sufficient depth and to the necessary standards in a two-year programme.

In order to meet the quality guidelines for the Zambian Ministry of Education, we would effectively need to expand to a 4-year programme so that we could teach all the subjects properly. This, again, would not be in-line with our aims and objectives, and neither would it be an expandable, sustainable or cost-effective model.

3. By overly focusing on helping the pupils at our existing school, we are providing a deeper and broader education to a smaller number of beneficiaries at the expense of spreading literacy to a wider population of potential beneficiaries

The current format of the Shine programme is impeding our ability to meet our original objectives and the number of vulnerable, illiterate children we can impact. It is also preventing us from expanding our programme and spreading the gift of literacy to many communities. Rather, the significant time, effort and resources consumed by the full educational programme currently offered at Shine is holding us back and preventing us from focussing solely on our original goal – teaching children how to read and write. It is also consuming too much Board input, which could otherwise be directed towards growing the charity and raising funds.

4. Inaccurate perception of what Shine does among local community members

It has become apparent that many community members around our Literacy Centre in Lusaka see us as a conventional school and are wondering why we do not officially teach the full spectrum of Grades 1 to 7. This has led to a negative view that Shine is not willing or able to expand our school to cover more Grades.

In order to remedy these issues and allow Shine to grow and have a much greater impact in the area of literacy, we devised a pilot programme, which we hope will help us transition to a new delivery model which is much more lightweight and focussed on literacy teaching rather than providing a full educational service. Further details on the programme are provided in the next section.

To address the final point above, clearer messaging around Shine's vision, aims and objectives will be created and published.

Expanding our reach through the Literacy Hubs pilot program

The Literacy Hub programme is a Pilot that started in January 2022 that involves attaching a Shine teacher to two partner schools (nearby to our existing premises). The Shine teachers are running a 'Literacy Hub' for each school, which is a programme delivering the tried-and-tested Shine phonics programme for 40 pupils in the partner school. Our teachers use their experience and Shine's teaching materials/lesson plans to teach those pupils how to read. For one of those schools, the Hub is based on their premises i.e. the Shine teacher goes to the partner school and teaches the selected pupils. For the other school, the selected pupils come to the Shine Literacy Centre at an agreed time on a daily basis.

Half of the pupils enrolled in the program have been selected by Shine from the community with their school fees paid by Shine. In other words, Shine is sponsoring them and placing them in the partner school while also teaching them how to read. The other half are selected by the partner school from its existing enrolment of pupils – the weakest, most illiterate pupils were prioritised.

So far, the pilot is proving successful. If the pilot is deemed a success at the end of the period, we intend to expand this delivery model, whereby more of our teaching is targeted towards partner schools. This delivery model is more scalable and easier to roll out to different locations when combined with literacy training for local volunteers.

Review of our Sustainability initiatives and resetting our Pig Farm

The board carried out a review of our Sustainability initiatives, which are currently:

- Fee-paying car park within the boundaries of our Literacy Centre
- Hiring out of our premises to churches and other organisations at weekends
- Rental flats on our plot of land in Lusaka, near the Literacy Centre
- A pig farm on our plot of land in rural Rufunsa District

The car park generates the most income, followed by the rental flats. Both are stable and low maintenance. Hiring out our premises also generates a modest amount of income and is also low maintenance. However, there have been significant issues with the pig farm, which were both identified and addressed during the period but which unfortunately had a large impact on overall success of the sustainability initiatives.

The pig farm made a large loss during the period, which eliminated the income generated by the other streams. There are two main reasons for this: (a) poor and neglectful management of the farm by the local supervisor and workers hired by Shine; (b) loss of animals to disease, again linked to neglect and poor supervision.

Once discovered by the local board, the following remedial actions were taken: (a) the supervisor and workers' contracts were terminated and new workers were hired, while a reliable and experienced supervisor was installed; (b) a process was put in place for board members to closely and frequently monitor our farming activities; (c) steps were taken to reduce our running costs; (d) a pig production and sales plan was drawn up.

The board acknowledges that it did not monitor the farm closely enough during the period, which resulted in this situation. We are hopeful that the remedial actions taken will turn around the fortunes of the farm in the near future. Note that, although this resulted in a loss of money to the charity, this was not deemed a 'serious incident' by the board after discussion, but rather a sharp decline in performance with clear underlying causes and remedial actions taken.

Continuation of our Adult Literacy Programme

In January 2021, we set up an Adult Literacy programme based at our Literacy School, which took place outside normal school hours. The initial intake targeted 30 vulnerable and illiterate adults (mainly women) living in the local townships and lasted 6 months. Participants were between 18 and 45 years old and included school dropouts, market traders, the unemployed and those in informal employment (casual workers/labourers). The programme continued successfully until the end of 2021, when most of the initial intake of adult learners completed the programme.

The programme continued in 2022 with 45 adult learners for a 12-month period.

Future plans

Our short to medium term goals are as follows:

- to expand the Literacy Hub model by partnering with more schools in Lusaka and also in Rufunsa district, where Shine has a presence
- to make the pig farm profitable by the end of 2023
- to generate more funding through grants, both in the UK and in Zambia
- to set up a Community Resource Centre in Rufunsa that will serve as a base for a number of literacy programmes targeting rural communities
- to use the above Centre to train local rural volunteers to deliver the Shine phonics programme, and then attach them to existing schools and/or invite learners to attend courses at our Centre
- to further promote and increase awareness of our work and achievements in the community, through local, social, printed and broadcast media, as well as our own website and printed publications

FINANCIAL SUMMARY

Independent Examiner's Report to the Trustees of Shine

I report on the accounts of the charity for the year ended 31 May 2022 which are set out on pages 15 to 18.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Acthave not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Patricia K Kalota
Suite 2 Bungano Suites,
Lubu Road, Longacres,
Lusaka
ZAMBIA

Income

Shine (combined UK and Zambian entities) recorded a total income of **£25,603** during the period of this report. This amount was made up of **£26,913** from the UK and **(£1,309)** from Zambia – the Zambian entity recording a loss due to the loss incurred by the pig farm. The majority of these funds came from donations to Shine (UK) - monthly donations, individual one-off donations and corporate donations - accounting for 66% of the UK income (£17,643).

Some other key points:

- 32% (£8,579) came from grants made to Shine
- 3% (£690) was raised through Gift Aid claims

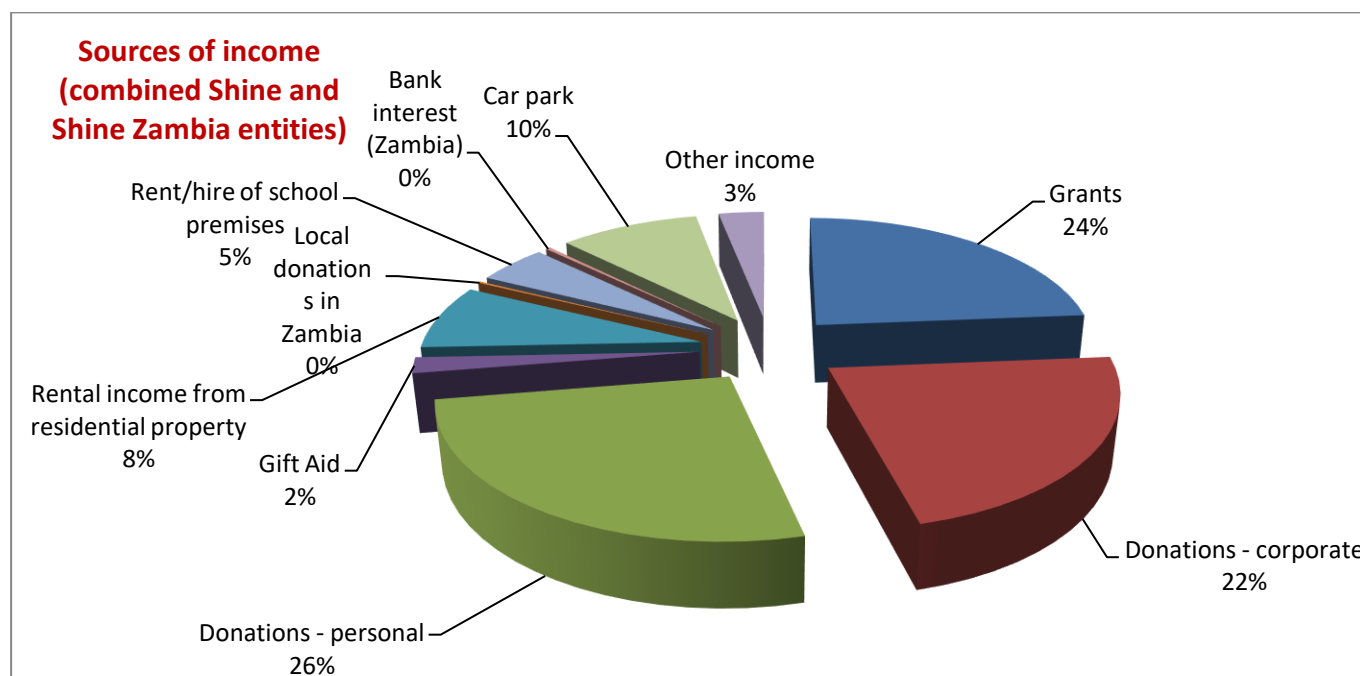


Chart excludes losses made by pig farm

Key figures:

Total income (UK and Zambia): £25,603

Income from Gift Aid in UK: £690

Income from UK donations: £17,643

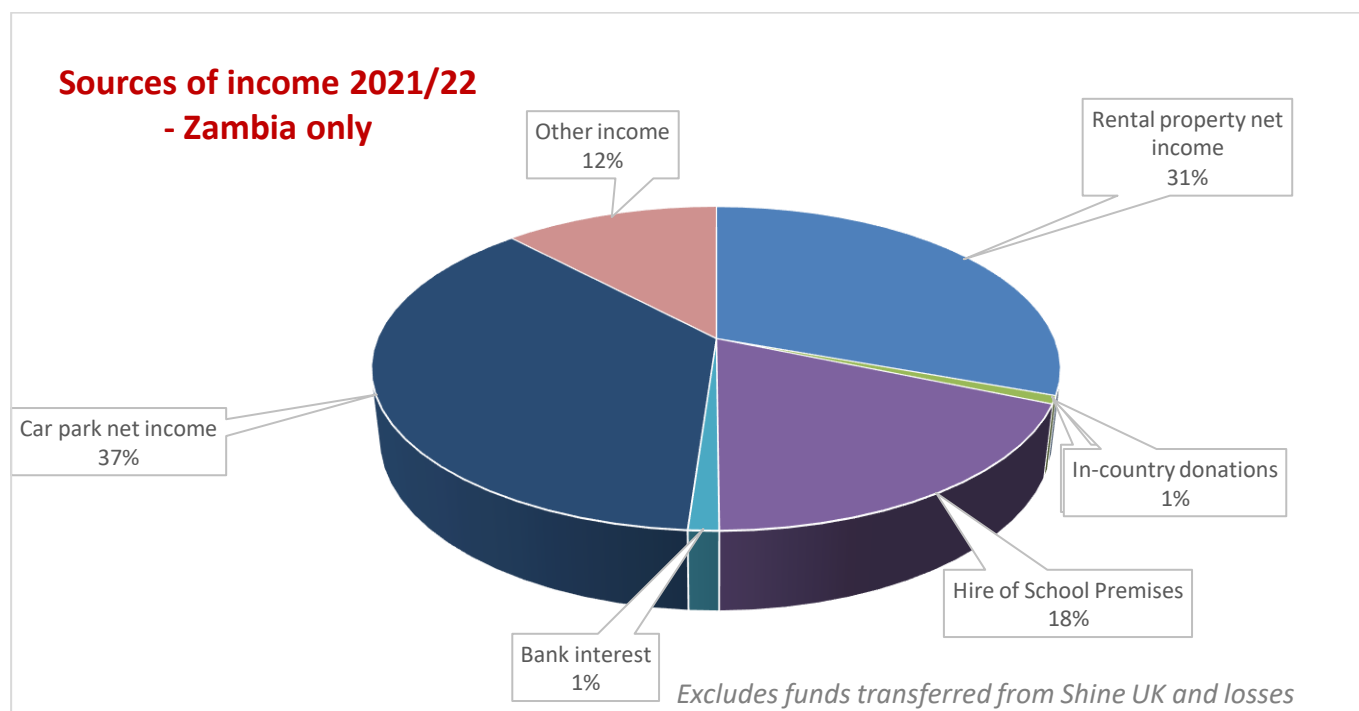
Income from grants: £8,579

Locally-generated income in Zambia

The following sources constituted the loss of £1,309 generated by Shine Zambia:

Income type	Amount (GBP)
Rental property net income	2,839
In-country donations	74
Hire of School Premises	1,722
Bank interest	112
Car park net income	3,426
Pig farm net income	(10,598)
Other income	1,117
Total	(1,309)

The chart below excludes the pig farm and is included to illustrate the effectiveness of the other sustainability initiatives:



Expenditure

Shine spent a total of **£48,656** during the year in both the UK and Zambia (*this figure excludes foreign exchange loss, infrastructure investment and depreciation*). Our expenditure can be separated into money spent to support the UK charity and money spent in Zambia to run our programmes. Since the UK charity employs no staff and has minimal costs, the former is represented only by the administration costs shown in (1) below.

Local operating expenditure by Shine Zambia can be categorised as: (2) administration costs for Shine Zambia; (3) operational costs, which includes running costs for our school as well as other related activities in furtherance of our objectives (e.g. community outreach, other literacy programmes).

Shine invested £2,272 on infrastructure – this includes the cost of upgrading pig pens for our pig farming operation as well as building workers' housing. These costs have been recorded against our assets as it is a one-off capital expenditure and therefore not presented here as an operational expense.

An additional £3,211 has been recorded as foreign exchange loss due to the depreciation of the local currency in Zambia.

A total of £45,000 was transferred from Shine to Shine Zambia in support of our programs in Zambia and our infrastructure projects. This is considered an internal group transfer therefore not detailed below as an operational expense.

The table below provides a high-level breakdown of our operational expenditure, showing the split between the above categories (excluding internal transfers from Shine to Shine Zambia and foreign exchange loss):

Combined Expenditure – Shine and Shine Zambia

Type	Amount (GBP)	%	Notes
1. Shine administration costs	254	0.5%	Administration costs in UK (bank charges)
2. Shine Zambia administration costs	752	1.5%	Administration costs in Zambia, consisting of bank charges, accounting fees
3. Shine Zambia operational costs	47,670	98%	Total cost of running our literacy programme in Zambia and related activities
	28,205		

(1) Shine administrative expenses

Shine incurred administrative expenses of **£140** during the period. The breakdown of this figure is as follows:

Type	Amount (GBP)	%	Notes
Bank charges	254	100%	Bank charges for maintaining the account and transferring funds to Zambia
	254		

(2) Shine Zambia administrative expenses

Shine Zambia incurred administrative expenses of **£732** during the period, consisting of bank charges for our local bank account in Zambia and accounting fees.

Type	Amount (GBP)	%	Notes
Bank charges	394	54%	
Accounting fees	110	15%	
Withholding tax	228	31%	
	732		

(4) Running costs for our Literacy Centre, Shine Zambia Reading Academy, and other related activities

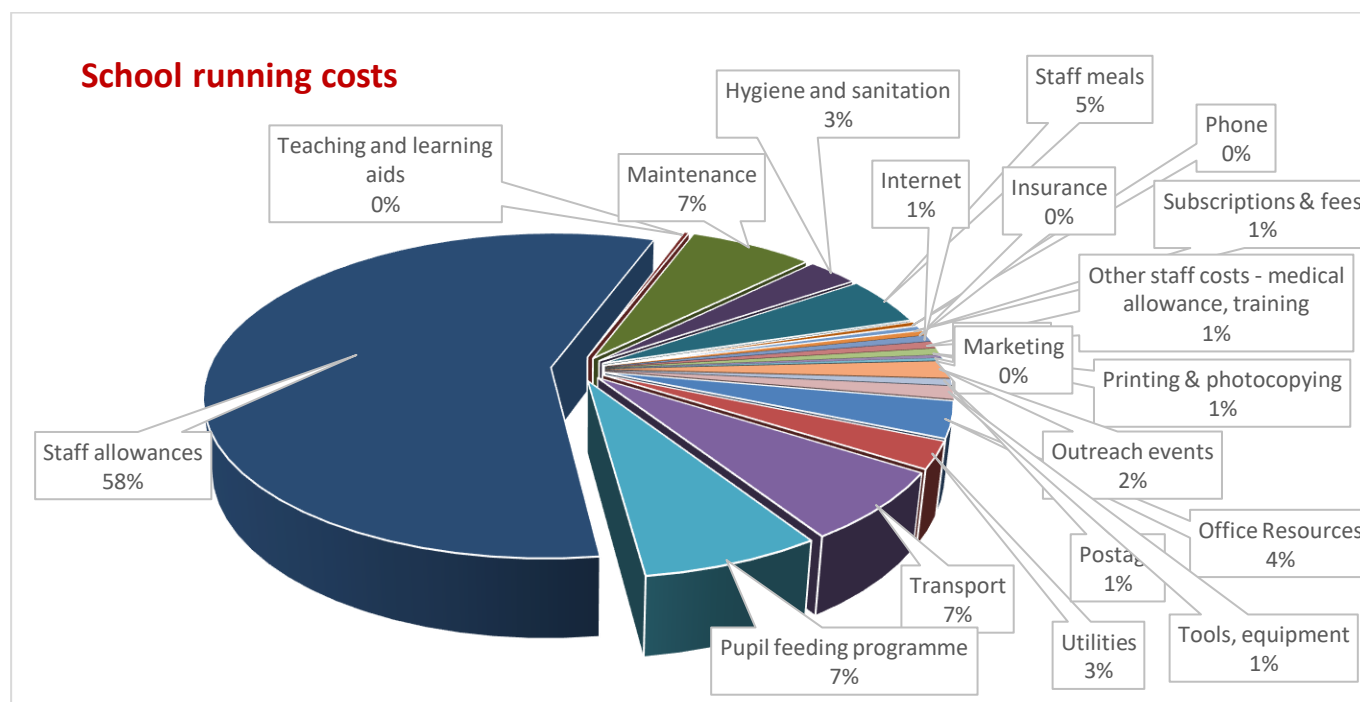
The total cost of running the Shine Zambia Reading Academy literacy school in Lusaka was **£25,756** (an increase of 16% on the £22,238 spent last year). The increased overall running cost was due to an increased salary paid to staff as well as rising costs in Zambia.

This funds for this amount were sourced from (1) funds transferred from Shine UK, (2) locally-generated income, and (3) funds in the Shine Zambia bank account prior to the start of the period.

The key expenses in running the school were as follows:

Expense categories	Amount (GBP)	
Office resources, stationery	1,694	4%
Utilities (electricity, water)	1,265	3%
Travel, transportation	3,257	7%
Pupil feeding programme	3,367	7%
Staff allowances	27,456	58%
Teaching and learning aids	128	0%
Maintenance	3,288	7%
Hygiene and sanitation	1,365	3%
Staff meals	2,288	5%
Phone	214	0%
Professional fees, subscriptions	243	1%
Insurance	210	0%
Internet	299	1%
Other staff costs - medical allowance, training	320	1%
Printing & photocopying	307	1%
Clothing	141	0%
Marketing	123	0%
Outreach activities or programs	805	2%
Postage	301	1%
Tools, equipment	599	1%
	47,670	

The chart below shows the split of costs for running the school and related activities:



Reserves policy

Shine's policy on reserves targets a general reserves amount that is sufficient to cover at least three months net running costs for the school in Zambia (less locally-generated income), which is around £6,500.

Restricted and unrestricted funds

Unrestricted funds are funds that are not designated to be used for a specific purpose and may be used at the discretion of the Board of Trustees for any purpose that is in furtherance of Shine's constitutional objectives. Restricted funds are those that are tied to a particular purpose, as specified by a donor or as identified at the time of a particular appeal. At the end of the period Shine had no restricted funds.

FINANCIAL STATEMENTS

Consolidated statement of financial activities

All amounts are in pounds sterling.

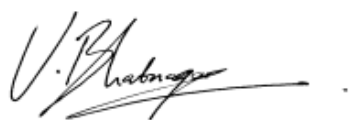
	Notes	Shine	Shine Zambia	Group
Income	2	26,913	(1,309)	25,603
<i>Funding generated by Shine</i>		26,913	-	26,913
<i>Funding generated by Shine Zambia</i>		-	(1,309)	(1,309)
Operating Expenses		(254)	(52,868)	(53,122)
<i>Operating Expenses - Zambia</i>	3	-	(48,402)	(48,402)
<i>Interest on loan repayments – Shine Zambia</i>	4	-	-	-
<i>Operating Expenses - UK</i>	5	(254)	-	(254)
<i>Foreign exchange gain/(loss)</i>		-	(4,466)	(4,466)
Depreciation		-	(3,211)	(3,211)
<i>Land</i>		-	-	-
<i>Buildings</i>		-	(2,992)	(2,992)
<i>Furniture</i>		-	(219)	(219)
Transfers				
<i>UK funds transferred to Zambia – recognised as income for Shine Zambia</i>		(45,000)	45,000	-
Net Income		(18,341)	(12,388)	(30,730)

The notes included below form part of these accounts.

Balance sheet

	Notes	Shine	Shine Zambia	Group
Fixed Assets	6			
Land		0	6,042	6,042
Furniture		0	1,983	1,983
Buildings – school		0	81,044	81,044
Buildings – pig farm		0	16,307	16,307
Buildings – residential property		0	51,537	51,537
Total Fixed Assets		0	156,913	156,913
Current Assets				
Cash at bank and in hand		11,030	4,126	15,156
Loans receivable	7	0	524	524
Total Current Assets		11,030	4,650	15,680
Current Liabilities				
Creditors falling due within one year		0	0	0
Creditors falling due after more than one year:		0	26,303	26,303
Long-term liability - loan payable for purchase of residential property				
Total Current Liabilities		0	26,303	26,303
Total Assets Less Current Liabilities		11,030	135,260	146,290
Funds of the Charity				
Unrestricted funds		11,030	135,260	146,290
Restricted income funds	8		0	0
Total Charity Funds		11,030	135,260	146,290

Approved by the Board of Trustees on 28th March 2023 and signed on its behalf by:



Chair & Founder
28 March 2023

The notes included below form part of these accounts.

Notes to the accounts

1. Accounting policies

Basis of preparation:

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2005 and applicable accounting standards.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

2. Income

Income raised by Shine (UK):

The UK income was received from the following sources:

Income Type	Description	Amount (GBP)	% of UK Total
Donations (personal)	Donations from monthly and adhoc donors	9,523	35%
Donations (corporate)	Donations from corporate sponsors	8,120	30%
Grants	Grants given for specific purposes	8,579	32%
Gift Aid	Amount of tax re-claimed from HMRC	690	3%
		26,913	

Income raised by Shine Zambia:

Shine Zambia income was received from the following sources, excluding the £45,000 provided by Shine (which is considered an internal transfer):

Income type	Amount (GBP)
Rental property net income	2,839
In-country donations	74
Hire of School Premises	1,722
Bank interest	112
Car park net income	3,426
Pig farm net income	(10,598)
Other income	1,117
Total	(1,309)

3. Operating expenses – Zambia

The operating costs of £48,402 plus foreign exchange loss of £4,466 (totalling £52,868) incurred in Zambia is categorised as follows:

- Running cost of our literacy school plus other related activities - this includes costs associated with running the Shine Zambia Reading Academy school: allowances for the volunteer or casual staff working at the school, running costs of the feeding program, teaching and learning aids, travel costs, hygiene and sanitation, electricity and water
- Administrative costs – this comprises the bank charges incurred for the bank account in Zambia as well as accounting fees
- Foreign exchange loss totalling £4,466 due to a depreciation in the Zambian Kwacha

Expenditure (excluding foreign exchange loss) can be broken down as follows:

Cost type	Amount (GBP)	%
School running costs	47,670	98.5%
Administration	732	1.5%
Total	48,402	

The school running costs are broken down as follows:

Expense categories	Amount (GBP)	
Office resources, stationery	1,694	4%
Utilities (electricity, water)	1,265	3%
Travel, transportation	3,257	7%
Pupil feeding programme	3,367	7%
Staff allowances	27,456	58%
Teaching and learning aids	128	0%
Maintenance	3,288	7%
Hygiene and sanitation	1,365	3%
Staff meals	2,288	5%
Phone	214	0%
Professional fees, subscriptions	243	1%
Insurance	210	0%
Internet	299	1%
Other staff costs - medical allowance, training	320	1%
Printing & photocopying	307	1%
Clothing	141	0%
Marketing	123	0%
Outreach activities or programs	805	2%
Postage	301	1%
Tools, equipment	599	1%
	47,670	

4. Interest on loan repayments

This refers to the loan taken by Shine Zambia to construct the residential property that it intends to use as a long-term income stream. Money was borrowed from Shine Chairman, Vineet Bhatnagar, and is subject to a documented Schedule of

Repayments agreed by all Trustees. However, with the consent of Mr Bhatnagar, no loan repayments were made in this period.

5. Operating expenses – UK

The UK operating expense figure of £254 is broken down as follows:

Type	Amount (GBP)	%	Notes
Bank charges	254	100%	Bank charges for maintaining the account and transferring funds to Zambia
	254		

6. Fixed assets

The following is the Charity's fixed assets for the period of the Report (all located in Zambia):

Description	Amount (GBP)
Land in Lusaka, Zambia	6,042
School buildings ⁱ	81,044
Pig farm building ⁱⁱ	16,307
School furniture ⁱⁱⁱ	1,983
Residential property in Lusaka, Zambia ^{iv}	51,537
	156,913

i. The calculation for 'School buildings' is last year's value minus 2% depreciation

ii. Pig farm infrastructure depreciated by 2% and £2,272 was spent on upgrading/adding to the infrastructure

iii. The existing furniture depreciated by 10% and £11 was spent on furniture for the school during the period

iv. The residential property purchased by Shine Zambia last year depreciated by 2%

The Charity has the following policy regarding depreciation of fixed assets:

- Land 0%
- Buildings 2%
- Furniture 10%

7. Loans receivable

A total debt amounting to £524 to Shine was recorded at the end of the period. This consists of outstanding short-term loans to staff at the school.

8. Restricted funds

As at 31 May 2022 there were no restricted funds for the charity.