

Company Registration No. 4053509

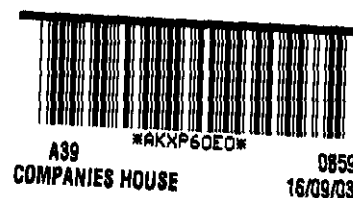
Charity Registered No. 1082777



SHINE: Support and Help IN Education

Report and Financial Statements

31 March 2003



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
3rd Floor
Verulam Point
Station Way
St Albans
AL1 5HE

REPORT AND FINANCIAL STATEMENTS 2003

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SHINE: Support and Help IN Education

TRUSTEES, OFFICERS AND PROFESSIONAL ADVISERS

TRUSTEES

Gavin Boyle	Chairman
Gerard Boyle	
Mark Heffernan	
Jim O'Neill	
Richard Rothwell	
Dr Caroline Whalley	(appointed 7 May 2003)
Christian Hore	(appointed 7 May 2003)

PATRONS

Sarah Brown	(appointed 26 September 2002)
Gavyn Davies	
Sir Alex Ferguson	
Baroness Sarah Hogg	(appointed 8 January 2003)
The Honourable Angad Paul	
June Sarpong	(appointed 25 June 2003)
Dr Sushil Wadhwani	

CHIEF EXECUTIVE

Stephen Shields	Company Secretary
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OFFICE ADDRESS

1 Cheam Road
Ewell Village
Surrey KT17 1SP

BANKERS

Barclays Bank Plc
Epsom Branch
PO Box 96
82-84 High Street
Epsom KT19 8BH

SOLICITORS

Penningtons
Bucklersbury House
83 Cannon Street
London EC4N 8PE

AUDITORS

Deloitte & Touche LLP
Chartered Accounts and Registered Auditors
3rd Floor
Verulum Point
Station Way
St Albans
AL1 5HE

SHINE: Support and Help IN Education

TRUSTEES' REPORT

The trustees submit their final report and the audited financial statements for the year ended 31 March 2003. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and accounts for this charitable company.

The following trustees served during the year ended 31 March 2003: Gavin Boyle, Gerard Boyle, Mark Heffernan, Jim O'Neill, Richard Rothwell.

TRUSTEES' RESPONSIBILITIES

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing those financial statements, the trustees have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPOINTMENT OF TRUSTEES

Any serving trustee is eligible to nominate new trustees for appointment to the board.

CONSTITUTION

The Trust is a registered charity and a company limited by guarantee and is governed by its memorandum and articles. The charitable company was incorporated on 16 August 2000.

OBJECTIVES

The objectives of SHINE: Support and Help IN Education, as stated in the Memorandum and Articles of Association, are "such general objects as are charitable at law and in particular the advancement of education of young people for the benefit of the public". In practice, SHINE supports educational initiatives, particularly literacy, numeracy, science and information and communication technology (ICT) programmes which encourage children and young people to raise their achievement levels. SHINE has funded organisations working with under-achieving 7-16 year olds from disadvantaged areas in London and the South East.

TRUSTEES' REPORT

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The results for the year are set out on page 6 of the financial statements.

Over the past year SHINE has continued to add to its growing portfolio of multi-year grants, committing a further £773,318 to effective educational initiatives. As a result, SHINE projects are now helping almost 4,000 children from over 100 schools.

The SHINE trustees take decisions on grant applications based on the recommendations of the grant making team. SHINE is determined to fund projects which will have a measurable impact on the educational attainment of the participants, so initial monitoring and evaluation meetings with the organisations receiving grants establish most importantly the quantitative methods by which the success of these projects will be judged. A significant amount of SHINE staff time is spent in monitoring that these targets are then achieved.

To support this comprehensive monitoring and evaluation work SHINE has commissioned the London School of Economics to carry out "Grants Impact Research", using current SHINE funded projects as case studies. The research is supported by an advisory board comprising representatives from the voluntary, charitable, finance and educational sectors. It will seek to establish best practice in relation to effective and meaningful evaluation of the actual impact of grants awarded – educational, economic, social.

The trustees anticipate committing a further £1,000,000 to projects in the current financial year. Having spent much of the last two years researching and testing the educational effectiveness of the projects funded to date, SHINE now plans to replicate some of the projects which are delivering real, measurable educational gains, so that more children, either in the one borough, or across a number of London boroughs, can benefit. Their priority in the immediate future is to fund more of what they know works.

To operate at this level of growth and development requires a determined fundraising effort. As the accounts show, SHINE has been successful on this front during the past year, raising £1,468,093 from donations and gifts. This figure was boosted by the success of SHINE's second Fundraising Dinner in November 2002. The total raised from the dinner was £1.2 million. Some of the money raised through SHINE's fundraising activities was donated to "US Friends of SHINE". During the year SHINE received a generous donation of £311,826 (2002: £188,124) from the US Friends of SHINE. The trustees extend their warmest thanks to all donors. Another major fundraising event will be held on 6 November 2003. There are also plans to extend the range of fund-raising activities during 2003/04 and beyond.

A much broader review of SHINE's activities, including a full Chairman's report and pen portraits of all the projects funded, appears on the website (www.shinetrust.org.uk).

FINANCIAL REVIEW

The surplus for the year after net investment gains amounted to £193,387 (2002: £424,869).

RISK REVIEW

In the absence of an internal audit group, the trustees have assumed responsibility for identifying the types of risk – financial, operational and reputational – faced by SHINE in pursuing its charitable objectives. They have presided over the establishment of formal procedures in every aspect of the business designed to mitigate these risks and have made sure that employees are both fully aware of these procedures and the implications of failing to implement them. They are satisfied that these controls, especially the financial ones, comply in all material respects with guidelines issued by the Charity Commission.

TRUSTEES' REPORT

RESERVES POLICY

Excluding restricted funds, which are used to pay for anticipated overheads, the Trustees manage an expendable endowment of £2,848,867 (2002: £2,471,590). It is expected that this endowment will be augmented by further donations. Based upon the success in fundraising during the past year SHINE is budgeting to make grants of £1,000,000 during the financial year ending March 2004. If the total of grants made exceeds the fundraising income, the shortfall will be met from the expendable endowment.

All administrative, management and staff costs, including the salaries of the grant making team, will be met by further annual donations from certain trustees for the foreseeable future. The accounts include a donation of £90,731 (2002: £324,144) within restricted funds to cover these expenses for the financial year ending March 2004.

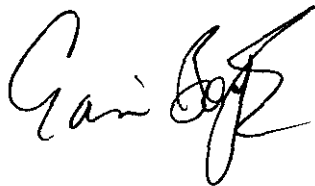
INVESTMENT POLICY

It is the intention of the trustees to hold all monies committed to donations in "safe", liquid interest bearing bank deposits or in short dated gilt-edged or corporate securities with a maturity profile matched to our disbursement schedule. All other monies will be invested in accordance with SHINE's Articles of Association with the aim of achieving a long term balance of income and capital appreciation. The only exception to this policy will be a specific portion of one donation which the donor gave solely on condition that it be invested in funds which are expressly aimed at capital growth. The trustees are pleased to report that during the year these investments provided both an income and a capital appreciation in excess of general investment levels.

AUDITORS

On 1 August 2003, Deloitte & Touche, the charitable company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The charitable company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP as the charitable company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by and signed on behalf of the Board of Trustees, **3 SEPTEMBER** 2003.



Trustee

Independent auditors' report to the Members of SHINE: Support and Help IN Education

We have audited the financial statements of SHINE: Support and Help IN Education for the year ended 31 March 2003 which comprise the Statement of Financial Activities, the Balance Sheet, and related notes numbered 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

The trustees' responsibilities for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the Charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2003 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
3rd Floor
Verulum Point
Station Way
St Albans
AL1 5HE

10 September 2003

STATEMENT OF FINANCIAL ACTIVITIES
Year ended 31 March 2003

	Note	Unrestricted 2003 £	Restricted 2003 £	Expendable endowment 2003 £	Totals 2003 £	Totals 2002 £
INCOMING RESOURCES						
Investment income	2	81,511	4,477	-	85,988	126,906
Donations and gifts		738,355	402,657	327,081	1,468,093	1,250,056
Total incoming resources		819,866	407,134	327,081	1,554,081	1,376,962
RESOURCES EXPENDED						
Costs of Generating Income						
Fund-raising activities		373,212	-	-	373,212	295,674
Charitable Expenditure						
Grants made	4	461,492	311,826	-	773,318	452,496
Support costs	4	-	157,837	-	157,837	149,826
Management and administration	4	-	121,361	-	121,361	150,078
Total charitable expenditure		461,492	591,024	-	1,052,516	752,400
Total resources expended	4	834,704	591,024	-	1,425,728	1,048,074
Net incoming resources - surplus	3	(14,838)	(183,890)	327,081	128,353	328,888
Net investment gains		-	-	65,034	65,034	95,981
Net movement in funds		(14,838)	(183,890)	392,115	193,387	424,869
Transfers between funds	11	14,838	-	(14,838)	-	-
Net fund movements for the year		-	(183,890)	377,277	193,387	424,869
Fund balances brought forward		-	395,854	2,471,590	2,867,444	2,442,575
Fund balances at 31 March 2003		-	211,964	2,848,867	3,060,831	2,867,444

All of the above results are derived from continuing activities. The charitable company has no other recognised gains and losses other than those stated above.

The income and expenditure account of the charitable company is represented by the unrestricted and restricted columns only.

All administrative, management and staff costs, including the salaries of the grant making team, are met by specific donations from the trustees so that all other income may be applied directly to the charitable objectives of the charitable company.

The notes on pages 8 to 13 form an integral part of these financial statements.

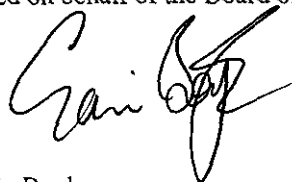
SHINE: Support and Help IN Education

BALANCE SHEET 31 March 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible assets	7	3,278	3,901
Investments	8	1,238,637	1,173,602
Long term deposits		1,689,643	-
		<u>2,931,558</u>	<u>1,177,503</u>
CURRENT ASSETS			
Debtors	9	84,782	36,782
Short term deposits – restricted		208,444	382,119
Short term deposits – expendable endowment		341,556	1,804,709
Cash at bank and in hand – restricted		3,520	13,735
Cash at bank and in hand – expendable endowment		256,551	212,337
		<u>894,853</u>	<u>2,449,682</u>
CREDITORS: amounts falling due within one year	10	<u>(571,895)</u>	<u>(604,159)</u>
NET CURRENT ASSETS		<u>322,958</u>	<u>1,845,523</u>
CREDITORS: amounts falling after more than one year	10	<u>(193,685)</u>	<u>(155,582)</u>
Net assets		<u><u>3,060,831</u></u>	<u><u>2,867,444</u></u>
FUNDS			
Unrestricted funds	11	-	-
Restricted funds	11	211,964	395,854
Expendable endowment	11	2,848,867	2,471,590
TOTAL FUNDS		<u><u>3,060,831</u></u>	<u><u>2,867,444</u></u>

These financial statements were approved by the Board of Trustees on **3 SEPTEMBER** 2003

Signed on behalf of the Board of Trustees



Gavin Boyle
Trustee

NOTES TOT HE ACCOUNTS
Year ended 31 March 2003

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 on a market value basis. The accounts have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and reporting by Charities" and applicable accounting standards.

The charity is defined as a small company for the purposes of section 246 and 247 of the Companies Act 1985 and has taken advantage of the exemption from preparing a cash flow statement.

Charitable status

SHINE is a charity registered at the Charity Commission and a company limited by guarantee.

Income accounting policy

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Grants accounting policy

The total sum awarded is shown in the Statement of Financial Activities, notwithstanding that a proportion will be disbursed in subsequent accounting periods.

Fund accounting

General funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company.

Permanent endowment funds relate to funds donated where the capital is required to be retained in perpetuity and the income is for use by the trustees in furthering the objects of the charitable company. Where the trustees have a right to utilise capital, these funds are shown as expendable endowments.

The accounts are prepared on the basis of grants committed and not on grants paid.

Restricted funds comprise those funds which are subject to specific conditions imposed by donors or by the purpose of the appeal. The purpose and use of restricted funds is set out in the notes to the financial statements.

All income and expenditure is shown in the Statement of Financial Activities.

Resources expended

Charitable expenditure comprises expenditure related to the direct furtherance of the charitable company's charitable objectives. They include management and administration costs and those incurred in connection with the management of the charitable company's assets, organisational administration and compliance with constitutional and statutory requirements. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with use of the resources.

Fund-raising activity costs are those incurred in seeking voluntary contributions for the charitable company and in publicising the charitable company.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost including any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Office equipment	-	5 years
Furniture	-	5 years

NOTES TO THE ACCOUNTS

Year ended 31 March 2003

1. ACCOUNTING POLICIES (continued)

Investments

Investments are stated at market value. The Statement of Financial Activities only includes realised and unrealised gains and losses arising from the revaluation of the investment portfolio throughout the year. Disclosure is made in note 8 of the movement in market value of the investments during the year. The investments were wholly in Managed Funds.

2. INVESTMENT INCOME

	2003 £	2002 £
Interest receivable	85,988	126,906
	<u>85,988</u>	<u>126,906</u>

3. NET INCOMING RESOURCES BEFORE TRANSFERS IS STATED AFTER CHARGING

	2003 £	2002 £
Auditors' remuneration:		
- Audit fee	9,048	12,350
Depreciation (see note 7)	2,239	1,950
Operating lease costs – Land and Buildings	<u>9,850</u>	<u>8,000</u>

4. TOTAL RESOURCES EXPENDED

2003	Staff costs £	Grants £	Other direct costs £	Total 2003 £	Total 2002 £
Costs of Generating Income					
Fund-raising activities	-	-	373,212	373,212	295,674
Charitable expenditure					
Grants	-	773,318	-	773,318	452,496
Support costs	127,187	-	30,650	157,837	149,826
Management and administration	52,690	-	68,671	121,361	150,078
Total 2003	<u>179,877</u>	<u>773,318</u>	<u>472,533</u>	<u>1,425,728</u>	<u>1,048,074</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 2003

4. TOTAL RESOURCES EXPENDED (continued)

Grants - the SHINE trustees take decisions on grant applications based on the recommendations of the grant making team

	2003 £		2002 £
Earlham SHINE Academy	151,500	All Nations Centre	80,000
EPGY	20,565	C S V	145,506
Real Action	69,021	Lighthouse Support School	48,211
Springboard	181,181	Real Action	62,747
Teach First	50,000	Community Links	4,542
Bloomfield Learning Centre	36,681	Tower Hamlets EBP	10,030
Lift	99,876	Lift	79,060
Holloway SHINE Academy	182,781	Newham Gifted and Talented Assn	22,400
CEDC (actual v project budget underspend)	(18,287)		
	<u>773,318</u>		<u>452,496</u>

Grants	2003 £	2002 £
Outstanding liabilities at 1 April 2002	716,253	993,157
Awarded during the year	773,318	452,496
Paid during the year	(773,158)	(729,400)
	<u>716,413</u>	<u>716,253</u>
Outstanding liabilities at 31 March 2003	716,413	716,253
Awards falling due within one year	522,728	560,671
Awards falling after more than one year	193,685	155,582
	<u>716,413</u>	<u>716,253</u>

5. STAFF COSTS

	2003 £	2002 £
Wages and salaries	155,795	136,419
Bonus provision	-	15,000
Social Security costs	14,082	13,443
Pension costs	10,000	10,000
	<u>179,877</u>	<u>174,862</u>

Pension costs represent the charitable company's defined contribution to a personal pension plan.

NOTES TO THE ACCOUNTS

Year ended 31 March 2003

5. STAFF COSTS (continued)

The average number of employees, analysed by function was:

	2003 Number	2002 Number
Direct charitable expenditure	2.5	3
Fund-raising and publicity	1	-
Management and administration of the charity	1.5	2
	<u>5</u>	<u>5</u>

Number of staff who earned between:

	2003 £	2002 £
£50,001 - £60,000	-	1
£60,001 - £70,000	1	-

6. TAXATION

SHINE is a registered charity and as such is exempt from corporation tax on its income and gains to the extent they are applied to its charitable objectives.

7. TANGIBLE ASSETS

	Furniture £	Office equipment £	Total £
Cost			
1 April 2002	3,409	6,342	9,751
Additions	1,162	657	1,819
Disposals	(640)	-	(640)
	<u>3,931</u>	<u>6,999</u>	<u>10,930</u>
At 31 March 2003			
Depreciation			
1 April 2002	2,045	3,805	5,850
Disposals	(437)	-	(437)
Charge for period	839	1,400	2,239
	<u>2,447</u>	<u>5,205</u>	<u>7,652</u>
At 31 March 2003			
Net book value 31 March 2003	<u>1,484</u>	<u>1,794</u>	<u>3,278</u>
Net book value 31 March 2002	<u>1,364</u>	<u>2,537</u>	<u>3,901</u>

NOTES TOT HE ACCOUNTS

Year ended 31 March 2003

8. INVESTMENTS

	2003 £	2002 £
1 April 2002	1,173,602	290,861
Additions	-	786,760
Net investment gains	65,035	95,981
Market value at 31 March 2003	1,238,637	1,173,602
Historical cost at 31 March 2003	1,036,712	1,036,712
Unrealised investment gains at 31 March 2003	201,925	136,890

Investments at 31 March 2003

GAM Diversity II Eur Class, listed on London Stock Exchange, value £905,644

SR Global Emerging Markets Portfolio, listed on Dublin Stock Exchange, value £332,993

9. DEBTORS

	2003 £	2002 £
Fund-raising events	65,000	20,000
Prepayments and Other Debtors	19,782	16,782
	84,782	36,782

10. CREDITORS

	2003 £	2002 £
Grant commitments due within one year	522,728	560,671
Expenses creditors	44,727	40,134
Taxation and social security costs	4,440	3,354
Amounts due within one year	571,895	604,159
Amounts due after more than one year Grant commitments	193,685	155,582

NOTES TO THE ACCOUNTS

Year ended 31 March 2003

11. STATEMENTS OF FUNDS

	Balance 1 April 2002	Income	Expenditure	Net Investment Gains	Transfers	Balance 31 March 2003
2003	£	£	£	£	£	£
Expendable endowment	2,471,590	327,081	-	65,034	(14,838)	2,848,867
Restricted funds:						
Management and administration	395,854	95,308	(279,198)	-	-	211,964
Designated Projects	-	311,826	(311,826)	-	-	-
Unrestricted Funds	-	819,866	(834,704)	-	14,838	-
Total funds	<u>2,867,444</u>	<u>1,554,081</u>	<u>(1,425,728)</u>	<u>65,034</u>	<u>-</u>	<u>3,060,831</u>

The net movement in the year of unrestricted funds (investment income less grants made) is transferred to the expendable endowment at the end of the financial year to give the net available endowment amount.

12. TRUSTEES AND RELATED PARTY DISCLOSURES

The trustees received neither remuneration nor expenses during the year (2002: £nil).

Mark Heffernan is a Director of US Friends of SHINE a company incorporated in the United States of America. During the year SHINE received a donation of £311,826 (2002: £188,124) from the US Friends of SHINE.

13. FINANCIAL COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings	
	2003	2002
	£	£
Expiry date		
- within one year	-	-
- between two and five years	9,850	-
- after five years	-	9,850
	<u>9,850</u>	<u>9,850</u>