



SHELTERBOX TRUST

ANNUAL REPORT 2018



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Front cover: Families in Syria receive shelter and household essentials through ShelterBox partner Bahar Organization.

2018

We responded to different disasters

18 TIMES

and provided vital aid to

17 COUNTRIES



AID

We have provided a variety of aid, this has included...



ShelterBoxes



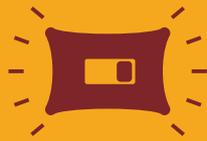
ShelterKits



Tents



Kitchen sets



Solar lights



Mosquito nets



Water filters



Water carriers



Blankets



WHAT WE DO

A world where no family is without shelter

We provide emergency shelter to families who have lost their homes to disaster, enabling them to rebuild their lives.

We go to hard-to-reach-communities, often those overlooked by others, to provide vulnerable families with a place to call home.

We work with our global network to support communities around the world to rebuild and recover from the worst days of their lives.

We put families first.

We are focused.

We go further.

We are global.

We are ShelterBox.



Dominica, January 2018. Starting to rebuild after Hurricane Maria.



CHAIR'S STATEMENT

Chair – James Sinclair Taylor

In 2018, we went further than ever to reach families who needed emergency shelter. We supported 210,000 people who lost their homes to natural disaster or conflict.

We can't replace what is lost, but emergency shelter can give families some sense of normality – it is a place to call home, the space to begin to recover.

The need is sharper than ever. In our 2018 report *Recovery Begins with Shelter*, we found that just one in five families worldwide receive the emergency shelter they need after disaster.

That need has set us on an ambitious path to support more families every year. Our outgoing Chief Executive Chris Warham and Chair Dr Rob John guided ShelterBox through a significant phase of growth.

However, this is a moment to refocus, consolidate our plans and ease the pace of growth. I'm pleased to introduce Interim Chief Executive Caroline White, who is leading on the strategy adjustments you'll see on page 20, as well as the recruitment for a permanent Chief Executive.

As your new Chair I'm excited about the strength and commitment of staff and volunteers, which drive the professionalisation of our operations.



Kenya, June 2018. Families who had lost their homes to flooding receive emergency shelter, tools and training.

I was inspired to become a ShelterBox trustee in 2014 because we have a strikingly clear and effective aim. Today I see four key areas that make ShelterBox unique:

We put families first

The families we help deserve the very best from us and each disaster is different, which is why we have a flexible approach. In every response we listen to local communities to understand what they need. Recent improvements to our pre-positioned aid mean we can select and ship the right aid items to help families recover – and we provide training to ensure they get the best use from each item.



210,000

people helped

We have refined our Theory of Change, which helps us monitor and evaluate the impact our work has on families. We use everything we learn to improve what we do in future – you'll read about some of those outcomes in our disaster response review.

We are focused

We specialise in emergency shelter and the essential tools needed to help rebuild homes after disaster.

We're developing world-class, in-house training to increase the capacity of operational staff. And redesigned ShelterBox response criteria will help those teams make informed decisions about which communities to help.

Our focus also helps us adapt to the shifting humanitarian landscape. Our new operational base, ShelterBox Operations Philippines, meant we could respond quickly to Super Typhoon Mangkhut and Typhoon Rosita last year, which might not have been possible without a locally registered operation.

We go further

Whether it's securing the help of government helicopters to bypass mudslides in Sulawesi, or working through local partners to meet desperate need in Syria, we go to the hard-to-reach communities – often those that are overlooked by others.

We set ourselves stretching targets that take us further too. In a difficult financial climate, I was enthused to see our supporters donating so generously in 2018. As a result, and thanks to innovative new fundraising products like Book Club, our income from individual donations and legacies was £4.5m.



£4.5 million
individual donations

We've raised awareness through improved digital communications and the remarkable photo series, Hope & Strength (see page 12).

Our fantastic volunteers also went the extra mile, reaching 98,000 people in the UK. Anyone who has attended a talk, toured the Visitor Centre in Truro or met us at a festival will understand how valuable those interactions are.

Further afield, Response Team volunteers gave an amazing 1,156 days of their time, away from their own homes, to ensure that thousands of other families wouldn't go without.

We are global

We're so fortunate to have a powerful global network of supporters raising vital funds and giving practical help to further our mission. What began as an inspired local partnership with the Rotary Club of Helston-Lizard has led to ShelterBox being Rotary International's project partner in disaster relief for 6 years.

As we look to renew this relationship in 2019, we can reflect on the commitment of an organisation who were by our side for almost every natural disaster response last year.

Grown from that partnership, ShelterBox has an expanding fundraising presence in 17 countries – all committed to our vision of seeing no family without shelter. Funds from this powerful international network raised nearly half (42%) of our income in 2018. You can find out more about our affiliates and Rotary on pages 16-17.



THANK YOU

None of our achievements would be possible without your support. Raising funds, lending a hand, sharing our mission – however you've been part of the ShelterBox story in 2018, thank you.

CATHERINE'S STORY

Catherine is a dressmaker and single mother to seven children in Cameroon. Life was normal until one Friday evening, after prayer, her village was attacked by Boko Haram. In the confusion, Catherine was separated from her husband.

She told us: 'I was afraid, and the children did not stop crying as we ran. I just followed the others without knowing where we were going. That was the last time I saw my husband.'

After moving from temporary shelter to temporary shelter, staying with other families and in churches, Catherine finally found a more settled place to recover. In Mokolo they received a shelter and household essentials from ShelterBox, through our local partner IEDA Relief.





Main photo: a recent delivery of emergency shelter to more families affected by the Lake Chad Basin crisis in Cameroon, 2019.
Inset: Catherine with her family in March 2018.

“
My home makes me feel something that I cannot explain. In my shelter I can recover in my own privacy, and I have the feeling of security for all of us. My children also recovered some peace and freedom.



review of 2018 – Disaster response

In 2018, ShelterBox has brought emergency shelter to even more communities affected by disaster or conflict.

We responded after typhoons in the Philippines, earthquakes and a tsunami in Indonesia, flooding in Kenya, drought in Somaliland, and continuing conflict in the Lake Chad Basin, Iraq and Syria.

Our volunteer Response Team members have given an incredible 1,156 days of their time, energy and skill, leaving their own families to help provide emergency shelter, training and vital support to communities hit by disaster.

In responding to 18 disasters across 17 countries in 2018, our community of volunteers, supporters, partners and staff helped 30,000 families with a place to call home. We helped a further 12,000 families with essential household items, meaning that we reached more than 210,000 people overall.



Syria, December 2018. Families prepare for winter with aid items delivered by our partner ReliefAid.

Increasing capacity

To reach more people with emergency shelter, we needed to grow our operational knowledge and expand our team. We supported 13 new operational staff, plus 18 new response team volunteers living across six countries, with enhanced in-house training.

We have focused on more effective information management by improving response reporting to ensure it meets our needs, with better accessibility for all who use it.

We also adjusted the types and locations of aid pre-positioned globally. This has reduced logistics costs, and also means we can give communities the specific aid they tell us they need, by picking individual items from storage closer to their destination.

ShelterBox and Rotary in action

Rotary groups around the world continue to help us provide vulnerable people with emergency shelter.

In 2018 Rotarians shared first-hand knowledge of their countries, practical logistical help, vital contacts and effective links into communities in almost all of our 10 natural disaster responses.

We have continued to build district- and club-level contacts both after disaster and at global Rotary events. These activities, featured in more detail on page 16, all support ShelterBox's preparedness, capacity, and reach in disaster responses.

IN 2018 SHELTERBOX HELPED



210,000 PEOPLE

That's **30,000 families** sheltered and 12,000 more helped with essential household items like mosquito nets and blankets

ShelterBox response criteria

With an ever-increasing demand for emergency shelter worldwide, we face difficult choices every day. That's why we've developed our response criteria. A standard set of questions guides operations coordinators' research and helps them reach informed decisions – can ShelterBox make a real difference here? Most importantly, the criteria help prioritise the most vulnerable families who wouldn't otherwise receive the vital support they need.

When assessing a potential response, we now consider:

- how many families need emergency shelter
- any existing government response
- local capacity to help
- how long support will be needed
- the speed of self recovery
- the type of aid needed
- ShelterBox aid and teams available
- whether we can respond safely
- vulnerability to disaster of the people affected



Niger, January 2018. Families caught up in the Lake Chad Basin crisis collect ShelterBox aid.

Adapting our operations

As the humanitarian world is changing rapidly, we must be ready to adapt our approach to aid delivery.

After the overwhelming response to Typhoon Haiyan (2013), the Philippines government increasingly preferred aid organisations with an in-country office. Established in 2017, ShelterBox Operations Philippines (SBOP) is a locally registered NGO that meets government requirements and makes ShelterBox more able to respond after disasters in this country. Our UK headquarters continue to lead Philippines responses, but without the need to organise international logistics and import permissions. In the wake of two 2018 typhoons, we reached 2,000 families in remote communities more quickly and effectively.

At the end of the year, SBOP recruited its first staff members, who have already been closely involved in distributions and evaluation after Tropical Storm Usman.

Meanwhile in Kenya, a countrywide ban on single-use plastics delayed our aid delivery. As well as finding tactical solutions for supply and disposal, our experience has led to a new project with Habitat for Humanity and other actors, which looks at reducing single-use plastics in shelter aid delivery.

SHELTERBOX IMPACT IN SOMALILAND

 **88%**
SLEPT BETTER

 **100%**
FELT PROTECTED
FROM THE WEATHER

 **97%**
USED WATER CARRIERS
TO GET CLEAN WATER

*based on a sample of 286 people who received our aid



Sulawesi, Indonesia, November 2018. Fatnizar restarts her sewing business in the porch of her ShelterBox tent.

Indonesia

The summer and autumn of 2018 hit Indonesia hard. In late July and early August, a cluster of earthquakes and aftershocks devastated the island of Lombok. Working in partnership with Rotary, we supported the government-led response to deliver emergency shelter and essentials, such as mosquito nets and solar lights.

During post-distribution monitoring, 91% of respondents agreed their shelter had protected them from the rain, and 80% said that emergency shelter helped them return to their own land.

And we know that we reached people in more vulnerable positions – 72% of families surveyed included a pregnant or breastfeeding mother, and a further 22% were older people living alone.

Late September saw another series of earthquakes, the strongest of which triggered a tsunami in Sulawesi. Landslides and liquefaction caused more damage and cut off thousands of people from their homes and livelihoods. The immediate aftermath left 200,000 homeless.

In complex operating circumstances, our logistics and response teams worked hard to reach people in remote communities in the Lindu region – in areas still inaccessible by road one month after the earthquake. With help from the Indonesian disaster management agency (BNPB), we brought aid in by helicopter and reached over 600 families with tents and other items.

Rotary partnerships were central in both these responses, ensuring that we worked effectively with government and local agencies. See more on page 16.

Middle East

The end of 2018 marked a stark anniversary – the sixth year of ShelterBox support in Syria. Although the political situation has been shifting as ISIS retreats, there are still 13 million people in need of humanitarian aid (OCHA, December 2018).

The security situation prevents ShelterBox from sending teams directly to Syria, so we are ever-grateful to our partners on the ground – Hand in Hand for Aid and Development, Bahar Organization and ReliefAid. Through them we can reach the most vulnerable people, who have less capacity to recover without help. Families who have had to move multiple times, for example, can find their resilience eroded with every upheaval. Following a project to help families with winter shelter in Syria, we found that 80% of them had been displaced at least twice since the conflict started.

In neighbouring Iraq, ongoing violence between armed groups and government forces has left over 3 million people displaced within the country. ShelterBox has supported almost 12,000 families since the Mosul offensive in 2016.

Through our partner ACTED, we helped over 500 families in northern Iraq, in areas that have only recently become accessible. Distributions were hampered by flash floods, but the team persevered and supplied kits to repair and waterproof damaged homes. We also provided essentials like mattresses, water carriers, and solar lights.

Lake Chad Basin

The displacement and malnourishment of millions of people in this region, fuelled by Boko Haram violence, continued through 2018.

Tailoring our response and aid items to the needs of each community, we delivered items such as tarpaulins, tents, solar lights and water carriers. We supported 3,450 families in Chad, 3,360 in Niger and 1,480 in Nigeria.

In Cameroon we reached 4,000 families. During evaluation interviews in the north of the country, 99% of the women we spoke to said they felt safer inside their shelters after receiving a solar light.

Shelter is more than tents and tarpaulins. It's a process of recovery.

How do we know if we're contributing to the recovery process? We return to communities in the months after a disaster and ask how our aid has made a difference.



WE DESIGN MEASURES



**PROTECTION FROM
THE ENVIRONMENT**



**HELPING FAMILIES
TO RETURN/TO
STAY AT HOME**

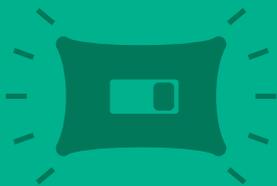


**EMOTIONAL
AND PHYSICAL
WELLBEING**



**REACHING THE
MOST VULNERABLE**

WE COMPILE DATA



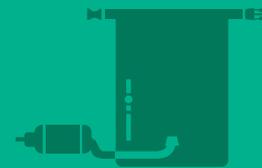
99%

**OF WOMEN INTERVIEWED
IN CAMEROON FELT
SAFER IN THEIR SHELTERS
BECAUSE OF SOLAR
LIGHTS**



80%

**OF FAMILIES INTERVIEWED
IN LOMBOK SAID
EMERGENCY SHELTER
HELPED THEM RETURN
TO THEIR LAND**



95%

**OF FAMILIES INTERVIEWED
IN SOMALILAND
USED FILTERS FOR
SAFE DRINKING WATER**

WE USE THE RESULTS



The data and stories we gather are vital to improving every future response. Our evidence-based approach can also be a powerful tool in building relationships with local partners.

“Data opens doors – after Storm Usman, impact reports from previous Philippines responses reassured community leaders that our aid could make a difference now.”

Dave Raybould, ShelterBox Operations Team

review of 2018 – Hope & Strength

In 2018, we commissioned a series of photographs to raise awareness of the hope and strength found in the communities we support.

Four leading photographers – Olly Burn, Tom Stoddart, Veronique de Viguerie and Dougie Wallace – travelled with ShelterBox to meet people recovering from disaster.

They met families living through severe drought in Somaliland, devastation in the British Virgin Islands, and Rohingya families living in the refugee camps in Bangladesh.

In circumstances often defined by violence and tragedy, these families showed courage, determination and resilience. The photographs capture the power people possess to carry on and rebuild their lives.

The exhibition launched at a London gallery space in March 2018, and was seen by more than 2,000 visitors to our Visitor Centre at the end of the year. Coverage in BBC and *The Guardian* online galleries, combined with a related BBC Radio 4 appeal, reached more than 7 million people.

“
These are family moments you have to cherish, especially when you have lost everything. I think hope and strength is all over these camps.

Veronique de Viguerie



Bangladesh. A family try out their new solar light in a Rohingya refugee camp. Photo: Veronique de Viguerie.



“

I've seen how shelter is more than just a roof – it's a home, it's the foundation for life, for families and communities.

Tom Stoddart



Four photographers contributed images to the Hope & Strength series (clockwise from below): Olly Burn, Somaliland; Veronique de Viguerie, Bangladesh; Dougie Wallace, British Virgin Islands; Tom Stoddart, Bangladesh.



review of 2018 – Fundraising Report

In 2018 we have continued to invest in fundraising activity that will help us to grow long-term, sustainable income. We have focused on improving our reach, building our supporter base and developing enduring relationships with a wide range of supporters.

Insights from research, panel feedback and campaign data underpin all our decisions, helping us to attract more donors and give our existing community the information and support they need.

Fundraising

In a challenging year for fundraising, we continued to grow our income and our donor base. Our total income was £11.8m against a target of £12.9m, following results from major and institutional donors that were lower than expected.



£4.5 million
individual donations

Individual donations

This was a strong area of performance, with income (including legacies) £500,000 over target at £4.5m. We continued to put significant focus on increasing and engaging with our supporters in 2018, expanding the team to accommodate a growing programme of campaigns. We've also designed more varied supporter communications, like our new magazine *Beyond the Box*.

Existing campaigns performed well (our Christmas appeal brought in over £225,000), and we developed new products to encourage regular giving. *Book Club*, launched in October, moves away from traditional ideas about charitable giving and taps into the subscription box trend. It has received significant media coverage, both in charity sector press and consumer publications, and a membership of over 1,000 in its first months.

Community and events

In 2018, our events programme saw ShelterBox supporters lining up for challenges such as the Brighton Marathon and Ride London, or meeting us at festivals including WOMAD and Ramblin Man.

We invested in our team to develop and strengthen relationships with key audiences, including volunteers and Rotary. And we put plans and resources in place that keep supporters at the heart of our events and fundraising campaigns. Alongside our annual Shine for ShelterBox event, we have developed new fundraising ideas such as Give a Tent for Lent, which will engage new audiences with our charity's work in relevant, meaningful ways.

Volunteers

We remain indebted to our amazing volunteers, who raise awareness and funds in a variety of ways across the UK. They reached an estimated 98,000 people last year through speaking engagements, festivals, community events and fundraisers, an increase of over 15% on 2017.

In 2018 we continued to invest in our relationship with volunteers, so that we can harness their skills and experience more effectively.



Volunteers reached
98,000 people

A new Volunteer Development Manager and Volunteer Outreach Officer are now providing volunteers with all the tools and information they need.

We redesigned our steering committee into a Volunteer Liaison Group, a dedicated group of volunteers from a range of roles and UK locations, who give feedback, contribute ideas, and act as an additional support to our volunteer network.



Toronto, June 2018. Delegates meet ShelterBox at the Rotary International Convention.

Awareness

We have worked hard to grow our digital audiences in a year when changes to Facebook and Google AdWords have made visibility much harder. We have increased our digital reach by 109% and our digital leads by 189%. We've done this by focusing on the digital potential of our individual giving campaigns, and by reacting more quickly when high-profile disasters hit.

We have created more engaging content for our channels than ever, focusing on powerful stories of families affected by disaster, compelling updates from volunteers on the ground and relevant, shareable information when disasters strike.

Hope & Strength (see pages 12-13) was a major PR project to raise awareness of ShelterBox and the families we support. Media coverage reached 4 million people, and a related BBC Radio 4 Appeal fronted by photographer Tom Stoddart reached a further 3 million, raising over £31,000.



*£31,000 raised
by Radio 4 Appeal*

Monitoring our fundraising activities

ShelterBox is a member of the Institute of Fundraising (IoF). Our voluntary registration with the Fundraising Regulator confirms our commitment to the standards of its Code of Fundraising Practice and Fundraising Promise. We are careful to design fundraising that is not intrusive, persistent or putting anyone under undue pressure to donate.

Our Vulnerable Persons policy sets out clear processes for staff and volunteers to ensure that all potential donors have the capacity and support to make an informed decision about giving to ShelterBox.

Training to support this policy emphasises that all our interactions are respectful, fair, responsive and accountable.

By handling complaints effectively, we remain accountable to our supporters and able to improve our processes in future. In 2018 we received 80 complaints related to fundraising activity (91 in 2017). We encourage any supporters with questions about our fundraising to contact us, and we give clear details about our income, spending and impact on our website.

Fundraising in partnership

Through Rotary International and our 17 affiliates, ShelterBox is very fortunate to have a committed community of fundraisers and advocates worldwide. We focus on these relationships over the page.

review of 2018 – Partnerships in focus

Rotary International

We are proud project partners with Rotary International, a global community of 1.2 million people of action. Together we can support more communities in desperate need of shelter.

Rotarians support us in so many ways, from raising awareness and funds to providing practical support during disaster responses.

Rotary clubs worldwide raised £3.97m in 2018. A major highlight was the epic trek of Rotarian and ShelterBox volunteer Colin Bell, which went viral on Facebook and raised more than £25,000.



£3.97m raised
by Rotary clubs worldwide

We improved our support for Rotary clubs engaging with ShelterBox throughout the year. We met and thanked supporters at the International Convention in Toronto and 23 UK district conferences, while a newly developed Action Toolkit gives Rotarians everywhere the tools to support this vital partnership.



658 families
helped in Lombok

Whenever disaster strikes, Rotary is beside us – from the earliest planning stages to final evaluations, our partners help us to make contacts on the ground, organise logistics, and reach remote communities who might otherwise go without.



ACE'S STORY

Ace Robin, President of the Mataram Rotary Club, was caught up in the deadly earthquakes that hit Lombok in 2018.

Her home survived, but many around her were destroyed. Through an agreement with the government-led response, Ace's club were central to bringing ShelterBox aid to Indonesia and reaching vulnerable families.

“I was in the house by myself when the earthquake hit. For the first time in my life I thought everything would finish. Working with ShelterBox taught us a lot – they showed us how to build shelter and select families to help. It also gave us a chance to show what Rotary is to local people.”



Indonesia, December 2018. Ace with fellow Rotarians who helped shelter families in Lombok.

ShelterBox affiliates

ShelterBox has affiliates in 17 countries, a strong fundraising network that has evolved from Rotary relationships worldwide. Their contribution to our mission cannot be understated.

In 2018, funding from affiliates accounted for 42% of our total income, with an exceptional £3.18m from ShelterBox USA alone. We simply could not help the growing number of families we need to reach without their time, commitment and skill.

World events often led to increased engagement with our affiliates – they saw significant spikes in donations around high-profile natural disasters,

and the ShelterBox nomination for the Nobel Peace Prize provided a talking point to further raise awareness of our work.

With affiliate organisations run entirely by volunteers or a very small staff, we have invested in better support for them across 2018. Almost all affiliates attended the International Fundraising Conference in September, where we shared ideas and plans to involve affiliates more closely in future campaigns. They also had time to connect with UK staff at our headquarters and visitor centre in Truro.



ERIK'S STORY

Erik Elsea solo paddled the length of the Mississippi River to raise money for ShelterBox.

He had the support of local Rotary clubs along the way – in exchange for a talk, they offered him a hot meal and a bed. But most nights were spent sleeping in his tent near the river. With fundraising advice from ShelterBox USA, Erik raised £52,000 towards emergency shelter aid.

 **2,552 miles**
raising £52,000

'As a realtor, I know how important a home and a community is, especially when you don't know where you're going to live in the immediate future. With 85 million people displaced around the world, emergency shelter is needed now more than ever.'

review of 2018 – Finances

Financial performance

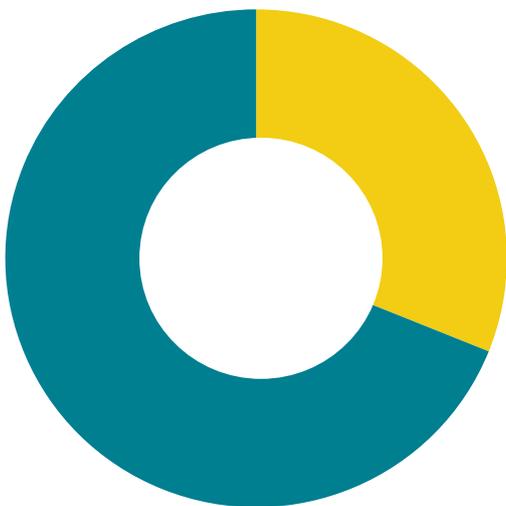
After substantial revenue growth in 2017, our income fell back a little in 2018. Total 2018 income amounted to £11.8m, which was 9% lower than our £12.9m target and 4% down on 2017.

This income result reflects mixed performance across different revenue streams. We were very pleased with the continued success of our individual giving programme, which exceeded its targets in a challenging year for the sector. Income from our international affiliate network also remained strong, representing 42% of our total income for the year. However, fundraising from institutional donors – a new area for ShelterBox – didn't produce the results we expected in 2018, and UK income from major donors was not as strong as we had hoped.

Expenditure totalled £15.9m in 2018. This was £1.4m lower than budgeted, largely because we controlled our expenditure in response to the lower-than-expected income. However, through careful use of funds accumulated in earlier years, we were still able to increase spending by 15% over 2017 levels, including £11.0m on charitable activities – the highest annual figure since 2011 (the year after the Haiti earthquake). We continue to invest in building long-term, sustainable revenue streams, such as developing new fundraising products, and running outreach programmes to grow the number of ShelterBox supporters.

We need to invest now, so that we can fund a greater number and scale of disaster responses in future, while also making our future income more predictable. In total, we spent £4.8m on raising funds in 2018, which represented 30% of total expenditure.

We are committed to keeping our governance and support costs as low as possible. We spent £2.1m on these essential costs, which are apportioned between charitable spend and cost of fundraising.



Our affiliate network brought in 42% of our total income

The 2018 net deficit of £4.0m was slightly lower than the £4.2m deficit that we had budgeted for. This was the last year in our planned programme of annual deficits financed from our reserves, and we expect to move close to a break-even budget in 2019.

TOTAL EXPENDITURE: £15,857,000

Reserves

Our Reserves policy is designed to balance the needs of future and current beneficiaries, ensuring that reserves levels are sufficient to cover day-to-day activities, absorb setbacks and respond to change and opportunity.

The policy identifies three main needs:

- working capital
- unforeseen liabilities
- protection against income downturns.

Each need is quantified and an assessment is made of the likelihood of more than one need arising simultaneously. We then calculate the level of reserves appropriate for the forthcoming year.

These needs have been assessed, and our reserves target is £2.5m, with a tolerable range of £2m to £3.5m.

At the end of 2018 our total funds were £10.3m, of which:

- £2.9m was restricted funds
- £2.7m was held in unrestricted designated funds
- £0.4m was represented by fixed assets
- £0.2m was committed to purchasing aid materials.

The resultant 'free reserves' of £4.1m were £0.6m higher than the upper policy level of £3.5m, reflecting the slightly lower-than-budgeted 2018 deficit. We have budgeted a deficit (where expenditure slightly exceeds income) in 2019, which aims to bring free reserves within the policy range by the end of 2019.

The trustees consider that there is an expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and, for this reason, they continue to adopt the going concern basis in preparing the financial statements.

“
In a challenging year for the sector, careful use of funds enabled us to spend £1.6m more on charitable activities than in 2017.



LOOKING AHEAD

Our vision

We believe in a world where no family is without shelter.

ShelterBox is helping more families every year. We are in a good position, but after a period of rapid growth, we need a phase of focus and consolidation.

In recent years we've had a challenging ambition: to provide shelter for 1 million people every year by 2025. That ambition has driven us to almost double both our sustainable income and staff numbers since 2016.



Philippines, May 2018. Children play next to tents delivered to families after Tropical Storm Kai-tak (known locally as Urduja).

We know that fundraising in the UK may become harder with current economic uncertainties. That emergency shelter needs will continue to grow year-on-year. That the humanitarian world and the needs of the families we help will continue to change rapidly. And that we must continue to adapt our approach to reach as many families as possible with the best support to help them recover.

We have revised our strategy to ease the pace of growth towards our ambition. We will focus instead on consolidating key foundations, securing the quality and sustainability of our work before the next ambitious phase.

The passion and belief of our volunteers, staff and affiliates will give us a strong platform for the future.

Objectives 2019-2021

1. Increase our reach and impact to our beneficiaries

We want to do more and reach more people, but we also want to do so in the most effective way possible.

We will define and implement clear operating models to deliver aid. When working through local partners we will consider not only our due diligence and duty of care, but how we support and build their capacity.

We will deliver more aid, at the right time, that meets the needs of the families we help. We will have preparedness strategies in place for countries where we can have the greatest impact.

We will strengthen our valuable monitoring and evaluation programme, by analysing the impact measures in our Theory of Change.

2. Create a global community of supporters

Building our global community of supporters will help us to achieve a balanced mix of sustainable income and wider awareness.

Our affiliates and fundraising teams are critical to this – we will bring everyone together to create global fundraising and communications strategies, with appropriate structures to support them.

As fundraising works differently across the globe, the strategies will use an insight-led audience programme to drive innovation and enable consistent, tailored brand messaging.

We will develop a programme funding strategy, which will help us to fund both a breadth of responses and the development work needed to do this well.

3. Create a high-performing organisation

We will build an efficient, effective organisation driven by its values.

We need an infrastructure that can keep pace with our continuing growth. We will develop an integrated strategy for both staff and volunteers, which includes learning and development, recognition and performance management.

ShelterBox will have a global organisational culture, driven by our core values.

We have strengthened our safeguarding provision, and will continue to work on a robust health, safety, security, environment and ethics (HSSEE) provision. We commit to meeting Core Humanitarian Standards (CHS) to improve the quality and effectiveness of our disaster assistance, and to the recommendations of a security audit.

Improved data management systems will help us make more informed decisions, and improve the consistency and accessibility of ShelterBox information.

4. Extend our reach and fundraising potential using our strategic partnerships

We will grow a community of partners for delivery, support and organisational development.

We will develop our valued, long-term strategic partnership with Rotary International. We will build engagement at international, club and district levels, as well as engaging with youth members through Rotaract.

We will maximise the impact of our operational partnerships with Habitat for Humanity and the International Federation of Red Cross and Red Crescent Societies (IFRC).

A community of mutually beneficial partners, who have relevance to the emergency shelter sector, will help drive innovation and sector development.



Kenya, 2018. Women give feedback about the aid and training they received.

“ A world where no family is without shelter

The ShelterBox vision

PRINCIPAL RISKS AND UNCERTAINTIES

Our trustees have identified and reviewed the major risks to which the charity is exposed, and have established systems to mitigate these.

The ShelterBox board monitors internal controls and procedures, along with the effectiveness of these controls, and as a result have not employed an internal auditor.

The board also monitors the independence of our external auditors with reference to common practice and sector guidance.

Major risks

The main risks identified and the measures taken to mitigate them are:

Risk: Reduction in income, leading to a shortfall against committed expenditure.

Mitigated by: diversification of income sources, development of fundraising capacity, monitoring potential impact of the UK's departure from the EU and maintenance of adequate financial reserves.

Risk: Serious operational incidents (unlawful detention, serious injury etc).

Mitigated by: response team training, deployment evaluation and critical incident management training.

Risk: A safeguarding incident involving beneficiaries, volunteers or staff.

Mitigated by: an organisational Safeguarding policy is in place, continually reviewed and updated, alongside training for volunteers and staff. External safeguarding audit held in Quarter 4 of 2018.

Risk: Reputational damage, leading to a loss of stakeholder support and income.

Mitigated by: adoption of, and adherence to, clear values, operating to internationally recognised humanitarian standards, compliance with fundraising guidelines, training of staff and volunteers and monitoring and evaluation.

Safeguarding

In light of recent events in the sector, we undertook a comprehensive safeguarding review in 2018. We identified a number of potential incidents occurring before 2013. These did not involve the families we help and it was not considered that any of them required reporting to the Charity Commission as serious incidents.

In a commitment to honesty and transparency, this year we reported these incidents to the Commission and, after review, the case was closed. A further independent review of ShelterBox's safeguarding procedures was completed in December 2018.

The consultant found that ShelterBox is fully committed to safeguarding with the budget and leadership in place to ensure our staff, volunteers, partners and the families we support are kept safe. Recommendations in the report will ensure that we are at the forefront of good practice in the NGO sector.



Some time to play for children in a refugee camp in Bangladesh. Photo: Tom Stoddart



STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

ShelterBox is a registered charity and a company limited by guarantee.

It is governed in accordance with its Articles of Association, which also set out its objects and powers. Each member of the charitable company undertakes to contribute £1 in the event of the company being wound up. There were 9 members at 31 December 2018, each of whom was also a trustee; they have no beneficial interest in the company. The company number is 4612652 and the charity number is 1096479.

ShelterBox is governed by a board of volunteer trustees.

The board is responsible for providing overall policy direction and for overseeing the management of the charity's affairs in accordance with its mission. The board is also responsible for compliance with UK charity and company statutory requirements.

Trustees are appointed, elected or re-elected for a fixed term in accordance with the Articles of Association. New trustees participate in an induction programme, covering all aspects of the role and the organisation, while trustee training and development is provided at quarterly board meetings and external conferences. The board continually monitors its composition and effectiveness of decision-making.

The trustees then delegate the day-to-day running of the organisation to the chief executive and executive team.

Designated trustees and managers serve on committees, which meet quarterly and have terms of reference approved by the board. There are currently three committees, the Finance and Fundraising Committee; the Operations Committee and the Audit, Risk and Compliance Committee. The decisions made by the trustees are predominantly at a strategic level, whilst the committees provide further scrutiny within their respective areas.

A wholly owned subsidiary, ShelterBox Trading Limited, undertakes certain trading activities relating to ShelterBox. The scale of the subsidiary's activity during the year was small, and therefore consolidated financial statements have not been prepared on the basis of the subsidiary's immaterial size.

ShelterBox Operations Philippines Inc, is a non-stock, non-profit company registered in the Philippines as a deemed a subsidiary, by virtue of ShelterBox Trust appointing the majority of the members of the company, and undertakes charitable activity in the Philippines.

Public benefit

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

This report includes examples of ShelterBox's activities that illustrate how our work contributes to our charitable aims and the significant benefit it brings to communities around the world.

Volunteers and staff

During 2018 the human resources department continued to develop and implement people strategy, policies and best practice.

We supported significant recruitment, successfully filling 45 new and replacement roles, and have continued to contribute to organisational development. We are working towards a best-in-class organisational culture, which retains, develops and attracts talented people. Our aim is for ShelterBox to become an employer of choice within the sector.

Without the support of more than 140 voluntary ShelterBox response team members and hundreds of other volunteers who fulfil a number of vital roles, such as helping with fundraising, administration, speaking events and in the Visitor Centre, ShelterBox would be unable to operate. Due to the scale and variety of work carried out by volunteers, it is not practicable to attach a value to this contribution.

Key management salaries are benchmarked against similar roles in the sector and set within permitted bands in accordance with the ShelterBox pay structure.

Disclosure to auditor

The trustees in office at the date of approval of this Trustees' Annual Report confirm that, so far as they are each aware, there is no relevant audit information of which the charity's auditor are unaware and each trustee has taken all the steps they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor are aware of that information.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

Somaliland, March 2018. Families were forced from their homes following a severe drought.



STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of expenditure over income for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 2006.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

James Sinclair Taylor
Chair of Trustees

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

- James Sinclair Taylor (Chair, appointed 4 December 2018, previously Vice Chair)
- Dr Rob John OBE (Chair, retired and resigned as trustee 4 December 2018)
- Claire Goudsmit (Vice Chair, appointed 4 December 2018)
- Robin Bayford FCA (Hon. Treasurer)
- Richard Bland
- Bill Decker
- Michelle Jeuken
- Shekhar Mehta
- Lydia Poole
- Greg Thacker

Executive team

- Interim Chief Executive Officer – Caroline White (appointed 3 December 2018)
- Chief Executive Officer – Chris Warham (resigned 15 November 2018)
- Director of Operations – Darren Moss
- Director of Fundraising and Communications – Robyn Cummins (appointed 20 July 2018)
- Director of Fundraising and Communications – Richard Lee (resigned 24 May 2018)
- Director of Finance – Michael Johns
- Head of Legal and Risk – Stephen Branfield
- Head of Human Resources – Kevin Orchard (role moved to Executive team November 2018)

Auditor

KPMG LLP
Plym House
3 Longbridge Road
Plymouth
PL6 8LT

Registered office and Principal office

Falcon House
Charles Street
Truro
TR1 2PH

Company number

4612652

Charity number

1096479

Legal advisers

Foot Anstey LLP
Senate Court
Southernhay Gardens
Exeter
EX1 1NT

Withers LLP
16 Old Bailey
London
EC4M 7EG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHELTERBOX TRUST

Opinion

We have audited the financial statements of ShelterBox Trust (“the charitable company”) for the year ended 31 December 2018 which comprise the statement of financial activities, balance sheet, cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company’s affairs as at 31 December 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the trustees, related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the charitable company’s future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the charitable company’s future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company’s financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (“the going concern period”).

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements.

In our evaluation of the trustees’ conclusions, we considered the inherent risks to the charitable company’s business model, including the impact of Brexit, and analysed how those risks might affect the charitable company’s financial resources or ability to continue operations over the going concern period.

We have nothing to report in these respects. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor’s report is not a guarantee that the charitable company will continue in operation.

Other information

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the strategic report and the Chair's statement for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 26, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error; assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

**Andrew Gordon (Senior Statutory Auditor)
for and on behalf of KPMG LLP,
Statutory Auditor**

Chartered Accountants
Plym House
Plymouth
PL6 8LT

3 May 2019

FINANCIAL STATEMENTS

Statement of financial activities for the year ended 31 December 2018

		Unrestricted funds	Restricted funds	Total Funds	Unrestricted funds	Restricted funds	Total Funds
	Note	2018 £000	2018 £000	2018 £000	2017 £000	2017 £000	2017 £000
Income from							
Donations and legacies	2	7,045	4,191	11,236	8,581	3,146	11,727
Charitable activities		522	-	522	575	-	575
Investments		25	-	25	15	-	15
Other income		31	-	31	44	-	44
Total		7,623	4,191	11,814	9,215	3,146	12,361
Expenditure on							
Raising funds	3	4,730	83	4,813	4,171	81	4,252
Charitable activities	3	6,805	4,239	11,044	6,419	3,070	9,489
Total	3	11,535	4,322	15,857	10,590	3,151	13,741
Net resources expended before other recognised gains and losses and Net movement in funds		(3,912)	(131)	(4,043)	(1,375)	(5)	(1,380)
Reconciliation of funds							
Total funds brought forward		11,337	3,005	14,342	12,712	3,010	15,722
Total funds carried forward		7,425	2,874	10,299	11,337	3,005	14,342

The statement of financial activities incorporates the income and expenditure account. There were no items of other comprehensive income in either the current or preceding years. All income and expenditure is derived from continuing operations.

The accompanying notes form part of these financial statements.

Company number 4612652

Charity number 1096479

Balance sheet as at 31 December 2018

	Note	2018 £000	2017 £000
Fixed assets			
Tangible assets	9	373	380
Investments	10	1	1
		374	381
Current assets			
Stocks	11	4,059	4,508
Debtors	12	530	784
Short term deposits	13	5,182	7,975
Cash at bank and in hand	13	1,614	1,922
		11,385	15,189
Creditors: amounts falling due within one year	14	(1,460)	(1,228)
Net current assets		9,925	13,961
Net assets		10,299	14,342
Charity funds			
Restricted funds	15	2,874	3,005
Unrestricted funds - designated	15	2,723	6,256
Unrestricted funds - general	15	4,702	5,081
Total funds		10,299	14,342

The financial statements on pages 30 to 45 were approved by the Trustees on 20 March 2019 and signed on their behalf, by:

James Sinclair Taylor – Chair

Robin Bayford FCA – Hon. Treasurer

The accompanying notes form part of these financial statements.

Cash flow statement for the year ended 31 December 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash (outflow)/provided by operating activities	17	(3,022)	(875)
Cash flows from investing activities			
Interest received		25	15
Proceeds from the sale of tangible fixed assets		2	647
Purchase of tangible fixed assets		(106)	(190)
Net cash provided by investing activities		(79)	472
Change in cash and cash equivalents in the year		(3,101)	(403)
Cash and cash equivalents brought forward		9,897	10,300
Cash and cash equivalents carried forward		6,796	9,897
Analysis of net cash and cash equivalents			
Cash at bank and in hand	13	1,614	1,922
Short term deposits	13	5,182	7,975
Net funds at the end of the year		6,796	9,897

Notes to the financial statements for the year ended 31 December 2018

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) effective 1 January 2015, the Companies Act 2006 and accounting standards.

ShelterBox Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

ShelterBox Trust is incorporated in United Kingdom (Company number 4612652) and is a registered charity in England, Wales and Scotland (Charity number 1096479). Shelterbox Trust's registered office is Falcon House, Charles Street, Truro, TR1 2PH.

The trustees consider that ShelterBox Trust has the ability to continue its operations for the foreseeable future and so these financial statements have been prepared on the going concern basis.

1.2 Consolidated financial statements

The charity and its subsidiary companies, ShelterBox Trading Ltd and ShelterBox Operations Philippines Inc, comprise a group. The charity has taken advantage of the option provided by section 405 of the Companies Act 2006 not to prepare consolidated financial statements for the group, on the basis of the subsidiaries' immaterial size. The charity's investment in the subsidiaries is stated at cost.

1.3 Fund accounting

Unrestricted funds are the funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds which have been set aside by the Trustees for particular purposes.

Restricted funds are funds which are to be used for specific purposes laid down by the donor. The costs of raising and administering such funds are charged to the funds.

Investment income and gains are allocated to the appropriate fund.

1.4 Income

Income is included in the statement of financial activities when the charity is legally entitled to the income, receipt is virtually certain and the amount can be measured with reasonable certainty. Income is only deferred where the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period. The specific policies adopted in relation to the main categories of income are as follows:

- Donations and grants, including from ShelterBox affiliate organisations, are recognised in the period in which they are receivable. Grants with conditions which must be fulfilled before the charity has unconditional entitlement to the grant are recognised only when the charity is certain the conditions can be met. Entitlement to legacies is treated as arising on the earlier of notification by the executors or receipt of the legacy.
- Income for the provision of goods and services as part of charitable activities, and which is receivable based on performance, is recognised as earned and is included within 'Income from charitable activities'.
- Gifts in kind, such as donated transport, are recognised where the benefit is quantifiable and the cost is borne by a third party. An equivalent amount is recognised as expenditure within the statement of financial activities.
- ShelterBox benefits from the support of many volunteers in an operational capacity as well as many other vital roles. In accordance with the Charities SORP (FRS 102), the economic contribution of volunteers is not recognised in these financial statements.
- 'Gift aid' tax claims are recognised as income when the donor's gift aid declaration is received.

1.5 Expenditure

Expenditure is recognised in the period in which it is incurred. Grants payable are recognised when a binding commitment has been made with a partner organisation. Expenditure includes any attributable VAT which cannot be recovered.

Expenditure on raising funds comprises the cost of seeking voluntary contributions, and it includes the costs of providing donors with information about the charity's work.

Expenditure on charitable activities comprises the resources applied by the charity in undertaking work to meet its charitable objectives, as opposed to the cost of raising the funds to finance these activities.

Expenditure incurred directly on particular activities is allocated to that activity. Support costs, including general management, budgeting and accounting, IT, human resources, premises and other administration costs, are apportioned to activities on a reasonable basis as explained in the notes to the financial statements.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. All expenditure of a capital nature exceeding £500 is capitalised. Depreciation is provided at rates calculated to write down the cost of each asset on a straight-line basis to its estimated residual value over its expected useful life. The depreciation rates used are as follows:

Fixtures, fittings and equipment	20%
----------------------------------	-----

1.7 Stock of disaster relief materials

Stocks are valued at the lower of cost and recoverable value. Cost is determined on a first in first out basis and includes all normal costs incurred in bringing the stock to its present location and condition. Recoverable value is the higher of value in use and net realisable value. Value in use is determined as the replacement cost of items of equivalent service potential. Provision is made where necessary for obsolete, slow moving and defective stock.

Stocks are removed from the balance sheet and charged to the statement of financial activities when distributed to beneficiaries.

1.8 Foreign currencies

Transactions denominated in foreign currencies are translated at the rate of exchange ruling at the date of the transaction or at a contract rate. Foreign currency balances are translated at the rate of exchange ruling at the balance sheet date and the resultant exchange rate differences are included in the statement of financial activities. Foreign currency forward contracts are initially recognised at fair value with changes recognised in the statement of financial activities.

1.9 Operating leases

Operating lease rentals are charged to the statement of financial activities on a straight line basis over the lease term.

1.10 Pensions

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds	Restricted funds	Total Funds	Total Funds
	2018 £000	2018 £000	2018 £000	2017 £000
UK donations, legacies and grants	5,783	427	6,210	6,680
Gift aid	560	-	560	582
Donations and grants from ShelterBox affiliate organisations	702	3,764	4,466	4,465
Total	7,045	4,191	11,236	11,727

3. EXPENDITURE

	Staff costs	Grants	Other attributable costs	Allocation of support costs	Total 2018	Total 2017
	£000	£000	£000	£000	£000	£000
Expenditure on charitable activities	1,706	1,175	6,807	1,356	11,044	9,489
Expenditure on raising funds	1,196	566	2,311	740	4,813	4,252
Support costs	988	-	1,093	(2,081)	-	-
Governance	-	-	15	(15)	-	-
Total	3,890	1,741	10,226	-	15,857	13,741

Support costs which cannot be directly allocated to activities are apportioned on the basis of estimated usage by those activities.

4. GRANTS PAYABLE

Grants are payable to partners in furtherance of the objectives of ShelterBox Trust.

		2018	2017
		£000	£000
Institution	Project		
Hand in Hand for Aid and Development	Syria Crisis	33	43
People In Need	Mosul Crisis	-	35
ICAHD	Lake Chad Basin Crisis	151	140
Chadian Red Cross	Lake Chad Basin Crisis	-	122
Habitat for Humanity	Peru Flooding	-	11
Bahar Relief Organization	Syria Crisis	116	249
Plan International	Lake Chad Basin Crisis	39	-
ACTED	Mosul crisis	187	319
IEDA	Lake Chad Basin Crisis	217	149
ACTED	Syria Crisis	-	32
ActionAid	Somaliland drought	29	14
ShelterBox Operations Philippines Inc	Office development/Philippines Operations	37	15
ReliefAid	Syria Crisis	5	49
IFRC	Bangladesh flooding	-	9
ACTED	Lake Chad Basin Crisis	362	138
ShelterBox USA	Affiliate network	496	228
Other aid organisations	Mozambique	-	2
Other ShelterBox affiliate organisations	Affiliate network	69	142
Total		1,741	1,697

5. NET RESOURCES EXPENDED

This is stated after charging/(crediting):

	2018	2017
	£000	£000
Depreciation of tangible fixed assets	113	98
Auditors' remuneration - audit	15	13
Operating lease rentals	243	245
Gain on disposal of fixed assets	(2)	(36)
Exchange rate (gain)/loss	(27)	24

6. TRANSACTIONS WITH TRUSTEES

Members of the board of trustees (who are also directors of the company) received no remuneration (2017: £Nil) for their services as trustees.

Four trustees received reimbursement of expenses for travel and subsistence amounting to £1,820 in the year (2017: two trustees £1,471).

Trustees' indemnity insurance was purchased at a cost of £1,580 (2017: £2,058).

7. STAFF COSTS

Staff costs were as follows:

	2018	2017
	£000	£000
Wages and salaries	3,401	2,757
National insurance costs	304	263
Company pension costs	126	106
Life assurance	1	6
Agency and seconded staff	28	32
Termination costs	30	11
	3,890	3,175

The average number of persons employed by the company during the year was as follows:

	2018	2017
	No.	No.
	120	104

The number of employees whose total benefits exceeded £60,000 was:

	2018	2017
	No.	No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	-	1
In the band £90,001 - £100,000	-	1
In the band £140,001 - £150,000	1	-

Payments of £2,467 (2017: £5,692) were made to the charity's defined contribution pension scheme for one employee (2017: two) whose annual emoluments exceeded £60,000.

Key management personnel are deemed to be the charity's executive team, consisting of six (2017: five) individuals. The services of the interim chief executive from 3 December 2018 were engaged through her consultancy company. Including amounts paid to that company, the charity's executive team received total emoluments in the year of £378,766 (2017: £315,175).

Termination costs were paid in full in the year and there were no outstanding or accrued amounts at the end of the year.

8. TAXATION

ShelterBox Trust is a registered charity, which applies its income for charitable purposes. As such, no provision is considered necessary for taxation.

9. TANGIBLE FIXED ASSETS

	Fixtures and fittings
	£000
Cost	
At 1 January 2018	1,002
Additions	106
At 31 December 2018	1,108

Depreciation	
At 1 January 2018	622
Charge for the year	113
At 31 December 2018	735

Net book value	
At 31 December 2018	373
At 31 December 2017	380

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings
	£000
Market value	
At 1 January 2018 and 31 December 2018	1

The investment relates to ShelterBox Trading Limited which is a wholly owned subsidiary that undertakes various trading and fundraising activities. Financial details relating to ShelterBox Trading Limited are set out in Note 21.

11. STOCKS

	2018	2017
	£000	£000
Held in the UK	258	1,078
Pre-positioned outside the UK	3,369	2,205
Aid in transit	432	1,225
	4,059	4,508

Stock of disaster relief materials is net of provisions of £344,445 (2017: £531,266). Amounts included in expenditure in the year can be seen in note 3.

12. DEBTORS

	2018	2017
	£000	£000
Trade debtors	-	140
Amounts due from ShelterBox Trading Limited	73	61
Prepayments and accrued income	403	372
VAT and Gift Aid	53	73
Other debtors	1	138
	530	784

13. DEPOSITS AND BANK/CASH BALANCES

	2018	2017
	£000	£000
Short term deposits	5,182	7,975
Bank current accounts and cash		
Sterling bank accounts	106	181
Foreign currency bank accounts	1,460	1,707
Cash	48	34
	1,614	1,922

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£000	£000
Trade creditors	430	559
Other taxation and social security	115	98
Accruals and other creditors	915	571
	1,460	1,228

15. MOVEMENT IN FUNDS

(a) Unrestricted funds

	Brought forward	Income	Expenditure	Transfers in/out	Carried forward
	£000	£000	£000	£000	£000
Designated funds					
Stock	3,172	-	-	(449)	2,723
Strategic	3,084	-	(3,084)	-	-
	6,256	-	(3,084)	(449)	2,723
General funds					
General funds	5,081	7,623	(8,451)	449	4,702
Total unrestricted funds	11,337	7,623	(11,535)	-	7,425

The Stock fund represents unrestricted 'paid stock', i.e. the book value of the charity's disaster relief stocks less associated trade creditors, excluding amounts held in other funds.

The Strategic fund represents funds designated for the purpose of planned future expenditure as part of the organisation's strategic plan.

15. MOVEMENT IN FUNDS (continued)

(b) Restricted funds

	Brought forward	Income	Expenditure	Transfers in/out	Carried forward
	£000	£000	£000	£000	£000
Restricted funds					
Emergency Supply	1,335	1	-	-	1,336
ShelterBox Disaster Fund	97	55	(152)	-	-
JTI Foundation	107	1	(108)	-	-
ADC	56	89	(140)	-	5
Affiliates fund	555	1,956	(1,396)	-	1,115
Other disasters	27	155	(82)	-	100
Syria and Iraq	66	544	(610)	-	-
SB Germany fund	230	410	(355)	-	285
Caribbean Hurricanes	421	10	(431)	-	-
Hurricane Harvey	111	55	(166)	-	-
Indonesia Responses	-	240	(240)	-	-
Lake Chad Basin	-	330	(297)	-	33
Somaliland	-	345	(345)	-	-
	3,005	4,191	(4,322)	-	2,874

The Emergency Supply fund is restricted to the holding of stock and its purpose is to allow the charity to hold sufficient stock levels.

The ShelterBox Disaster fund is a multi purpose fund, the use of which is restricted to stock holding, research and development, training and infrastructure development.

The JTI Foundation fund is for a variety of specified purposes including the provision of aid and operational capacity building.

The ADC fund is restricted to use for disasters in a number of specified developing countries.

The Affiliates fund comprises income received from ShelterBox affiliated organisations the use of which is restricted to disaster response.

The other Disaster Appeals are funds restricted for the purpose of responding to specific disasters.

The Syria and Iraq fund are funds restricted to responding to the Syria and Iraq crises.

The SB Germany fund comprises income received from ShelterBox Germany and is restricted to disaster response.

The Caribbean Hurricanes fund relates to the charity's response to the 2017 hurricanes in the Caribbean. Any surplus from the appeal may be used for general purposes.

The Hurricane Harvey fund relates to the charity's response to Hurricane Harvey. Any surplus from the appeal may be used for general purposes.

The Indonesia response funds relate to the charity's response in Indonesia following earthquakes and tsunami.

The Lake Chad Basin fund relates to responding to the Lake Chad Basin Crisis.

The Somaliland fund is restricted to use for the charity's response to the drought in Somaliland.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Total Funds	Total Funds
	2018 £000	2018 £000	2018 £000	2017 £000
Tangible fixed assets	373	-	373	380
Fixed asset investments	1	-	1	1
Net current assets	7,051	2,874	9,925	13,961
	7,425	2,874	10,299	14,342

17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018	2017
	£000	£000
Net movement in funds (as per Statement of financial activities)	(4,043)	(1,380)
Adjustment for:		
Depreciation charges	113	98
Interest received	(25)	(15)
Gain on the sale of fixed assets	(2)	(36)
Decrease in stocks	449	344
Decrease/Increase in debtors	254	(45)
Increase in creditors	232	159
Net cash outflow from operating activities	(3,022)	(875)

18. PENSION COMMITMENTS

The charity operates a defined contribution pension scheme. Contributions payable for the year were £126,000 (2017: £106,000). Outstanding contributions at the end of the year were £11,440 (2017: £9,887).

19. OPERATING LEASE COMMITMENTS

At 31 December 2018 the total of the Charity's future minimum lease payments under non cancellable operating leases was:

	2018	2017
	£000	£000
Amounts payable:		
Within 1 year	151	168
Between 1 and 5 years	178	29
Total	329	197

20. OTHER FINANCIAL COMMITMENTS

The amount of materials purchase orders contracted for at 31 December 2018 but not recognised in these financial statements was;

	2018	2017
	£000	£000
Materials purchases contracted for	203	943

21. SUBSIDIARIES

Subsidiary entities of ShelterBox Trust include ShelterBox Trading Ltd and ShelterBox Operations Philippines Inc.

- a. ShelterBox Trading Ltd was incorporated on 6 December 2009 (registration number 07096770) and conducts trading and fundraising activities with the intention of gifting its profits to ShelterBox Trust. The charity owns 100% of the subsidiary's issued share capital.

Financial details relating to ShelterBox Trading Ltd are as follows:

	2018	2017
	£000	£000
Assets	80	66
Liabilities	(79)	(67)
Net assets	1	(1)
Shareholder's funds	1	(1)

	2018	2017
	£000	£000
Turnover	39	16
Cost of sales	(22)	(1)
Administrative and other expenses	(9)	(12)
Charitable donation to ShelterBox Trust	(6)	-
Profit for the year	2	3

- b. ShelterBox Operations Philippines Inc. was incorporated in the Philippines on 23 June 2017 as a non-stock non-profit company (registration number CN201720528) with the purpose of providing emergency shelter to people affected by natural disaster or conflict. The company qualifies as a subsidiary by virtue of the degree of management and control exercised by ShelterBox Trust.

	2018	2017
	£000	£000
Assets (and funds)	275	15
Income	392	15
Expenditure	132	-
Net income for the year	260	15



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ShelterBox and Rotary International are Project Partners in disaster relief.
ShelterBox is a registered charity independent of Rotary International and The Rotary Foundation.