

Company Registration No. 4053509
Charity Registered No 1082777



SHINE: Support and Help IN Education

Report and Financial Statements

31 March 2007

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SHINE: Support and Help IN Education

REPORT AND FINANCIAL STATEMENTS 2007

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SHINE: Support and Help IN Education

REFERENCE AND ADMINISTRATIVE DETAILS

TRUSTEES

Jim O'Neill	Chairman
David Blood	Vice-Chairman
Gavin Boyle	
Gerard Boyle	
Mark Ferguson	(Appointed 20 November 2006)
Mark Heffernan	
Christian Hore	
John Phizackerley	
Richard Rothwell	
Dr Caroline Whalley	

PATRONS

David Beckham	(Appointed 20 November 2006)
Sarah Brown	
Gavyn Davies	
Sir Alex Ferguson	
Baroness Sarah Hogg	
Sir Peter Ogden	(Appointed 20 November 2006)
The Honourable Angad Paul	
June Sarpong	
Dr Sushil Wadhvani	

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

Bates, Wells & Braithwaite
Cheapside House
138 Cheapside
London EC2V 6BB

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
Hill House
1 Little New Street
London EC4A 4TR

SHINE: Support and Help IN Education

TRUSTEES' REPORT

The trustees present their annual report and the audited financial statements for the year ended 31 March 2007. The report and financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts, and comply with the charity's governing documents, the Charities Act 1993 and the Statement of Recommended Practice Accounting and Reporting by Charities 2005.

The following trustees served during the year ended 31 March 2007: Jim O'Neill, David Blood, Gavin Boyle, Gerard Boyle, Mark Ferguson, Mark Heffernan, Christian Hore, John Phizackerley, Richard Rothwell and Dr Caroline Whalley.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The trust is a registered charity (no 1082777) and a company limited by guarantee (no 4053509), and is governed by its Memorandum and Articles of Association. The charitable company was incorporated on 16 August 2000.

Trustees are appointed by the board of trustees. Any serving trustee is eligible to nominate new trustees for appointment to the board. The induction process for new trustees comprises an initial meeting with the Chairman, followed by a formal welcome and induction meeting with the Chief Executive, at which the following is provided: an information pack about SHINE, copies of the original Trust deed and the charitable company's Memorandum and Articles of Association, copies of the most recent trustees' report and audited financial statements, and also previous trustees' reports since inception, and copies of the relevant Charity Commission and Companies House guidance booklets – *"The Essential Trustee: What you need to know"* and *"The Directors (and Secretaries) Guide"*.

The board of trustees is led by the Chairman, supported by the Vice-Chairman, who are each elected to serve for a term of three years initially. The board of trustees sets the policy framework for the charitable company within which the Chief Executive leads the staff team in day to day operations. The board also periodically reviews the policy framework and keeps it up to date so that it remains relevant to the work of SHINE and the context within which the charitable company is working.

The board allocates responsibility for different aspects of SHINE's business to a number of sub-committees: the investment committee, the fundraising and marketing trustee cluster group, and the grant-making trustee cluster group. These committees report to the full board. In addition to this, individual trustees have also been allocated responsibility for leading on both accounting and legal matters. These individual trustees also report to the full board. The full board meets 3 or 4 times each year. The sub-committees meet at least 3 or 4 times throughout the year, prior to the main board meetings.

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, including financial controls, comply in all material respects with guidelines issued by the Charity Commission. In addition to this, during the course of the last year, two trustees have been nominated to oversee this area of the charity's business with SHINE's Chief Executive. They will make periodic recommendations for change to the procedures, as appropriate, to the full board.

One third of the board of trustees are required to retire by rotation at each AGM meeting, at which point they may put themselves forward for re-appointment to the board.

OBJECTIVES AND ACTIVITIES

SHINE supports educational projects that work with disadvantaged, disengaged and challenged children and young people (7 – 18 years), in Greater London and Manchester. We provide grants to fund educational programmes which give these young people the extra support and attention they need to learn the basic but essential tools for life. SHINE also supports projects that help talented children from poor neighbourhoods to recognise and then realise their full potential.

SHINE projects include intensive one-to-one literacy and numeracy support, Saturday learning programmes, homework clubs and computer-assisted study projects – all specifically designed to make a meaningful difference to the children and young people who need it most. We work in partnership with primary and secondary state schools, the independent sector and world-class universities to get more from existing facilities and resources.

SHINE operates as a business, working closely with potential grant recipients to make sure their projects can be delivered. Most importantly, early monitoring and evaluation planning with those organisations which receive grants.

TRUSTEES' REPORT

establishes the quantitative methods by which the success of these projects will be judged. When the projects are up and running, we then monitor and evaluate them rigorously to ensure they are efficient and have only the most positive effect on the young lives they help. This research means that we can prove what works, how and why. This allows us to replicate the most effective projects and help spread good practice.

The SHINE trustees take decisions on grant applications based on the recommendations of the grant-making team. Prior to each full board meeting, these recommendations are considered in detail by the grant-making trustee cluster group. We spend a significant amount of time and energy in order to find, fund and support projects which will have a measurable impact on the educational attainment of the participants.

A broader review of SHINE's activities, including SHINE's funding policies and current priorities, and pen portraits of all the projects funded, appears on our website (www.shinetrust.org.uk)

ACHIEVEMENTS AND PERFORMANCE

The year 1 April 2006 to 31 March 2007 is the eighth year of SHINE's operations and the sixth full year of grant-making.

Over the course of the past year SHINE has continued to add to its growing portfolio of multi-year grants, supporting effective educational initiatives in schools and local communities. This brought the total amount of grant funding committed, since the first grants were awarded in August 2000, to £7,042,782 and, as a direct result of this, SHINE projects have been helping almost 12,000 children from more than 400 schools.

2006-07 was another busy year for SHINE. Our two main aims for the period were to extend the range of our fundraising networks and events, and to continue to put our grant-making strategy (replicating some of our most successful projects) into practice. In the course of the last year we have made significant progress on both fronts, as can be seen from the main highlights which follow.

Development

- In the financial year to 31 March 2007, we raised £1,500,160 from our supporters.
- The main thrust of our development work in the period was to create or develop further the initiatives approved by the trustees in SHINE's fundraising and marketing plan. These included
 - Dinner with Genius: we ran an internet auction of a once-in-a-lifetime dinner hosted by Sir Alex Ferguson and José Mourinho, raising £130,000.
 - Windsor Half Marathon: SHINE fielded a team of 15 runners, who between them raised in excess of £100,000.
 - *Big Desk, little desk*: we have developed the 'Big Desk, little desk' concept and hosted two events to date. Big Desk, little desk specifically targets corporates and asks their CSR staff to leave their big desks for the day to see what happens in some of London's most challenging state schools. Each event is hosted by one of SHINE's projects and co-hosted by a corporate supporter. In the course of the last year, we have held events in Millfields Community School, Hackney and Wendell Park Primary School, Hammersmith and Fulham. Co-hosts have been from Goldman Sachs and the KPMG Foundation. This series of programmes is widely promoted in the corporate sector and starting to build SHINE's brand with this key audience.
 - David Beckham Academy (DBA) European Corporate Cup: we grew our relationship with the DBA by fielding a team for the second year running at this event. We were the charity beneficiaries of the event, as well as of the after party.
- In addition this year we produced our first ever Annual Brochure, which highlighted the work done by SHINE's grant recipients as well as our fundraising efforts. The brochure was distributed to all supporters of SHINE, including SHINE Futures (a group of "new" supporters who were introduced to our work at the SHINE Futures launch last year). We also re-launched our website with a new, fresher design and more intuitive navigation.
- Finally, SHINE is starting to develop a policy point of view around social exclusion and education. We were asked to present to the Social Justice Policy Group, chaired by Rt Hon Iain Duncan Smith MP, and our views fed into a range of other publications.

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TRUSTEES' REPORT

Grant-making

- We committed £1,147,476 to support either projects in SHINE's grant replication programme or new initiatives. Specifically we
 - Continued to support the core projects in our replication programme, especially *Springboard*, the *SHINE on Saturday* projects (SHINE's main state school Saturday education support programme), *LIFT for Learning*, *EPGY* (The Education Programme for Gifted Youth), *Serious Fun on Saturdays* (SHINE's independent – state schools partnership programme), *The Butterfly Reading and Writing Project* and the *Shafesbury Homes and Arethusa* education support programme
 - Launched three further *SHINE on Saturday* projects (the ninth, tenth and eleventh *SHINE on Saturday* projects) in London: *SHINE @ Tom Hood Secondary*, Waltham Forest, *SHINE @ Hillyfield Primary*, Waltham Forest, and *Axis SHINE on Saturday*, Haringey. We also provided these new projects with a comprehensive *SHINE on Saturday* operational manual, which we have produced to support the roll out of this programme
 - Started a further two *Serious Fun on Saturdays* programmes (the fifth and sixth of these programmes) at the Hampton School, Richmond and Withington Girls' School, Manchester
 - Supported some of our core programmes in securing central or local government funding (*Serious Fun on Saturdays* at Dulwich College, *SHINE @ Millfields* and *Serious Fun on Saturdays* at St Paul's Barnes/Latymor Upper) and trust funding (*SHINE @ Holloway*)
 - Continued to support the Cambridge University *NRICH* maths programme in Tower Hamlets, the *Every Child a Reader (ECaR)* programme, the *SHINE Refugee Study and Family Support* project at North Primary in Southall, and the *Hanover Foundation* personal and academic coaching programme
 - Added new initiatives to our grants portfolio: a grant to the Rugby Portobello Trust for the work of the *Walmer Road School*, which provides alternative GCSE education for students who are failing at school, and funding for the evaluation and development of Brunel University's *Urban Scholars* programme
 - Built up SHINE's grants portfolio in Manchester, by continuing to provide funding support for the *Springboard*, *LIFT for Learning* and *EPGY* programmes, and by extending the *Serious Fun on Saturdays* programme, which was started the previous year in The Manchester Grammar School, into Withington Girls' School
- Building on our already comprehensive monitoring and evaluation processes and procedures, we have embedded the internal system of inspection introduced last year – the SHINE assessment of teaching and learning. We use this to support our core educational programmes

FINANCIAL REVIEW

The results for the year are set out on page 10 of the financial statements. The surplus for the year after net investment gains amounted to £413,739 (2006: £273,949).

The trustees are grateful to the large number of individuals and companies who have generously supported SHINE in the last year, for example the Tudor Foundation, the Lehman Brothers Foundation Europe (specifically for their support of projects in Tower Hamlets), US Friends of SHINE and the David Beckham Academy. We are particularly appreciative of those donors who have continued to support SHINE over a number of years.

Reserves

Excluding restricted funds, which are used to pay for anticipated overheads, the trustees manage an endowment (before long term liabilities) of £4,898,957 (2006: £4,376,492). It is expected that this endowment will be augmented by further donations. The trustees regard the level of the endowment as sufficient.

- to make up for any shortfall in budgeted income in a particular year, and
- to cover any unbudgeted expenditure which may become necessary

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TRUSTEES' REPORT

This policy, which is designed to ensure that SHINE can meet these eventualities in any financial year, is reviewed by the trustees on a regular basis

Additionally, SHINE's annual administrative and management and staff costs will continue to be met in full by donations from certain trustees. This allows every penny of every non-trustee donation to reach the projects we fund. The accounts include donations totalling £210,579 (2006 £458,520) within restricted funds to cover these expenses

Investment

On a rolling one year basis, it is the intention of the trustees to hold all monies committed to projects for the subsequent 12 months in "safe" bank deposits, short-dated or gilt-edged securities, or in funds which invest in such strategies, with a maturity profile reasonably matched to our disbursement schedule. All other monies will be invested in accordance with SHINE's Articles of Association, except for specific donations where the donors request, as a condition of the gift, that it be invested in funds which are expressly aimed at capital growth.

The investment committee monitors the endowment alongside our commitments to funding projects. The committee has overseen the successful management of these funds by our various fund managers and this has been consistently the case over a number of years (the trustees have estimated, as of March 2007, the annualised return since inception to be + 7.8%).

In the course of the last year the board of trustees has added Bridges Community Development Venture (CDV) Fund II to SHINE's investment portfolio. Bridges CDV Fund II investments are required to be in the most deprived areas of the UK or to produce strong educational, healthcare or environmental benefits, as well as strong investment returns. This is aligned to SHINE's mission and aims.

PLANS FOR FUTURE PERIODS

The trustees have ambitions to build on SHINE's progress to date. We are continuing to put real emphasis on growing our development function and fund-raising efforts. This will allow us to make our charitable company more sustainable over time, while still continuing to make grants to support existing and new projects. To this end we have decided to:

Development

- Continue to grow the endowment at the same time as committing funds to support existing projects. We see this as critical to ensuring SHINE's sustainability.
- Re-institute SHINE's Benefit Dinner as the main focus for fundraising activity in the annual calendar. This year, we will for the first time ask our guests to support specific programmes at the event, marking a departure from our 'once-in-a-lifetime' auctions in the past.
- Build on the success of our *Big Desk*, *little desk* events and continue to grow their profile and attendance. The first of the events this year is at Central Foundation School for Girls in Tower Hamlets, and our co-host is the Lehman Brothers Foundation Europe.
- Keep our Friends of SHINE group informed and engaged. We held an exclusive summer reception at the Foreign & Commonwealth Office for our key supporters.
- Grow our support at the Windsor Half Marathon. We currently have 29 runners registered to run in this event on 30 September 2007.
- Build SHINE's brand in the wider policy area. We are co-hosting an event with the Sutton Trust to explore the viability of an Educational Policy Committee, with Jim O'Neill and Rt Hon David Blunkett MP as main speakers and a group of very senior policy makers in attendance.
- Continue to build our networks in Government, specifically the Innovation Unit and the DfES, with a view to getting some of our most successful programmes endorsed or continued by statutory bodies.
- Communicate with our core audiences through another Annual Brochure and continued website updates.

Grant-making

- Commit up to £1.5 million in the next year to projects in SHINE's grant replication programme or to new initiatives. Specifically, we aim to

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TRUSTEES' REPORT

- Continue to support the core projects in our replication programme
- Set up at least two further *SHINE on Saturday* programmes in London
- Start another two *Serious Fun on Saturdays* projects
- Introduce at least one further project in Tower Hamlets, which is funded by the Lehman Brothers Foundation Europe
- Introduce at least one further SHINE project in Manchester
- Broaden the scope of SHINE's grant-making portfolio to include programmes involving science, a shortage subject, both in terms of uptake and in terms of provision, especially at primary school level, and parents/foster carers, who have the potential to be influential in the academic attainment of their children/the children in their care
- Continue to explore ways in which we might provide further support for *SAPERE*, the philosophy for children project, so that their critical thinking skills programme can be extended to more schools
- Conclude a comprehensive review of the previous "demonstration" phase of the EPGY project and an analysis of options for any further rollout of this programme in UK state schools
- Continue to research creative and innovative initiatives to add to SHINE's portfolio of educational support programmes

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Annual Report and the financial statements. They have chosen to prepare accounts for this charitable company in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP).

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, 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, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a trustees' report which comply with the requirements of the Companies Act 1985.

The trustees are responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

AUDITORS

A resolution to re-appoint Deloitte & Touche LLP as the charitable company's auditor will be proposed at the next Annual General Meeting.

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TRUSTEES' REPORT

Each of the persons who is a trustee at the date of approval of this report confirms that

- so far as each of the trustees is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- each of the trustees has taken all the steps that he/she ought to have taken as a trustee to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Approved by and signed on behalf of the Board of trustees, *15th AUGUST,* 2007



Jim O'Neill
Trustee

SHINE: Support and Help IN Education

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 2007 which comprise the statement of financial activities, the balance sheet and the related notes 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 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 company and the 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

As described in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purposes of company law, are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985. We also report on the consistency of the trustees' report 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 other transactions is not disclosed.

We read the trustees' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 the 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.

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Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the trustees' report is consistent with the financial statements

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants
Hill House
1 Little New Street
London EC4A 4TR

16 August 2007

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STATEMENT OF FINANCIAL ACTIVITIES (incorporating an income and expenditure account)

Year ended 31 March 2007

	Note	Unrestricted 2007 £	Restricted 2007 £	Expendable Endowment 2007 £	Total 2007 £	Total 2006 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income		491,721	702,290	306,149	1,500,160	1,774,557
Investment income	2	117,589	14,444	-	132,033	124,074
Total incoming resources		<u>609,310</u>	<u>716,734</u>	<u>306,149</u>	<u>1,632,193</u>	<u>1,898,631</u>
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of generating voluntary income		59,741	60,752	-	120,493	366,445
Charitable activities:						
Grant-making		434,884	826,869	-	1,261,753	1,619,406
Governance costs		-	50,315	-	50,315	32,561
Total resources expended	4	<u>494,625</u>	<u>937,936</u>	<u>-</u>	<u>1,432,561</u>	<u>2,018,412</u>
Net incoming / (outgoing) resources before transfers*	3	<u>114,685</u>	<u>(221,202)</u>	<u>306,149</u>	<u>199,632</u>	<u>(119,781)</u>
Net incoming / (outgoing) resources before other recognised gains and losses		114,685	(221,202)	306,149	199,632	(119,781)
Net investment gain on fixed asset investments	8	<u>-</u>	<u>-</u>	<u>214,107</u>	<u>214,107</u>	<u>393,730</u>
Net movement in funds for the year		114,685	(221,202)	520,256	413,739	273,949
Total funds brought forward		<u>-</u>	<u>431,781</u>	<u>3,606,307</u>	<u>4,038,088</u>	<u>3,764,139</u>
Total funds carried forward	11	<u>114,685</u>	<u>210,579</u>	<u>4,126,563</u>	<u>4,451,827</u>	<u>4,038,088</u>

* Net income / (expenditure) for Companies Act purposes

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 in the current and preceding year.

All management and administrative costs, including the salaries of the SHINE staff 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 12 to 19 form an integral part of these financial statements.

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BALANCE SHEET 31 March 2007

	Note	Unrestricted 2007 £	Restricted 2007 £	Expendable Endowment 2007 £	Total 2007 £	Total 2006 £
FIXED ASSETS						
Tangible assets	7	-	3,886	-	3,886	2,928
Investments	8	-	-	4,901,622	4,901,622	4,478,825
Total Fixed Assets		-	3,886	4,901,622	4,905,508	4,481,753
CURRENT ASSETS						
Debtors	9	-	24,139	-	24,139	33,243
Short term deposits		-	201,256	772,437	973,693	856,461
Cash at bank and in hand		114,685	30,848	106,902	252,435	291,955
Total Current Assets		114,685	256,243	879,339	1,250,267	1,181,659
LIABILITIES						
Creditors amounts due within one year	10	-	(49,550)	(882,004)	(931,554)	(855,139)
NET CURRENT ASSETS		114,685	206,693	(2,665)	318,713	326,520
TOTAL ASSETS						
LESS CURRENT LIABILITIES		114,685	210,579	4,898,957	5,224,221	4,808,273
Creditors amounts due after more than one year	10	-	-	(772,394)	(772,394)	(770,185)
NET ASSETS		114,685	210,579	4,126,563	4,451,827	4,038,088
THE FUNDS OF THE CHARITY						
Expendable Endowment funds	11	-	-	4,126,563	4,126,563	3,606,307
Restricted income funds	11	-	210,579	-	210,579	431,781
Unrestricted funds	11	114,685	-	-	114,685	-
TOTAL CHARITY FUNDS		114,685	210,579	4,126,563	4,451,827	4,038,088

These financial statements were approved by the Board of Trustees on *15th AUGUST, 2007*
Signed on behalf of the Board of Trustees



Jim O'Neill
Trustee

NOTES TO THE ACCOUNTS

Year ended 31 March 2007

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 Accounting and Reporting by Charities 2005 and applicable United Kingdom accounting standards.

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.

Fund accounting

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

Endowment funds relate to funds donated where the capital is required to be retained 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.

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 and organisational administration.

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

Grants awarded are shown in the Statement of Financial Activities, notwithstanding that a proportion will be paid in future accounting periods.

Governance costs comprise all costs identified wholly or mainly attributable to ensuring the public accountability of the charity and its compliance with regulation.

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 2007

1. ACCOUNTING POLICIES (continued)

Investments

Listed investments are stated at market value as at the balance sheet date. 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.

Other investments comprise long-term deposits.

Operating leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred on a straight line basis, even if the payments are not made on such a basis.

Pensions

For defined contribution schemes the amount charged to the Statement of Financial Activities in respect of pension costs and other post retirement benefits is the amount of contributions payable in the year. Differences between contributions payable in the year and contributions actually paid in the year are shown as either accruals or prepayments in the balance sheet.

Cash Flow

As a small company within the definition of the Companies Act 1985, the trustees have decided to take advantage of the exemption available under FRS1 (Revised) Cash Flow Statement not to produce a cash flow statement.

2. INVESTMENT INCOME

	2007 £	2006 £
Interest and dividends	<u>132,033</u>	<u>124,074</u>

3. NET INCOME

	2007 £	2006 £
Net income is stated after charging		
Auditors' remuneration – Audit fee	11,750	12,576
Depreciation (see note 7)	2,207	650
Operating lease costs – Other	<u>9,850</u>	<u>9,850</u>

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NOTES TO THE ACCOUNTS Year ended 31 March 2007

4. TOTAL RESOURCES EXPENDED

	Staff costs £	Grants £	Other direct costs £	Total 2007 £	Total 2006 £
Costs of generating funds					
Fundraising activities	-	-	-	-	220,984
Support costs	79,139	-	41,354	120,493	145,461
	<u>79,139</u>	<u>-</u>	<u>41,354</u>	<u>120,493</u>	<u>366,445</u>
Charitable expenditure					
Grants	-	1,085,770	-	1,085,770	1,438,995
Support costs	142,707	-	33,276	175,983	180,411
	<u>142,707</u>	<u>1,085,770</u>	<u>33,276</u>	<u>1,261,753</u>	<u>1,619,406</u>
Governance	38,382	-	11,933	50,315	32,561
	<u>38,382</u>	<u>-</u>	<u>11,933</u>	<u>50,315</u>	<u>32,561</u>
Total	<u>260,228</u>	<u>1,085,770</u>	<u>86,563</u>	<u>1,432,561</u>	<u>2,018,412</u>

The support costs were allocated on the basis of apportionment of staff time

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

	2007 £	2006 £
Every Child a Reader	100,000	Lift for Learning 334,882
Rugby Portobello Trust	60,000	Hanover Foundation 119,288
SHINE @ Tom Hood	194,425	SHINE @ Archbishop Sumner 91,175
Axis SHINE on Saturday	222,040	SHINE @ Wendell Park 228,440
SHINE @ Hillyfield	213,290	Shaftesbury Homes & Arethusa 90,000
SFoS @ Hampton School	39,104	Axis 41,026
SFoS @ Withington Girls' School	37,808	North Primary 16,560
Brunel University Urban Scholars	206,144	SHINE @ Oaklands 209,550
Cambridge University NRICH	39,844	Every Child a Reader 100,000
EPGY	11,893	City of London School for Girls 96,873
SFoS @ Dulwich College	22,928	Springboard 144,600
		The Manchester Grammar School 14,683
Gross awards	<u>1,147,476</u>	<u>1,487,077</u>
Less: Awards underspend		
Brecknock (actual v project budget underspend)	(10,800)	ContinYou (actual v project budget underspend) (7,000)
Lift for Learning (actual v project budget underspend)	(4,740)	Cambridge Univ Enriching Maths(actual v project budget underspend) (20,695)
Hungerford (actual v project budget underspend)	(10,800)	Brecknock (actual v project budget underspend) (8,415)
NRICH (actual v project budget underspend)	(15,811)	Hungerford (actual v project budget underspend) (8,415)
AXIS (actual v project budget underspend)	(4,467)	EPGY (actual v project budget underspend) (3,557)
EPGY (actual v project budget underspend)	(15,088)	
	<u>(61,706)</u>	<u>(48,082)</u>
Net awards	<u>1,085,770</u>	<u>1,438,995</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 2007

4 TOTAL RESOURCES EXPENDED (continued)

	2007 £	2006 £
Grants		
Outstanding liabilities at 1 April 2006	1,592,954	1,002,719
Awarded during the year	1,147,476	1,487,077
Underspend	(61,706)	(48,082)
Paid during the year	(1,024,326)	(848,760)
	<u>1,654,398</u>	<u>1,592,954</u>
Outstanding liabilities at 31 March 2007	1,654,398	1,592,954
Awards falling due within one year	882,004	822,769
Awards falling after more than one year	772,394	770,185
	<u>1,654,398</u>	<u>1,592,954</u>

5. STAFF COSTS

	2007 £	2006 £
Recruitment	982	27,798
Wages and salaries	221,095	222,977
Social security costs	25,458	20,440
Pension costs	12,693	10,000
	<u>260,228</u>	<u>281,215</u>

Pension costs represent the charitable company's contribution to a defined contribution personal pension plan of certain employees

The number of employees, analysed by function was

	2007 Number	2006 Number
Generating funds	2	2
Grant-making	3	3
Governance	1	1
	<u>6</u>	<u>6</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 2007

5. STAFF COSTS (continued)

Number of staff who earned between

	2007 £	2006 £
£60,001 - £70,000	1	1
£70,001 - £80,000	1	-

6. TAXATION

As a registered charity, SHINE is exempt from taxation of income and gains falling within Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent these are applied to its charitable purposes. No tax charge has arisen in the year.

7. TANGIBLE ASSETS

	Furniture £	Office Equipment £	Total £
Cost			
1 April 2006	3,931	9,834	13,765
Additions	-	3,165	3,165
	<hr/>	<hr/>	<hr/>
At 31 March 2007	3,931	12,999	16,930
	<hr/>	<hr/>	<hr/>
Depreciation			
1 April 2006	3,696	7,141	10,837
Charge for period	233	1,974	2,207
	<hr/>	<hr/>	<hr/>
At 31 March 2007	3,929	9,115	13,044
	<hr/>	<hr/>	<hr/>
Net book value 31 March 2007	<hr/> 2	<hr/> 3,884	<hr/> 3,886
	<hr/>	<hr/>	<hr/>
Net book value 31 March 2006	<hr/> 235	<hr/> 2,693	<hr/> 2,928
	<hr/>	<hr/>	<hr/>

NOTES TO THE ACCOUNTS
Year ended 31 March 2007

8. FIXED ASSET INVESTMENTS

Investments analysis

	2007 £	2006 £
<u>Listed Investments</u>		
GAM Diversity II GBP Open Class	1,326,617	1,212,706
SR Global Emerging Markets Portfolio	471,669	455,981
Cazenove ARTC (Absolute Return Trust for Charities)	1,127,336	1,033,243
Bridges Community Development Venture Fund II	113,846	-
Market value of listed investments at 31 March 2007	<u>3,039,468</u>	<u>2,701,930</u>
<u>Other Investments</u>		
Long Term Deposits Barclays Liquidity First	<u>1,862,154</u>	<u>1,776,895</u>
<u>Total Investments</u>	<u><u>4,901,622</u></u>	<u><u>4,478,825</u></u>

Further Analysis of Listed Investments

	2007 £	2006 £
Market value brought forward	2,701,930	1,905,535
Purchased during year	123,431	402,665
Net gain on revaluation	<u>214,107</u>	<u>393,730</u>
Market value at 31 March 2007	<u><u>3,039,468</u></u>	<u><u>2,701,930</u></u>
Historical cost at 31 March 2007	<u>1,988,862</u>	<u>1,865,431</u>
Accumulated unrealised investment gains at 31 March 2007	<u><u>1,050,606</u></u>	<u><u>836,499</u></u>

9. DEBTORS

	2007 £	2006 £
Prepayments and other debtors	<u>24,139</u>	<u>33,243</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 2007

10. CREDITORS

	2007 £	2006 £
Grant commitments due within one year	882,004	822,769
Expenses creditors	43,739	14,741
Taxation and social security costs	5,811	17,629
Amounts due within one year	<u>931,554</u>	<u>855,139</u>
Grant commitments due after more than one year	<u>772,394</u>	<u>770,185</u>

Creditors will be met from the expendable endowment if there are insufficient income funds in the future

11 STATEMENT OF FUNDS

	Balance 1 April 2006 £	Incoming resources £	Outgoing resources £	Net Investment gains £	Transfers £	Balance 31 March 2007 £
Expendable endowment	3,606,307	306,149	-	214,107	-	4,126,563
Restricted funds						
Management and administration	431,781	165,848	(387,050)	-	-	210,579
Specific Projects	-	550,886	(550,886)	-	-	-
Unrestricted Funds	-	609,310	(494,625)	-	-	114,685
Total funds	<u>4,038,088</u>	<u>1,632,193</u>	<u>(1,432,561)</u>	<u>214,107</u>	<u>-</u>	<u>4,451,827</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 2007

12. TRUSTEES AND RELATED PARTY DISCLOSURES

The trustees received neither remuneration nor expenses during the year (2006 £nil)

13. FINANCIAL COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows

	Land and buildings	
	2007	2006
	£	£
Expiry date		
- between two and five years	-	-
- less than two years	9,850	9,850