

ShelterBox Trust Annual Report 2014

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A message from Alison Wallace, Chief Executive and Dr Rob John OBE, Chair of the Board of Trustees

For ShelterBox, 2014 has been a year of innovation. In an unpredictable world, where disasters could strike at any time, ShelterBox has always been dedicated to meeting each new challenge with knowledge, preparation and flexibility. Nothing displays this better than our activity in 2014, the subject of this Annual Report.

In total, we responded to 28 disasters worldwide, ranging from wildfires and earthquakes to flooding and conflict. While the year was bookended by massive events, consisting of Typhoon Haiyan in the Philippines in November 2013 and major flooding crises in countries such as Malaysia and Malawi in January 2015, 2014 didn't include the large spikes of activity and income that have characterised previous years. However, the frequency and variety of the disasters in 2014 provided the chance to explore new ways of providing shelter to communities living under constant threat from extreme weather, as well as those that have been overwhelmed by conflict.

In February 2014, Alison visited the Philippines to see ShelterBox's work in the wake of Haiyan. The need was still huge, particularly on outlying islands, but we had recognised an opportunity to make a more permanent difference to these storm-ravaged communities.

We then embarked upon four projects in the country, partnering with other leading humanitarian organisations, to create stronger transitional shelter for communities frequently at risk from typhoons and cyclones. In these pioneering projects, which were made possible by the outpouring of generosity triggered by our Typhoon Haiyan Appeal, ShelterBox has been able to reach beyond emergency response towards repair and resilience. By introducing safer building practices using local building materials and encouraging the sharing of skills and knowledge, these projects aim to ultimately reduce reliance on a perpetual cycle of international aid.

During 2014, we also cemented our reputation as experts in international shelter, in line with our Strategic Plan, by adopting new practices and providing new, flexible additions to our range of aid.

The shelter kit joined our range of aid products, providing the tools to make a temporary shelter or repair an existing structure. We also developed a mobile phone app to capture information and feedback from beneficiaries and continued to streamline our procurement to make sure we deliver exactly what is needed in the field, as well as best value for every pound donated. External consultants reviewed our procurement and supply chain and we have appointed an experienced and senior procurement manager.

In a move that signalled a gear change for our organisation, new trustees were appointed to the Board, strengthening our legal, financial and fundraising expertise with three experts in these fields. This brings the total number of trustees to nine, and we welcome the strategic direction and strong governance this new combination will bring to help ShelterBox achieve its ambitions.

Planning for unpredictable circumstances will always be a business challenge and ShelterBox needs to be on constant standby for major call-outs, however in recent years we have seen a rise in a very different type of disaster.

ShelterBox is becoming a significant player in long-term, multi-agency, humanitarian responses to conflicts, such as those displacing millions of families in Syria and Iraq. These conflicts need a more constant and durable pace of response, extra creativity around the logistics of aid delivery, often through in-country partnerships, and heightened awareness of security issues to keep our people and partners safe. However, ShelterBox is steadfast in its desire to help families trapped in war zones, or on the run from bombs and bullets, and this report reflects our planning for these ongoing crises.

In 2014, we patiently negotiated the delivery of aid to families in war-torn Gaza, which was finally achieved in early 2015. Elsewhere, tents were given to refugees in Iraqi Kurdistan, children in Aleppo received school materials and we even helped in the war against disease by providing school materials to children who have been orphaned by the Ebola virus in Sierra Leone.

Being prepared for anything, anywhere, requires good planning and good friends. The work of ShelterBox would not be possible without the support of like-minded organisations and individuals, from suppliers, logistic specialists, the military and fellow charities, to our tireless volunteers, sponsors, donors and fundraisers.

We reach people in need by standing on strong shoulders. None stronger than our friends in Rotary, whose pre-eminence across the globe opens doors and cuts through red tape. From ShelterBox's foundation as a Rotary Millennium Project in 2000, to its recognition as Rotary's first and only official project partner in 2012, Rotary has provided invaluable support to ShelterBox. We are pleased to say that Rotary International has now extended this partnership into 2016, recognising that ShelterBox and Rotary together make a major force in humanitarian aid.

Thank you for your interest in this Annual Report, and in the work of ShelterBox.

Alison Wallace and Dr Rob John OBE



PHILIPPINES, Northern Samar, August 2014. Families move into ShelterBox tents following Typhoon Rammasun, which swept through the north of the Philippines with torrential rains and wind speeds of up to 180km. (Mike Greenslade/ShelterBox)



MALAWI, February 2015. Communities in Southern Malawi receive ShelterBoxes after some of the heaviest flooding in 40 years damaged and destroyed thousands of homes. (Bill Woodard/ShelterBox)



What we do

Floods, typhoons, earthquakes and civil wars rob families of one of the most fundamental human needs - a roof over their heads. For 15 years, ShelterBox teams have been delivering emergency shelter to communities shattered by natural disasters and conflict.

The equipment that we provide, in the form of tents and shelter kits, along with essential supplies such as tools, water filters and blankets, helps families through the immediate aftermath of a disaster. It gives them a secure place to be together. But beyond that, it is the platform on which they can start to rebuild their lives. It is the first step on the road to recovery.

Often, we are able to respond in the hours and days after a disaster. Sometimes, logistical challenges mean that it takes longer for our aid to get to affected communities, but wherever there is an un-met need for shelter, we will persevere.

We respond to high profile events, whether a natural disaster like Typhoon Haiyan in the Philippines or a conflict such as the civil war in Syria. ShelterBox also works in places which don't make the media headlines, where we are often one of very few international aid organisations on the ground. This is where our work sometimes has the most impact.

Above all, we never stand still. Whether we're developing a new type of tent or a better way to assess the effectiveness of our aid to ensure we are making the best possible use of our donors' money, we are always looking for ways to maximise the impact of our work on the lives of those who matter most - the families we help.

Chief Executive Alison Wallace said, *'What struck me first about ShelterBox when I joined the team in 2013 was its determination to have the greatest possible impact in the humanitarian shelter sector. It may be a relative newcomer as an aid agency, only 15 years old, but nonetheless it is keen to punch above its weight, and to help as many families as it possibly can. Alongside that steely determination comes a camaraderie, a professionalism, and a speed of reaction that belies its size.'*

'ShelterBox attracts good people, not just as staff, but also as selfless volunteers and enthusiastic supporters. It absolutely earns the respect and the backing of donors - from caring individuals to community groups to major corporates. ShelterBox also really succeeds in getting its aid from storage into the hands of beneficiaries at speed.'

'This is a sure-footed organisation, that knows what it is doing, has the courage of its convictions, and is growing in confidence with every year and every response.'

'The world is just a little safer and a little more compassionate because ShelterBox is always on standby to help if it can.'

NEPAL, October 2014. ShelterBox response teams work with the Nepal Armed Police Force to cross challenging terrain and reach remote communities overwhelmed by flooding and landslides. (David Hatcher/ShelterBox)



Strategic report

Review of 2014

Operational activity

Disasters such as floods, typhoons and civil wars are by their nature unpredictable and do not fit neatly into the confines of financial years.

So, in the world in which ShelterBox operates, simply comparing one year's numbers to another does not always tell the full story. 2014 was bookended with major events. The end of 2013 saw the start of one of ShelterBox's biggest ever responses, to Typhoon Haiyan. 2015 then began with several widespread flooding responses, in countries such as Malaysia and Malawi.

The year 2014 also ended with remembrance and resonance from the tenth anniversary of the 2004 Indian Ocean Tsunami, the event that marked the beginning of ShelterBox as we would recognise it today.

During 2014, ShelterBox responded to 28 disasters in 23 countries, providing more than 14,000 families across Asia, Africa, South and Central America and Europe with shelter and other essential items. Just as the geographic spread of our responses was wide, so was the variety of events which triggered them, from flooding and typhoons to civil war.

Natural disasters

The early part of 2014 was dominated by the continued response to Typhoon Haiyan, which had struck the central Philippines in November 2013. In the first three months of the year we distributed shelter for 4,165 families, bringing the the total numbers of households receiving aid to 7,276 over the course of the response.

In Bolivia meanwhile, a Rotarian partner drew ShelterBox's attention to the plight of families displaced by flooding in early February – a disaster that did not feature prominently in the media. In conjunction with Oxfam and World Vision, ShelterBox dispatched 445 boxes to the families affected.

February also brought flooding to Zimbabwe's Masvingo province. Despite difficulties resulting from strict government restrictions on our activity, ShelterBox worked with the International Organization for Migration to bring shelter to 1,308 households in the Chingwizi resettlement camp. Later in the year, we sent 40 SchoolBoxes to the camp, providing enough supplies for almost 2,000 pupils to continue with their education.

On the other side of the world, and in a very different climate, 448 Shelter Boxes were distributed in the Democratic People's Republic of Korea (DPRK) in the first few months of 2014 to house families displaced by flooding. The DPRK, known to most of us as North Korea, is one of the world's most closed societies and we felt particularly pleased to be able to find ways to assist ordinary people whose need was just as pressing as those in other countries.

In May, our attention switched back to Europe, specifically the Balkans. The worst flooding in decades in Serbia and Bosnia/Herzegovina led to our first ever deployment in the region. We provided 113 tents, and other items such as water filters and mosquito nets were distributed, demonstrating that even in developed countries, nature can overwhelm the capacity of a government to cope in the immediate aftermath of a rapid-onset disaster.

Our return to South America in June was not only our first ever deployment to Paraguay, where 20,000 people across six provinces had been affected by flooding, but it was the first response where the aid consisted exclusively of our new shelter kits. Many of the families needing assistance were living in shanty towns where the makeshift houses were packed so tightly together that tents were not a viable option. However, this proved to be the perfect environment in which to use shelter kits as the tarpaulins and fixings could be used to make houses watertight. A total of 488 kits were distributed, together with other



BOLIVIA, April 2014 Santa Ana. In early 2014, tens of thousands of people were forced from their homes across the northwest of the land-locked country of Bolivia. (Jon Berg/ShelterBox).

essentials, such as blankets and ground sheets. It was very gratifying to see one of the new items in our shelter toolbox make it possible to help where previously we would not have been able to.

Typhoons in the Philippines are, sadly, an annual occurrence and ShelterBox response teams found themselves back in the country in July when Typhoon Ramassun hit the Bicol region in the south east of Luzon island. We reached 1,034 households with a mix of ShelterBoxes, tents and shelter kits.

There was no respite as the summer wore on and August brought perhaps the most challenging response of the year so far, as monsoon rains in the northern part of the Indian sub-continent triggered flooding and landslides. The mid-west region of the mountainous country of Nepal was amongst the worst-affected areas, with 14,000 families displaced.

While the event quickly fell out of the headlines, it became clear to us that many remote communities in Nepal had not received any assistance. Damaged roads and collapsed bridges over swollen rivers presented formidable logistical challenges, but that did not prevent the ShelterBox response teams from reaching villages by tractor, 4x4 vehicles and on foot. Many stories emerged from this deployment but a typical example was of a team trekking 13 miles across rivers and around landslides to find 35 families living in the forest under tarpaulins after their homes had collapsed. This is what ShelterBox does best - working in places outside the media spotlight to get supplies to families in need who have received little or no other outside assistance. It is a source of great pride to us that ultimately 426 ShelterBoxes were distributed in these very challenging circumstances.

Tropical storms go by different names in different parts of the world, but the results are similar. In September, Hurricane Odile battered the Baja California peninsula on Mexico's west coast. As in Paraguay, the hardest-hit communities were living in an area which had no space for tents, so this was another situation tailor-made for the new shelter kits. We distributed 350, enabling families to make their homes habitable until permanent repairs could be effected.

November saw the second African deployment of 2014, this time in Niger, where 200 ShelterBoxes were distributed to assist families displaced by flooding. And the Philippines was back on our radar in December as Typhoon Hagupit traced a parallel track to that taken by Haiyan a year earlier. This time, the worst damage came in Eastern Samar in the central part of the country. However, we were able to provide enough shelter kits to give shelter to 994 families.

ShelterBox had been looking for opportunities to assist with the response to the Ebola outbreak in West Africa for some time and, in December, 10 SchoolBoxes were dispatched to an orphanage in Sierra Leone. Each containing stationery, pens and other supplies for 50 children, the boxes also carry equipment for teachers, such as wind-up radios and blackboard paint, which can turn any flat surface into a focus for learning.

As the year drew to a close, there was one more first for ShelterBox as we undertook our maiden deployment to Malaysia. At the end of December, the north east of the country was inundated with the worst flooding for some 50 years. Assessments continued into the new year.

Conflict

While natural disasters are always difficult from a logistical perspective, delivering aid in conflict zones adds yet another level of complexity. However, we continue to take on these challenges which we see as a vital part of our work.

The majority of our conflict-related efforts have, inevitably, been focused on the Middle East as the civil war in Syria ground on into its fourth year. Compounded by the rise of Islamic State, this has led to the displacement of 9 million Syrian civilians, 2.5 million



GAZA, January 2015. ShelterBox provides shelter for families that fled to rural areas of Gaza after the 50 day war, which destroyed around 100,000 homes. (Courtesy of ACTED)

of whom have crossed the borders into neighbouring countries. ShelterBox has been supporting Syrian refugees since December 2012 and has helped 6,077 households in that time across Jordan, Iraq/Kurdistan, Lebanon and in Syria itself.

Our most substantial regional effort last year in terms of aid volumes was in Kurdistan, the semi-autonomous region of northern Iraq which has become a safe haven for more than half of the 1.7 million Syrian Kurds and Iraqis fleeing the conflict. The images in August 2014 of the 40,000 Yazidi religious minority trapped on Mount Sinjar by fighters from Islamic State graphically illustrated the severity of the situation. The Yazidis who escaped from Islamic State fled to Kurdistan. The majority of ShelterBox aid has gone to the region around Dohuk, which has the largest concentration of displaced persons. In all, more than 1,700 tents were distributed in Kurdistan and other parts of Iraq in 2014.

In 2014, we continued to work with partners in Turkey and Iraq to get tents into Syria itself. Due to the hazardous nature of the situation, we do not deploy response teams in the area but rely on local organisations whose staff have on-the-ground-contacts, local knowledge and the ability to blend in. We send small aid shipments through these partners and then wait for verification of the distribution before preparing to send the next load. All told, 769 households inside Syria received tents and shelter kits in 2014.

Meanwhile in Lebanon, where refugees now comprise some 25% of the population, we continue to work with partner agencies. In 2014 we supplied a further 500 tents, together with other items.

Elsewhere in the Middle East, July's renewed fighting in Gaza between Hamas and Israel left thousands homeless. Our efforts to assist were hampered by restrictions on the importation of materials into the enclave and by the fact that Gaza is a densely populated urban area, making deployment of tents difficult. Our persistence finally paid off, however, and after we found suitable sites for tents in more rural areas of the territory, the first 250 Shelter Boxes arrived in 2015.

Other less well known conflicts also drew our attention. In South Sudan, the world's newest nation, 836 ShelterBox relief tents were distributed to families displaced by ongoing ethnic conflict. Meanwhile, in Pakistan's Kyhber Pakhtunkhwa region, which has been affected by civil unrest, 496 families received tents in November.

The Ukrainian conflict was a fixture in media headlines throughout 2014 and personnel were dispatched to assess whether ShelterBox could be of assistance. Although we decided that further immediate action was not appropriate, we have made contacts which will prove valuable should the conflict intensify in 2015. This is a good example of the work that goes on constantly behind the scenes to lay the groundwork for deployments.

The changing face of ShelterBox

Exploring new ways to respond to shelter needs

ShelterBox's brief history is marked by frequent innovation, and we are constantly looking for opportunities to improve the way we respond to emergency shelter needs. 2014 was no exception, and under the auspices of our new development department, we continued to expand the range of shelter options we can offer.

Over the last two years, our familiar dome-shaped family tent has been supplemented with four other offerings. The first of these is the Midi Tent, a smaller version, which is used in locations where space is at a premium or where shelter is required for a shorter period. At the other end of the size and weight spectrum, some deployments call for the use of larger United Nations specification tents. They are very hard-wearing and, critically, more 'generic' than our branded dome tents. This is important in situations where we need to blend in, for example in larger camps where we are often working with partners who are also using UN tents. These are the types of tent that have been deployed in large numbers in Kurdistan, Lebanon and Syria.

We used the Flex 3, another dome-style tent similar to the disaster relief tent, for the first time in 2015. With an insulated hole to accommodate a stove chimney, the Flex 3 is suited to colder climates. That made it ideal for use in our deployment to the Democratic People's Republic of Korea (DPRK) where there was snow on the ground in many of the affected areas. Finally, our Oase tent is another alternative, offering a larger porch area and a different window configuration to provide better cooling in hot climates.

While tents remain at the heart of our emergency shelter equipment, there are some situations where other solutions are more appropriate. Sometimes there is simply no room for even our smallest tent, while in other disaster areas, houses may have lost their roofs but be otherwise structurally sound. This was the impetus behind the introduction of the shelter kits, which we began to use in 2014.

The kit, which contains plastic sheeting, basic tools, rope and fixings, enables a family to build their own shelter or make repairs to a partially damaged house in the aftermath of a disaster. This means that we can still help even when a ShelterBox or an individual tent would not meet the needs of the beneficiaries. It also makes financial sense, since a shelter kit costs significantly less than a ShelterBox. In 2014, these lighter, more portable shelter kits played a vital role in our responses in Bolivia, Mexico and the Philippines, and have proved vital in 2015 responses to the Vanuatu cyclone and the Nepal earthquakes.

Innovation was not confined just to the shelter solutions themselves.

Last year we also introduced the Thirst Aid Station, a new water filter that is smaller, lighter and easier to use. Lighting is often a critical requirement in disaster zones and our new luminAID, with a solar-powered battery, LED lights and an ingenious inflatable surround to disperse the light – was another step forward in that area. ShelterBox was among the first aid organisations in the world to use the luminAID, which provide light and security where power lines are down. These are just some examples of our constant quest at every level to improve the equipment we provide to beneficiaries.



Building resilience in the Philippines

The second key development emerged from our Typhoon Haiyan experience. It's no surprise that ShelterBox has deployed to the Philippines more than to any other country in the last decade, since each year it experiences a highly destructive 'typhoon season'. The two major typhoons in the second half of 2014 were a reminder of this. So, the fact that it will take years (well beyond the life of our tents) for people to get back on their feet after Haiyan, and the recurring nature of the problem, prompted us to look at additional solutions.

Thanks to the generosity of our donors, ShelterBox was able to extend the type of assistance we could offer in the Philippines in the form of transitional shelters – resilient temporary structures to house families moving out of emergency accommodation. As our expertise is in emergency, rather than transitional, shelter, this was a great learning opportunity for ShelterBox. We therefore went into partnership with four international organisations with a proven track record of delivery in this area. As a result, almost 1,700 transitional shelters have been provided to house some 8,000 vulnerable people.

The structures, built primarily from locally sourced materials and each designed with the input of the families who would occupy them, were constructed on the 'build back better' principle in order to be more resilient to future natural disasters. As well as being immensely valuable in their own right, the shelters will serve as exemplars of safe building practices and will create resilience within the communities where they are located. In addition the projects have, of course, broadened ShelterBox's own knowledge and expertise in the shelter sector.



The luminAID, solar powered light, above.
The Thirst Aid Station water filter, opposite.
(Tristan Potter/ShelterBox)



PHILIPPINES, May 2015. A family moves into their new home, which was built as part of ShelterBox's Philippines project in collaboration with ACTED.
(Toby Ash/ShelterBox)

Continuous improvement

As well as reviewing the work we do in dispatching aid around the world, ShelterBox constantly casts a critical eye over what we do at home. We believe that we should always be looking for improvement and 2014 saw some important developments right across our organisation.

We strengthened our capabilities at the 'sharp end' of our work with the addition of new staff to the operations team. Among other things, this has allowed us to adopt a new model for larger, longer-term responses through the deployment of on-the-ground operations coordinators. This gives an important element of continuity in situations where response teams are rotated every two to three weeks, and has proven valuable in several responses so far.

At the other end of the response timescale, we have continued to refine our approach to monitoring and evaluation, the process of analysing the impact our aid has had on beneficiary communities and finding ways to do it better in the future. The development of a smartphone app will improve the process of data-gathering in the field and, in the longer term, will replace unwieldy paper forms and spreadsheets. This will allow us to measure the impact of our aid more precisely and will feed into planning for future responses. Critically, it will further boost our commitment to donor accountability by helping to ensure that aid has reached the most needy.

In late 2013 we engaged a consultancy firm, who specialise in advising on professional governance within the third sector, to undertake a full audit of the board. This was the initiation of the process which has led to the appointment of the three new trustees referred to in the chief executive and chairman's report. As a result of the audit we have also introduced industry best practice procedures for board recruitment, trustee inductions and performance review.

Mindful of our obligation to keep all personal information confidential, we also engaged an external data protection consultancy to carry out an audit on our data protection security. We are implementing all recommendations made by the consultants.

Another vital area is ensuring that ShelterBox is procuring products and services and managing their distribution in the most effective and efficient way possible. With that in mind, 2014 saw us start a major supply chain improvement project under the guidance of a leading global supply chain consultant and with assistance from Cranfield University's Centre for Logistics and Supply Chain Management.

The project has seen us carry out an in-depth review of all of our supply chain activities in terms of both the physical flow of materials and related information management. Armed with the results, we are introducing a number of new methods and techniques, which together will ensure a more integrated approach to our supply chain management. This is strengthening everything from demand forecasting and capacity planning, through procurement and inventory management, to transport and the distribution of aid to families.

As well as generating cost savings and reducing cycle times, the goal is to manage stock levels to ensure we have the right level of equipment available both for major disasters and the smaller emergencies which we respond to on a regular basis. As having stock in the right place at the right time is critical, the same model is helping us to make informed decisions on where in the world equipment should be pre-positioned.

The project is an ongoing process and the team, which includes an experienced procurement manager who we recruited in 2014, will continue its work throughout 2015. All this work reflects how seriously ShelterBox takes its responsibility to be a wise steward of the resources that donors have entrusted us with.



MALAWI, February 2015. ShelterBox response team member Stuart Oates helps to unload and distribute shelter kits in the area of Chisamba. (Becky Maynard/ShelterBox)

Looking ahead

Our mission remains a simple one - to rapidly provide emergency shelter and vital aid to stabilise, protect and support communities overwhelmed by disaster and humanitarian crisis. Last year we took important steps in two key areas and 2015 will see further progress.

Building our operational capacity

We continue to build the operational base necessary to support ShelterBox's ambitions. We have strengthened the capability of our operations department by adding personnel and restructuring our processes. New operations coordinators have been appointed and provisions made for sending in-country coordinators to larger disasters to provide continuity on the ground as response teams arrive and leave.

With regard to the response team members themselves, a new recruitment programme is in place for 2015, which will ensure that the quality and capabilities of the volunteer backbone of the organisation is as high as it can be.

Finally, we will continue our programme of diversifying the type of aid we are able to deliver to ensure that we have solutions appropriate to the full spectrum of disaster scenarios. The range of events, from natural disasters to civil wars and epidemics, that we responded to in 2014, shows how the nature our work is becoming increasingly complex. This means that our response capability has to adapt accordingly.

Growing and diversifying our income

Our annual income needs to grow if we are to achieve the goal of helping more families. ShelterBox remains proud of its roots in the south west of the United Kingdom, of the strength of public support here and of the role that Rotary has played in our growth. However, our historical reliance on community based and reactive (in response to specific disasters) fundraising means our income has been volatile, with peaks and troughs driven by the timing of large disasters. The experience of the last two years illustrates this. In 2013, ShelterBox's income more than doubled from the previous year due to the public response to Typhoon Haiyan, which was, inevitably, followed by a relative reduction in 2014.

This level of unpredictability makes financial planning extremely difficult. So in order to expand our operational capabilities in line with our vision, we have to think beyond our historic supporter base and traditional income sources. We also need to increase the predictability and regularity of our income, as well as the proportion of unrestricted funding. This maximises our ability to respond to sudden onset disasters such as the cyclone that hit Vanuatu in March 2015.

We started to lay the groundwork for all this last year. Increasing our more sustainable, longer term funding sources means that we need to secure regular or multi-year commitments from foundations, corporate donors, trusts and individuals. Work towards this goal continues in 2015, while we continue to nurture the longstanding supporters who provide the core income that enables ShelterBox to carry out its vital work.

Focusing on quality as well as quantity of aid

It is all too easy to focus on purely numerical targets – families helped or boxes dispatched. While these are important, we are just as concerned with the quality, as the quantity, of our aid offering. In the last two years this has driven the development of the shelter kit solution. It prompted us to add to the range of tents available and led us to participate in the transitional shelter projects in the Philippines. It also explains why we are constantly refining the contents of our ShelterBoxes. Tailoring our aid as closely as possible to the needs of a specific disaster means that we achieve the maximum impact for every penny of our donors' money.

SYRIA, October 2014. Through ShelterBox's partnership with fellow aid organisation Hand in Hand for Syria, families displaced by the Syrian conflict have been provided with UN specification tent. (Courtesy of Hand in Hand for Syria)



In 2015 this will continue, both in terms of equipment and processes. In particular, we will further develop our cooperation with other non-governmental organisations, both in the field and at a more strategic level through our contributions to the Global Shelter Cluster. ShelterBox is playing an increasing role in shelter clusters comprising international aid agencies when responding to major disasters, most recently in Malawi and Nepal. This makes our aim to be a global expert on emergency shelter more attainable, and gives us a growing credibility on the world stage.

2015 is shaping up to be a busy year

If the early months of 2015 are any indication, it is going to be another very busy year for ShelterBox. In the first three months of this year, new teams were dispatched to respond to flooding in Malawi and Madagascar and to a cyclone in Vanuatu, while our activities continued in Malaysia, Niger, the DPRK, Syria, Iraq/Kurdistan, Gaza and Pakistan. An early-stage response is also underway in Cameroon.

As we write, ShelterBox is facing one of its most challenging deployments, responding to the colossal earthquakes in Nepal. The sheer scale of destruction and human tragedy of this natural disaster shows the clear need for an organisation such as ShelterBox. With a flexible and innovative shelter offering, along with experienced response teams that place aid directly into the hands of people engulfed by disaster. ShelterBox will be working to reach vulnerable and isolated communities for as long as it takes.



MALAYSIA, January 2015. ShelterBox response teams use many types of transport, including riverboats, to reach communities devastated by flooding in the remote region of Pahang. (Ben Julian/ShelterBox)

Financial review

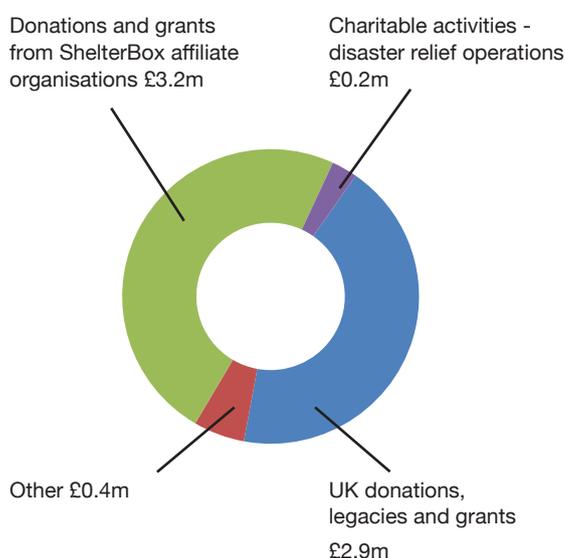
Income

	2012	2013	2014
	£m	£m	£m
Unrestricted income	5.2	8.5	4.5
Restricted income	0.9	5.5	2.2
	<u>6.1</u>	<u>14.0</u>	<u>6.7</u>

Expenditure

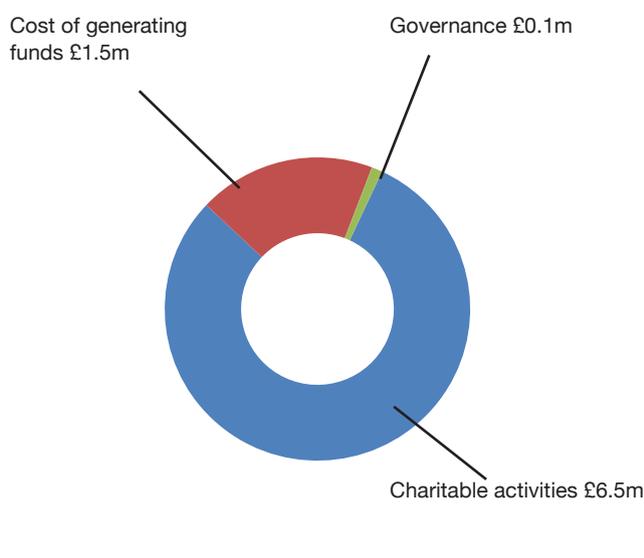
	2012	2013	2014
	£m	£m	£m
Charitable activities	5.0	6.8	6.5
Fundraising and governance	1.8	1.4	1.6
	<u>6.8</u>	<u>8.2</u>	<u>8.1</u>

Where the funds came from in 2014



Total income £6.7m

How we spent our funds in 2014



Total expenditure £8.1m

As a disaster relief organisation, ShelterBox experiences considerable volatility in its income from one year to the next, reflecting the incidence and scale of large, high profile disasters. This was again highlighted when income dropped to £6.7m in 2014, after having more than doubled to £14.0m in 2013 following Typhoon Haiyan. It will feature again in our 2015 financial statements, which we expect to show increased income due to the high level of funds received after the earthquakes that struck Nepal this spring.

Whilst such income volatility is inevitable, it presents several financial challenges, particularly when planning and managing resources including staffing levels and stocks of disaster relief materials. We are therefore continuing to invest in the development of long term, sustainable core income streams in order to reduce volatility and produce a more stable platform for continued growth.

Total 2014 resources expended were £8.1m, including the cost of our continuing response to Typhoon Haiyan. Approximately one third of 2014 expenditure related to this response, including funding of £1.8m provided to the partnership projects referred to earlier in this report, and expenditure has continued into 2015. Altogether, charitable activities comprised 80% of total resources expended in 2014, with the remaining 20% relating to governance costs and the cost of generating income.

Net outgoing resources were £1.3m for the year, which is reflected in a reduction in net assets from £15.5m to £14.2m. Stock levels rose slightly to £5.4m, with a further £2.8m on order at the year end. Whilst some further increases in stocks are planned, supply chain improvements are helping us to strengthen our stockholding efficiency without losing operational effectiveness.

Our reserves remain strong. We consider our reserves to comprise unrestricted funds available for general spending, which exclude funds that can only be realised by disposing of stock and fixed assets held for charity use. They also exclude funds committed to the purchase of materials, as represented by outstanding general fund orders. The reserves policy takes account of the charity's income streams and their risk profile, together with the degree of commitment to expenditure and the overall risk environment within which the charity operates. The reserves policy at 31 December 2014 was to hold reserves of £2.5m. Actual reserves at that date were £2.9m, and it is planned that reserves will be in line with the policy by the end of 2015.

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.

Principal risks and uncertainties

The trustees have identified and reviewed the major risks to which the charity is exposed, and have established systems to mitigate them. An ongoing review of major risks is carried out by the Audit, Risk and Compliance committee, which meets quarterly. The board monitors internal controls and procedures, along with the effectiveness of the controls and has not employed an internal auditor. The board monitors the independence of the external auditors by reference to common practice and sector guidance.

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

- Reduction in income, leading to a shortfall against committed expenditure – mitigated by diversification of income sources, development of fundraising capacity and maintenance of adequate financial reserves.
- Serious operational incidents (unlawful detention, serious injury etc) – mitigated by response team training, deployment evaluation and serious incident training.
- 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 along with training of staff and volunteers and monitoring and evaluation.

Public benefit

The trustees have referred to the guidance in 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.

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 nine members at 31 December 2014, 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, which 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, and trustee recruitment is led by the Governance Committee on behalf of the board. 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 monitors on a continual basis its composition and effectiveness of decision making.

The trustees delegate the day to day running of the organisation to the chief executive and senior leadership team.

Designated trustees and managers serve on a series of committees, which meet quarterly and have terms of reference approved by the board. There are currently four committees, namely Audit, Risk and Compliance, Human Resources, Finance and Fundraising and Governance.

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.

Volunteers and staff

Without the support of more than 200 voluntary ShelterBox response team members and hundreds of other volunteers who fulfil a number of vital roles such as helping with fundraising, administration, packing boxes and other warehouse tasks, ShelterBox would be unable to operate. In total we estimate that ShelterBox benefits from approximately £500,000 worth of volunteer hours each year.

During 2014, the human resources department continued to develop and implement the HR strategy, policies and best practice, in order to help support the organisation's development and to ensure that volunteers and staff are valued and are at the heart of the organisation.

Statement of trustees' responsibilities in respect of the trustees' annual report and the financial statements

The trustees (who are also directors of ShelterBox Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. 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 incoming resources and application of resources, including the income and expenditure for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities Statement of Recommended Practice.
- 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.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The trustees are responsible for keeping proper 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 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.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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.

Approved by the Board of Trustees on 9 June 2015 and signed on its behalf by:

Dr Rob John OBE

Chair of Trustees



UNITED KINGDOM, February 2015. Pupils from Parc Eglos school in Cornwall visit the ShelterBox warehouse and learn about different types of aid from ShelterBox speaker David Crook. (Ed Sibley/ShelterBox)

Reference and administrative details

Trustees

Dr Rob John OBE (chair)

Robin Bayford FCA (hon. treasurer, appointed 11 June 2014)

Richard Bland

George Curnow

Bill Decker

Peter Munro-Lott

James Sinclair Taylor (appointed 11 June 2014)

Chris Warham

James Vaughan (appointed 11 June 2014)

Auditors

KPMG LLP

Plym House

3 Longbridge Road

Plymouth

PL6 8LT

Registered office

1 Water-ma-Trout

Helston

TR13 0LW

Company number 4612652

Charity number 1096479

Senior leadership team

Chief executive - Alison Wallace

Director of operations - John Leach

Director of fundraising and communications –
post currently vacant

Director of corporate services - Michael Johns

Head of legal and risk – Stephen Branfield

Head of human resources – Debbie Jayne

Legal advisers

Foot Anstey LLP

Senate Court

Southernhay Gardens

Exeter

EX1 1NT

Withers LLP

16 Old Bailey

London

EC4M 7EG



ZIMBABWE, June 2014. After flooding in Zimbabwe's Masvingo province, families move into tents provided by ShelterBox in partnership with the Organization of Migration. (Rachel Harvey/ShelterBox)



Independent auditor's report to the members of ShelterBox Trust

We have audited the financial statements of ShelterBox Trust for the year ended 31 December 2014 set out on pages 28 to 41.

The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out on page 22, 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.

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

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 2014 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 Generally Accepted Accounting Practice.
- Have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information in the Trustees' Annual Report, which constitutes the Strategic Report and Directors' Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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.

Ian Brokenshire Senior Statutory Auditor

for and on behalf of KPMG LLP, Statutory Auditor 26 June 2015
Chartered Accountants
Plym House
3 Longbridge Road
Plymouth
PL6 8LT

Financial statements

Statement of financial activities for the year ended 31 December 2014

	Note	Unrestricted £000	Restricted £000	2014 Total £000	2013 Total £000
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income	2	4,256	2,179	6,435	13,335
Investment income		46	19	65	21
<i>Income from charitable activities:</i>					
Disaster relief operations		190	-	190	671
<i>Other incoming resources</i>		51	-	51	30
Total incoming resources		4,543	2,198	6,741	14,057
Resources expended					
<i>Costs of generating funds:</i>					
Cost of generating voluntary income	3	1,277	238	1,515	1,326
<i>Charitable activities</i>					
Disaster relief operations	3	3,525	2,935	6,460	6,796
<i>Governance costs</i>	3	91	1	92	80
Total resources expended		4,893	3,174	8,067	8,202
Net (outgoing)/incoming resources for the period	5	(350)	(976)	(1,326)	5,855
Reconciliation of funds					
Fund balances at 1 January 2014	15	10,725	4,780	15,505	9,650
Fund balances at 31 December 2014	15	10,375	3,804	14,179	15,505

The statement of financial activities incorporates an income and expenditure account and includes all gains and losses recognised during the period. All incoming resources and resources expended are derived from continuing activities. The accompanying notes form part of these financial statements.

Company number 4612652; Charity number 1096479

	Note	2014 £000	2013 £000
Fixed assets			
Tangible fixed assets	9	1,171	1,282
Investments	10	1	1
		<u>1,172</u>	<u>1,283</u>
Current assets			
Stock of disaster relief materials	11	5,443	4,862
Debtors	12	522	1,635
Short term deposits	13	7,094	4,382
Cash at bank and in hand	13	965	3,927
		<u>14,024</u>	<u>14,806</u>
Creditors: amounts falling due within one year	14	<u>(1,017)</u>	<u>(584)</u>
Net current assets		<u>13,007</u>	<u>14,222</u>
Net assets		<u>14,179</u>	<u>15,505</u>
Funds			
Unrestricted funds:			
General funds	15(a)	5,862	6,594
Designated funds	15(a)	4,513	4,131
Restricted funds	15(b)	3,804	4,780
		<u>14,179</u>	<u>15,505</u>

The financial statements on pages 28-41 were approved by the Board of Trustees on 9 June 2015 and signed on its behalf by:

Dr Rob John OBE, Chair

Robin Bayford FCA - Hon. Treasurer

Company number 4612652; Charity number 1096479

The accompanying notes form part of these financial statements.

	Note	2014 £000	2013 £000
Net cash (outflow)/inflow from operating activities	19(a)	<u>(280)</u>	<u>6,516</u>
Return on investments			
Interest received		<u>65</u>	<u>21</u>
		<u>65</u>	<u>21</u>
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(41)	(11)
Proceeds from disposal of tangible fixed assets		<u>6</u>	<u>-</u>
		<u>(35)</u>	<u>(11)</u>
Cash (outflow)/inflow before increase/decrease in liquid finances		(250)	6,526
Management of liquid resources			
Increase in short term deposits	19(b)	<u>(2,712)</u>	<u>(3,587)</u>
(Decrease)/increase in cash in the period	19(b)	<u>(2,962)</u>	<u>2,939</u>

The accompanying notes form part of these financial statements.

1. Accounting policies

1.1 Basis of preparation

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 issued in March 2005, and applicable United Kingdom law, the Companies Act 2006 and accounting standards.

1.2 Consolidated financial statements

The charity and its subsidiary company, ShelterBox Trading Limited, 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 subsidiary's immaterial size. The charity's investment in the subsidiary 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 Incoming resources

Incoming resources are 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:

- (i) Donations and grants, including from ShelterBox affiliate organisations, are recognised in the period in which they are receivable. Grants with conditions that 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.
- (ii) 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".
- (iii) 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 resources expended within the statement of financial activities. The financial statements do not include time contributed by volunteers, due to the difficulty of quantifying this in financial terms.
- (iv) "Gift aid" tax claims are recognised as income when the donor's gift aid declaration is received.

1.5 Resources expended

Resources expended are recognised in the period in which they are incurred. Grants payable are recognised when a binding commitment has been made with a partner organisation. Resources expended include any attributable VAT which cannot be recovered.

Costs of generating funds are those incurred in seeking voluntary contributions, and they include the costs of providing donors with information about the charity's work.

Resources expended on charitable activities comprise 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 and governance costs.

Governance costs are the costs associated with the governance arrangements of the charity. They include audit, legal and other costs relating to constitutional and statutory requirements, together with costs associated with strategic management of the charity's activities.

Resources expended directly on particular activities are 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 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:

Freehold land	Nil
Freehold buildings	2%
Fixtures, fittings and equipment	20%

1.7 Stocks 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 despatched to a disaster.

1.8 Foreign currencies

Transactions denominated in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. 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.

1.9 Operating leases

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

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. Voluntary income

	Unrestricted £000	Restricted £000	2014 Total £000	2013 Total £000
UK donations, legacies and grants	2,386	516	2,902	8,244
Gift aid	209	-	209	387
Donations and grants from ShelterBox affiliate organisations	1,592	1,663	3,255	4,488
Donated transport and other services	69	-	69	216
	<u>4,256</u>	<u>2,179</u>	<u>6,435</u>	<u>13,335</u>

3. Resources expended

	Cost of generating voluntary income £000	Disaster relief operations £000	Governance costs £000	Support costs £000	2014 Total £000	2013 Total £000
Disaster relief materials	27	2,158	-	-	2,185	4,513
Transport costs	4	777	-	-	781	916
Philippines project funding	-	1,814	-	-	1,814	-
Staff costs	605	527	-	522	1,654	1,387
Travel, subsistence and accommodation	30	529	3	23	585	560
Telephone and mobile communications	7	43	-	16	66	74
Maintenance and utilities	36	31	-	111	178	134
Insurance	1	-	2	40	43	55
Grants to affiliates	10	-	-	-	10	76
Legal, professional and consultancy	19	3	13	93	128	87
Financial costs	20	9	-	74	103	47
Sundry administration costs	80	60	-	24	164	152
Marketing agency costs	136	-	-	-	136	-
Depreciation	5	38	-	108	151	123
Other expenses	66	1	-	2	69	78
	<u>1,046</u>	<u>5,990</u>	<u>18</u>	<u>1,013</u>	<u>8,067</u>	<u>8,202</u>
Apportionment of support costs	469	470	74	(1,013)	-	-
	<u>1,515</u>	<u>6,460</u>	<u>92</u>	<u>-</u>	<u>8,067</u>	<u>8,202</u>

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

4. Grants payable

	2014 £000	2013 £000
(a) Philippines project funding		
ACTED	380	-
Catholic Relief Services	584	-
Handicap International	456	-
Islamic Relief Worldwide	394	-
	1,814	-

Philippines project funding comprises funding provided to partner projects for the provision of transitional shelters following Typhoon Haiyan.

	2014 £000	2013 £000
(b) Grants to affiliates		
ShelterBox Canada	10	45
ShelterBox Australia	-	28
Other ShelterBox affiliate organisations	-	3
	10	76

5. Net incoming resources

The net movement of funds in the year is stated after charging/(crediting):

	2014 £000	2013 £000
Auditor's remuneration:		
Audit	16	15
Other services	4	1
Depreciation	151	123
Gain on disposal of fixed assets	(5)	-
Exchange rate differences	70	1
Operating lease rentals	41	37
	41	37

6. Trustees' remuneration

Members of the Board of Trustees who are directors of the company received no remuneration for their services as trustees.

£2,620 was reimbursed to five trustees (2013: £4,205 to three trustees) for travel and subsistence costs. Trustees' indemnity insurance was purchased at a cost of £1,810 (2013: £1,669).

7. Staff costs

	2014 £000	2013 £000
Salaries and wages	1,460	1,222
National insurance costs	136	111
Company pension costs	43	37
Agency and seconded staff	15	17
	1,654	1,387

	Number of employees	
	2014	2013
Average number of employees (including part-time)	65	56

Number of employees whose annual emoluments (including taxable benefits in kind) exceeded £60,000:

£80,000 - £90,000	1	1
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Payments of £1,610 were made to the charity's defined contribution pension scheme for one employee whose annual emoluments exceeded £60,000 (2013; no payments).

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

	Freehold land and buildings £000	Fixtures fittings and equipment £000	Total £000
Cost			
At 1 January 2014	1,238	719	1,957
Additions	7	34	41
Disposals	-	(21)	(21)
Transfers	(52)	52	-
	<hr/>	<hr/>	<hr/>
At 31 December 2014	1,193	784	1,977
Depreciation			
At 1 January 2014	131	544	675
Charge	19	132	151
Disposals	-	(20)	(20)
Transfers	(4)	4	-
	<hr/>	<hr/>	<hr/>
At 31 December 2014	146	660	806
Net book value			
At 31 December 2014	<hr/> 1,047	<hr/> 124	<hr/> 1,171
At 1 January 2014	<hr/> 1,107	<hr/> 175	<hr/> 1,282

The book value of land, which is not depreciated was £220,000 at 31 December 2014 and 2013. A legal charge regarding certain freehold property has been given to the charity's bank as security for various credit facilities.

10. Investments

	2014 £000	2013 £000
Investment in subsidiary – ShelterBox Trading Limited	<hr/> 1	<hr/> 1

ShelterBox Trading Limited is a wholly owned subsidiary which undertakes various trading and fundraising activities. The comparative figures have been restated due to the change in presentation of Gift Aid distributions to ShelterBox Trust in accordance with recommended practice. Financial details relating to ShelterBox Trading Ltd are as follows:

	2014 £000	2013 restated £000
Assets	61	62
Liabilities	(60)	(61)
Net assets	<u>1</u>	<u>1</u>
Shareholders' funds	<u>1</u>	<u>1</u>
	2014 £000	2013 restated £000
Turnover	26	36
Cost of sales	(5)	(5)
Administrative and other expenses	(8)	(6)
Profit for the period	<u>13</u>	<u>25</u>
11. Stock of disaster relief materials	2014 £000	2013 £000
Held in the UK	2,163	2,537
Pre-positioned outside the UK	3,280	2,325
	<u>5,443</u>	<u>4,862</u>
12. Debtors	2014 £000	2013 £000
Amounts due from ShelterBox Trading Limited	57	59
Prepayments and accrued income	95	881
VAT and Gift aid	84	316
Other debtors	286	379
	<u>522</u>	<u>1,635</u>

13. Deposits and bank/cash balances

	2014 £000	2013 £000
Short term deposits	7,094	4,382
Bank current accounts and cash:		
Sterling bank accounts	611	3,664
Foreign currency bank accounts	322	238
Cash	32	25
	<u>965</u>	<u>3,927</u>

14. Creditors: amounts falling due within one year

	2014 £000	2013 £000
Trade creditors	90	444
Taxation and social security	53	35
Accruals	623	105
Deferred grant income	251	-
	<u>1,017</u>	<u>584</u>

Movement on deferred grant income:

	2014 £000	2013 £000
Receivable in the year	351	-
Released to incoming resources	(100)	-
At 31 December 2014	<u>251</u>	<u>-</u>

15. Movements in funds

(a) Unrestricted funds

	Note	At 1 January 2014 £000	Incoming resources £000	Resources expended £000	Transfers £000	At 31 December 2014 £000
Designated funds						
Property	(i)	1,107	-	(19)	(41)	1,047
Stock	(ii)	3,024	-	-	442	3,466
		4,131	-	(19)	401	4,513
General funds	(iii)	6,594	4,543	(4,874)	(401)	5,862
		10,725	4,543	(4,893)	-	10,375

- (i) The *Property* fund represents the net book value of the charity's freehold premises in the United Kingdom.
- (ii) 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.
- (iii) Transfers have been made between *General* funds and the *Stock* and *Property* funds in order to maintain the balances on the latter two funds.

(b) Restricted funds

	Note	At 1 January 2014 £000	Incoming resources £000	Outgoing resources £000	Transfers £000	At 31 December 2014 £000
Emergency supply	(i)	1,607	57	-	-	1,664
ShelterBox disaster fund	(ii)	310	106	(107)	(25)	284
JTI Foundation	(iii)	-	151	(94)	-	57
Syria Refugee Appeal	(iv)	20	278	(295)	25	28
Typhoon Haiyan Appeal	(v)	2,810	1,492	(2,603)	-	1,699
ADC	(vi)	31	79	(43)	-	67
Other		2	35	(32)	-	5
		4,780	2,198	(3,174)	-	3,804

- (i) The *Emergency Supply* fund is restricted to the holding of stock and its purpose is to allow the charity to hold sufficient stock levels.
- (ii) 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.
- (iii) The *JTI Foundation* fund is for a variety of specified purposes including the provision of aid and operational capacity building.
- (iv) The *Syria Refugee Appeal* fund was launched in 2013 in response to the ongoing Syrian crisis, and relates to refugees who have fled Syria as well as to displaced people remaining within the country. Any surplus funds from the appeal may be used for general purposes.
- (v) The *Typhoon Haiyan Appeal* fund relates to the charity's response to the typhoon which devastated parts of the Philippines in November 2013. Any surplus funds from the appeal may be used for general purposes.
- (vi) The *ADC* fund is restricted to use for disasters in a number of specified developing countries.

16. Analysis of net assets between funds

	Unrestricted funds		Restricted funds £000	Total funds £000
	Designated £000	General £000		
Tangible fixed assets	1,047	108	16	1,171
Fixed asset investments	-	1	-	1
Net current assets	3,466	5,753	3,788	13,007
	<u>4,513</u>	<u>5,862</u>	<u>3,804</u>	<u>14,179</u>

17. Commitments

(a) Contracts for purchase of disaster relief materials

The amount of materials purchase orders contracted for at 31 December 2014 but not recognised in these financial statements was;

	2014 £000	2013 £000
Materials purchases contracted for	<u>2,849</u>	<u>1,162</u>

(b) Pension scheme

The charity operates a defined contribution pension scheme. Contributions payable for the year were £41,268 (2013: £37,218). Outstanding contributions at the end of the period were £9,200 (2013: £3,997).

(c) Operating leases

As at 31 December 2014, the charity had annual commitments under non-cancellable operating leases of:

	2014 £000	2013 £000
Land and buildings:		
Operating leases that expire within one year	-	33
Operating leases that expire between two and five years	<u>18</u>	<u>-</u>

18. Foreign exchange forward contracts

The charity uses forward exchange contracts to manage its foreign exchange exposure. The fair value of these contracts is calculated at the balance sheet date by comparison between the rate implicit in the contract and the exchange rate at that date.

The fair value of unrealised gains on forward contracts not recognised in these financial statements was £25,000 at 31 December 2014 (2013: £nil).

19. Cash flow information**(a) Reconciliation of net movement of funds to net cash inflow from operating activities**

	2014 £000	2013 £000
Net (outgoing)/incoming resources	(1,326)	5,855
Gain on disposal of tangible fixed assets	(5)	-
Depreciation	151	123
(Increase)/decrease in stocks	(581)	2,970
Decrease/(increase) in debtors	1,113	(1,115)
Increase/(decrease) in creditors	433	(1,296)
Investment income	(65)	(21)
Net cash (outflow)/inflow from operating activities	(280)	6,516

(b) Reconciliation of net cash flow to movement in net funds

	2014 £000	2013 £000
(Decrease)/increase in cash in the period	(2,962)	2,939
Increase in short term deposits	2,712	3,587
Movement in net funds	(250)	6,526
Net funds at 1 January 2014	8,309	1,783
Net funds at 31 December 2014	8,059	8,309

(c) Analysis of net funds

	1 January 2014 £000	Cash flow £000	31 December 2014 £000
Cash at bank and in hand	3,927	(2,962)	965
Short term deposits	4,382	2,712	7,094
	8,309	(250)	8,059







PHILIPPINES, August 2014. Response team volunteer Sue Nelson secures a ShelterBox tent in San Roca, Albay, following Typhoon Rammusan. (ShelterBox)



ShelterBox Trust

is a registered charity and a Rotary Project Partner

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Cover photograph: PHILIPPINES, Samar, 17 July 2014. ShelterBox response team volunteer Owen Smith demonstrates how to put up a standard relief tent for villagers in Northern Samar whose homes were destroyed by Typhoon Rammasun. (Chris Alderson/ShelterBox)

ShelterBox is a charity independent of Rotary International and the Rotary Foundation