



ARTHUR ANDERSEN

Shine: Support and Help IN Education

Accounts 31 March 2001

together with trustees' and auditors' reports

Charity registered number: 1082777

Company registration number: 4053509



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Trustees, Officers and Professional Advisors

Trustees

Gavin Boyle (Chairman)
Gerard Boyle
Richard Rothwell
Jim O'Neill
Mark Heffernan

Directors

Mr David Allanson (Company Secretary)
Mr Stephen Shields

Office address

1 Cheam Road
Ewell Village
Surrey KT17 1SP

Auditors

Binder Hamlyn
20 Old Bailey
London
EC4M 7BH

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

Trustees' report

For the period ended 31 March 2001

The trustees submit their first report and the audited financial statements for the period ended 31 March 2001. 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 of the charitable company.

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 safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

SHINE: Support and Help IN Education took over the assets and liabilities of SHINE Trust on 1 December 2000. As stated in our Memorandum and Articles of Association, our objectives 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 has supported educational initiatives, particularly literacy, numeracy and IT programmes which encourage children and young people to raise their achievement levels. We have funded organisations working with under-achieving 7-16 year olds from disadvantaged areas in London and the South East.

Trustees' report (continued)

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 built a portfolio of ten, (including two which had already been committed by the previous Trust) multi-year grants totalling £1,130,000 and helping 1,500 children in 50 schools. All these grants reflect our determination to fund projects which will have a measurable impact on the educational attainment of the participants. Initial monitoring and evaluation meetings with the organisations receiving grants have established most importantly the quantitative methods by which the success of these projects will be judged. A significant amount of our future time will be spent in monitoring that these targets are achieved.

A much broader review of all our activities including a full Chairman's report and pen portraits of all the projects we fund appears on our website at www.shinetrust.org.uk.

We anticipate committing a similar amount of money to projects in the current financial year. To operate at this level of expenditure requires a determined fundraising effort. As the accounts show, we have been extremely successful on this front during the past year raising £1,000,000. This has been fantastic and we extend our warmest thanks to all our donors. Our aim this year is to extend our range of fundraising activities and plans are already well advanced for a gala dinner.

Financial review

The surplus for the year after net investment gains amounted to £2,974,880 as set out in the financial statements.

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.

Reserves policy

The Trustees manage an expendable endowment of £2,081,900. We expect this endowment to be augmented by further donations. Based upon our success in fundraising during the past year we are budgeting to make grants of £1,000,000 during the financial year ending March 2002. If the total of grants made exceeds our 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 £300,000 within restricted funds to cover these expenses for the financial year ending March 2002

Trustees' report (continued)

Investment policy

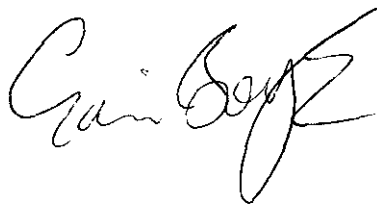
It is the intention of the Trustees to hold all monies committed to donations in "safe", liquid interest bearing bank deposits or in short dated gilt-edged or corporate securities with a maturity profile matched to our disbursement schedule.

All other monies will be invested in accordance with our 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.

Auditors

A resolution proposing that Binder Hamlyn be re-appointed as auditors of the charitable company will be put to the Annual General Meeting.

This report was approved by the trustees on 20/8/01 .

A handwritten signature in cursive script, appearing to read 'Gavin Bayly', is written over the line for the trustee's name.

Trustee



ARTHUR ANDERSEN

Auditors' report

To the members of Shine

We have audited the financial statements on pages 6 to 13 which have been prepared under the historical cost convention as modified for the revaluation of investments and on the basis of the accounting policies set out on pages 8 and 9.

Respective responsibilities of trustees and auditors

As described on page 2, the trustees are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

Basis of opinion

We conducted our audit in accordance with 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the charitable company's state of affairs at 31 March 2001 and of its incoming resources and application of resources including its income and expenditure account for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Binder Hamlyn

Chartered Accountants and Registered Auditors

20 August 2001

20 Old Bailey

London

EC4M 7BH

Statement of financial activities
Incorporating an Income and Expenditure Account
For the period ended 31 March 2001

	Note	Unrestricted 2001 £	Restricted 2001 £	Expendable Endowment 2001 £	Totals 2001 £
Incoming resources					
Investment income	2	46,335	4,737	-	51,072
Donations and gifts		-	307,500	684,421	991,921
Other income		20,000	-	-	20,000
Transferred in funds		-	150,000	2,289,967	2,439,967
Total incoming resources		66,335	462,237	2,974,388	3,502,960
Resources expended					
Charitable Expenditure					
Grants made		959,315	-	-	959,315
Support costs		-	37,567	-	37,567
Management and administration		-	63,995	-	63,995
Total resources expended	4	959,315	101,562	-	1,060,877
Net incoming resources - surplus	3	(892,980)	360,675	2,974,388	2,442,083
Net investment gains		-	-	492	492
Net movement in funds		(892,980)	360,675	2,974,880	2,442,575
Transfers between funds	10	892,980	-	(892,980)	-
Fund balances carried forward at 31 March 2001		-	360,675	2,081,900	2,442,575

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.

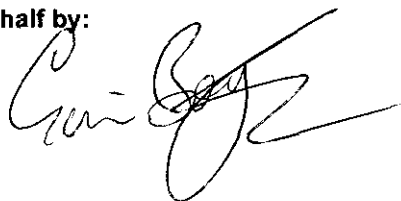
All administrative, management and staff costs, including the salaries of the grant making team, are met by specific donations from the trustees so that all other income may be applied directly to the charitable objectives of the charitable company.

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

Balance sheet
as at 31 March 2001

	Note	2001 £
Fixed assets		
Tangible assets	6	5,851
Investments	7	290,861
		<u>296,712</u>
Current assets		
Short term deposits		3,050,000
Debtors	8	70,148
Cash at bank and in hand		58,201
Creditors: amounts falling due within one year	9	<u>(537,260)</u>
Net current assets		2,641,089
Creditors: amounts falling after more than one year	9	<u>(495,226)</u>
Net assets		<u>2,442,575</u>
Funds		
Unrestricted funds	10	-
Restricted funds	10	360,675
Expendable endowment	10	2,081,900
Total funds		<u>2,442,575</u>

The financial statements on pages 6 to 13 were approved by the trustees on 20/8/01 and signed on their behalf by:



Trustee

Notes to the financial statements

for the period ended 31 March 2001

1 Accounting policies

a) 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.

b) Charitable status

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

c) Incoming resources

All income is accounted for on a receivable basis.

d) Fund accounting

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

Expendable endowments represent amounts donated to the charitable company where the donation is intended for the long term growth of the charitable company. The trustees are authorised to expend any amount of the donation at any time.

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.

e) Resources expended

Direct charitable expenditure comprises expenditure related to the direct furtherance of the charitable company's charitable objectives. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with use of the resources.

Fund raising and publicity costs are those incurred in seeking voluntary contributions for the charitable company and in publicising the charitable company. Management and administration costs are those incurred in connection with the management of the charitable company's assets, organisational administration and compliance with constitutional and statutory requirements.

Notes to the financial statement (continued)

1 Accounting policies (continued)

f) *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

g) *Investments*

Investments are stated at market value. It is the Trust's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising. As a result the statement of financial activities only includes those unrealised gains and losses arising from the revaluation of the investment portfolio throughout the year. Disclosure is made in note 7 of the difference between the historical cost and the sale proceeds of the investments sold during the year.

2 Investment income

	2001 £
Interest receivable	51,072
Dividends receivable	-
	<hr/> 51,072

3 Net incoming resources before transfers is stated after charging

	2001 £
Auditors' remuneration:	
- Audit fee	3,333
Depreciation	<hr/> 906

Notes to the financial statements (continued)

4 Total resources expended

	Staff costs	Grants	Other direct costs	Total 2001
	£	£	£	£
Charitable expenditure				
Grants	-	959,315	-	959,315
Support costs	37,567	-	-	37,567
Management and administration	35,971	-	28,024	63,995
	<u>73,538</u>	<u>959,315</u>	<u>28,024</u>	<u>1,060,877</u>

Grants were made as follows:

	Total £
Education Extra	224,140
Community Links	162,423
Chance	58,052
Shaftesbury Homes and Arethusa	92,000
CEDC/NEF	146,500
Millfields Shine Academy	157,200
Southampton and Forest Headstart	75,000
Peper Harow	44,000
	<u>959,315</u>

5 Staff costs

	2001 £
Wages and salaries	51,240
Bonus provision	15,000
Social security costs	4,528
Pension costs	2,770
	<u>73,538</u>

No employee had emoluments as defined for taxation purposes amounting to over £50,000 in the year.

Notes to the financial statement (continued)

5 Staff costs (continued)

The average number of employees, analysed by function was:

	2001 Number
Direct charitable expenditure	3
Fund-raising and publicity	-
Management and administration of the charity	2
	<u>5</u>

6 Tangible fixed assets

	Furniture £	Office equipment £	Total £
Cost			
Transferred in	3,409	10,196	13,605
Disposals	-	-	-
Additions	-	(3,854)	(3,854)
31 March 2001	<u>3,409</u>	<u>6,342</u>	<u>9,751</u>
Depreciation			
Transferred in	1,137	3,398	4,535
Disposals	-	(1,541)	(1,541)
Charge for period	226	680	906
31 March 2001	<u>1,363</u>	<u>2,537</u>	<u>3,900</u>
Net book value			
31 March 2001	<u>2,046</u>	<u>3,805</u>	<u>5,851</u>

Notes to the financial statement (continued)

7 Fixed asset investments

	2001 £
Transferred in	1,068,882
Disposals	(778,513)
Net investment gains/(losses)	492
Market value at 31 March	<u>290,861</u>
Historical cost at 31 March	<u>249,953</u>
Unrealised investment gains at 31 March	<u>40,908</u>

8 Debtors

	2001 £
Advances for events	53,730
Prepayments	16,418
	<u>70,148</u>

9 Creditors

	2001 £
Grant commitments due within one year	497,931
Expenses creditors	34,350
Taxation and social security costs	4,979
Amounts due within one year	<u>537,260</u>
Amounts due after more than one year Grant commitments	<u>495,226</u>

Notes to the financial statement (continued)

10 Statement of funds

	Funds transferred in £	Income £	Expenditure £	Net investment gains £	Transfers £	Balance 31 March 2001 £
Expendable endowment	2,289,967	684,421	-	492	(892,980)	2,081,900
Restricted funds:						
Management and administration	150,000	304,737	(101,562)	-	-	353,175
Southwark borough	-	7,500	-	-	-	7,500
Unrestricted Funds	-	66,335	(959,315)	-	892,980	-
Total funds	<u>2,439,967</u>	<u>1,062,993</u>	<u>(1,060,877)</u>	<u>492</u>	<u>-</u>	<u>2,442,575</u>

Transfers represent Trustees release of expendable endowment to fund unrestricted expenditure (all relating to Grants committed).

11 Related party disclosures

Mark Heffernan and Gavin Boyle are Trustees of SHINE and are also directors of Tudor Group Holdings in one of whose funds SHINE had an investment. This investment was liquidated during the year but had accrued management fees of £20,000. These were reimbursed by the members involved and have been included under other income.

Mark Heffernan is a Director of US Friends of SHINE a company incorporated in the United States of America. The sole purpose of the company is to raise funds for the work of SHINE in the UK.

12 Financial commitments

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

	2001	
	Land and buildings £	Other £
Expiry date		
- within one year	8,000	-
- between two and five years	-	-
- after five years	-	-
	<u>8,000</u>	<u>-</u>