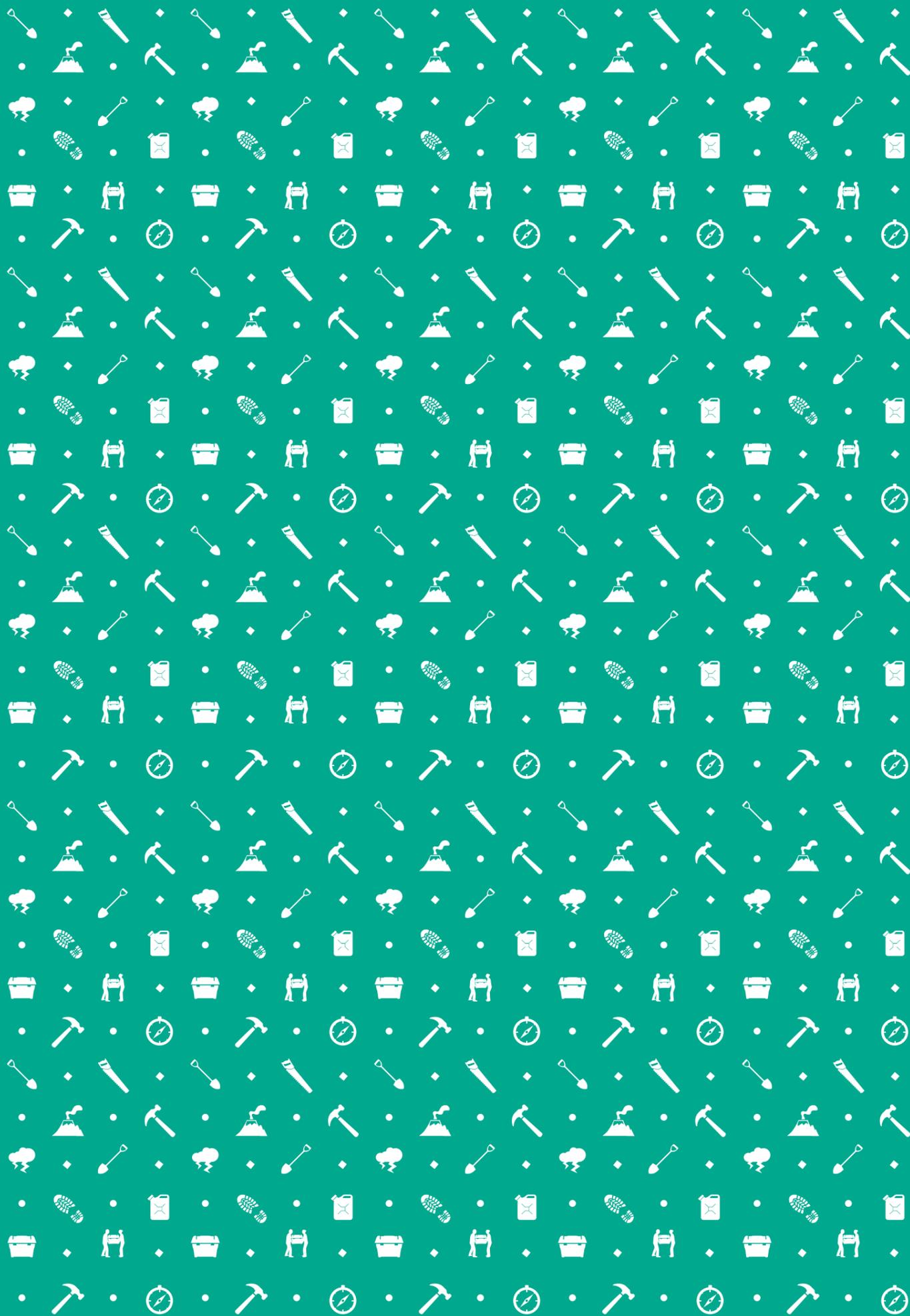




SHELTERBOX TRUST

ANNUAL REPORT 2016





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WHY SHELTERBOX IS NEEDED



The world's population is forecast to increase by more than 1 billion people within the next 15 years, reaching 8.5 billion in 2030, with the largest growth happening in Nigeria, China and India. (UN, 2015)



More than 27.8 million people were displaced by disasters in 127 countries in 2015. (IDMC, 2016)



Climate changes will lead to changes in the frequency, intensity and duration of extreme weather events, meaning that vulnerable communities will be hit more often by an extreme event, and for longer. (IPCC 2014)



The most widely used estimate claims that as many as 200 million people could be displaced by extreme climate events alone by 2050. (Norman Myers, Oxford University)

WHAT WE DO

We put families first.

The commitment of our supporters enables us to provide shelter and tools for families robbed of their homes by conflict and natural disaster.

We don't believe that one size fits all. We work hard to understand the impact of each emergency and the need this creates within individual communities. The support we provide, whatever shape it takes, gives people the hope and the power to transform their own lives.

Our sturdy green ShelterBoxes are designed to help people who have lost everything — not just their

home and precious belongings, but practical tools and utensils that create the framework for everyday life. They contain a family-sized tent that protects people from the elements and provides a safe space in which people can start to recover from physical and emotional trauma. The contents differ depending on the disaster and the climate, but items such as solar lights, water storage and purification equipment, thermal blankets and cooking utensils help start the process of creating a home.

Our ShelterKits contain a selection of materials, including toolkits, ropes, fixings and heavy-duty

tarpaulins, that can be used to make emergency shelters, repair damaged buildings and create the foundations for new homes. We also customise these kits to suit the location and the needs of each community. Sometimes the kits include corrugated iron to help make resilient roofing, or even room dividers and mattresses to make warehouses habitable — whatever it takes to help people recover from disaster.

We test and evaluate all of the aid we provide by talking to, and learning from the families who use it. This fuels us to be innovative and to continue evolving.



Fiji, February 2016. After Cyclone Winston hit the islands of Fiji - leaving an estimated 120,000 people without shelter - a ShelterBox Response Team was immediately deployed to deliver aid by any means possible.



CHAIR AND CEO STATEMENT

Chair – Dr Rob John OBE

CEO – Chris Warham

We've started something big at ShelterBox. 2016 marked the beginning of a new 10-year strategy to transform our charity. The plan is ambitious, but it focuses on clear targets and a clear direction.

And it's working.

By 2016 65 million people had been made homeless by natural disaster and conflict — every one of them someone's son or daughter. Someone like you or us.

At ShelterBox we exist to help as many of those people as possible by giving them a place to live and the basic items they need to get back on their feet and rebuild their lives.



Fiji, February 2016. Delivering boxes by boat to cut off Fijian islands.

That's why we have big plans to grow our organisation. We want to help 1 million people a year by 2025. 2016 was the first year of our journey towards meeting that target.

Evolution

When ShelterBox began in 2000 we started small. A little Cornish charity that quickly gained big friends and lots of public support. We're proud that our original idea of providing shelter kits in green boxes captured donors' imaginations and that lots of people gave us their time and money so that we could begin to make a difference.

But now we're impatient to help more people by providing for their basic needs with emergency shelter and other aid items. We want to do more.

In order to reach our target of helping 1 million people a year by 2025 we need to think bigger. We need to reach out to people and run fundraising campaigns that resonate nationally and internationally. And we have a plan in place to do just that.

2016 and beyond

2016 has seen the beginnings of real change at ShelterBox: we're evolving from being a small, local organisation into a well-known charity with global reach that is part of a wider aid effort.

Our ambition and our impatience to help more people still drive us forward. And we're working with partners, overseas affiliates and volunteers who are as passionate and committed as we are to push for a world where less people are living without shelter. Because we believe shelter is a basic right. No ifs. No buts.

We're professionalising the organisation across the board. Our new HQ in Truro puts the team in one place and we're attracting and training the brightest talent.

We're strengthening our global links with Rotary International. In 2016 we renewed our three-year project partnership to continue working alongside this key strategic partner both in fundraising and during operations in the field.

We're putting money into our fundraising so we can reach more people and have more impact. Through global investment, this year we've seen a £10.2m total income compared to a budget of £6.6m. And that's meant we were able to help 29,300 households (equivalent to almost 150,000 people) against a target of 21,000 in 2016.



**Our target:
to help 1 million
people a year
by 2025.**

We're also measuring the impact of the work we do, learning lessons and adapting to make sure we're as efficient and effective as possible. We're diversifying the kits we provide to make sure they meet the needs of recipients – whether that's different climates, different sanitation issues or different supplies available locally.

2016 also saw the introduction of our Theory of Change model, which sets out the short, medium and long-term outcomes of our work and maps out the activities and resource needed to reach these (read more on p. 6).

Our funding allows us to help people affected by forgotten and severely underfunded crises as well as those affected by the disasters and conflicts that grab the headlines. 2016 saw us take aid into war-torn Syria; help families who lost everything in the Ecuador earthquake and provide much needed shelter in the countries of the Lake Chad Basin Crisis, where 2.4 million people have been displaced as a result of the conflict involving the group Boko Haram.

What's next?

In 2017 we'll be setting up our first regional office in the Philippines so we can send faster, more effective support to communities affected by disaster.

We'll be continuing to invest in fundraising activity, strengthening our communications and building and developing our team in the UK.

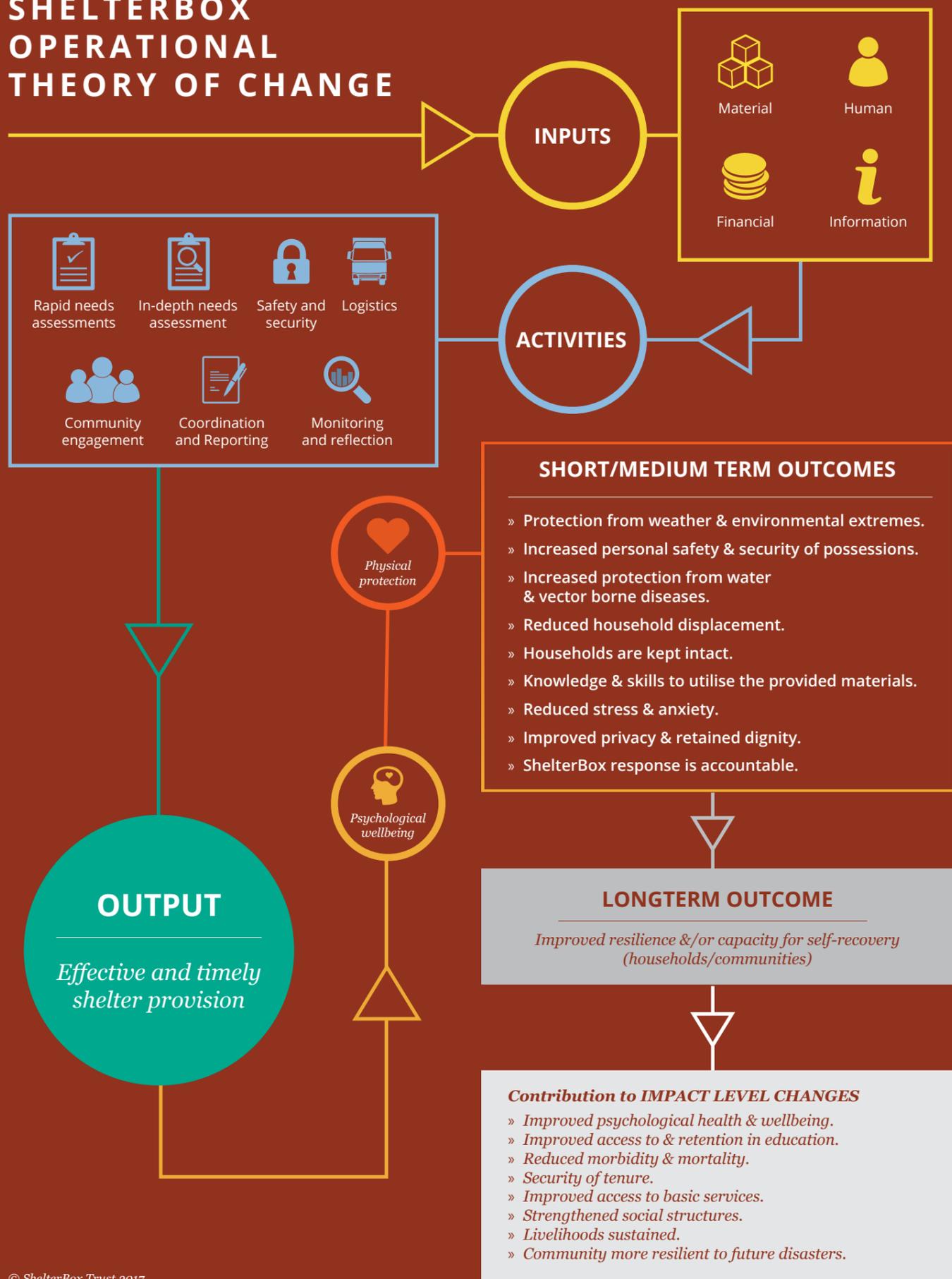
We'll reach out and further strengthen links with our international affiliate network to create a globally inclusive ecosystem that will be pivotal in the success of our strategic plan.

And we'll be developing the way we work with local agencies on the ground, including strengthening the unique asset of our links to worldwide Rotary Clubs, to help us deliver truly local aid that's effective and sensitive to the communities we're helping.

We exceeded our targets in 2016 in a way we never expected. That shows the plan we have put in place is working. But we won't be sitting back. Now we're driving forward with more investment, with better partnerships, with clear evaluation — and with our eyes firmly fixed on our 2025 goal.

Thank you for your continued support — we can't do it without you.

SHELTERBOX OPERATIONAL THEORY OF CHANGE



© ShelterBox Trust 2017

STRATEGIC REPORT

Review of 2016 – Disaster response

Right now more than 65 million people across the world are homeless because of natural disasters or conflict – that's more than at any time since World War 2 (UNHCR 2015). Continuing climate change and growing areas of conflict mean this number is only expected to grow.

ShelterBox exists to bring shelter to families and communities after disaster strikes.

ShelterBox's Theory of Change

We always want to improve. To move forward. To change for the better. That's why in 2016 we developed a dynamic new way to evaluate and monitor the impact of our work — and to measure the longer-term benefits that providing shelter has for families and communities.

The ShelterBox Operational Theory of Change is a learning tool that helps us to understand what we're doing and why. It helps our global team of staff, volunteers and partners to be consistent — and to evaluate, understand and improve the aid we provide. It's not just about short-term shelter. It's about making sure we're providing solid foundations for communities to rebuild their futures.

2016 target for households helped:

21,000

Actual number helped:

29,300



Helping the forgotten - Lake Chad Basin

We think it's important to help meet the shelter needs of people who are difficult to reach and whose needs are severely underfunded. Because it's not just the disasters that hit the headlines that leave families without homes.

That's precisely what we've done in the Lake Chad Basin, commonly referred to as

'the forgotten crisis'. To date 2.4 million people have been displaced as a result of the conflict involving the group Boko Haram. The geographical area of the insurgency is larger than the size of France.

ShelterBox has helped to make a real difference in the Minawao camp in the Extreme North region of Cameroon. Before we arrived the collective centres were overcrowded and without ventilation, leading to the spread of disease and gender-based violence.



Cameroon, June 2015. Working with our partner IEDA (International Emergency and Development Aid) to deliver aid to those displaced by Boko Haram.

In 2016 we provided 1,300 emergency tents and survival kits to reduce the number of people stranded in these collective centres, enabling people to start their recovery sooner. As a result of our intervention, nobody is now forced to sleep within the collective centres.





In 2016 we provided 1,300 emergency tents and partnered with IEDA to provide a longer-term shelter solution for a further 1,850 families.

However the situation shows no signs of subsiding and people inside and outside of the camps are unable to return home. We've partnered with IEDA to provide a longer-term shelter solution for 1,850 families. These transitional shelters are made of durable materials and provide a better solution for people inside and outside the camps.

Working with community groups – Ecuador

Our most effective responses come when we work side-by-side with existing groups within affected communities. When a 7.8 magnitude earthquake struck Ecuador in April, ShelterBox response teams partnered with Habitat for Humanity and local organisation Fundacion Prograd to provide shelter kits to 3,290 families.



3,290 families were provided with shelter kits following the Ecuador earthquake.

Working alongside these partners, our teams developed a training and distribution package that could be cascaded through the community. Fundacion Prograd used their local contacts to create a network of community leaders who identified those families who needed help, facilitated training and monitored the construction of the shelters. This engagement with local groups allowed the community to lead its own recovery.

Adapting our approach - Syria

As the number of people forced from their homes grows, so do their needs and circumstances. That's why we've now expanded the number of aid items that we offer. This approach has proved invaluable in the increasingly complex situation in Syria.

The number of armed factions and competitive foreign intervention make the war in Syria one of the most complex conflicts ever known. 6.3 million people are currently internally displaced. 1.1 million reside in collective centres, camps or informal rural shelters, or have no shelter at all. Around 6,000 people are displaced every day; many of whom have been displaced several times before. The colossal multi-sector response remains chronically and significantly underfunded.

Due to the security situation in Syria, ShelterBox is unable to send its own personnel to the country to oversee operations. We have therefore sought local organisations that are able to distribute our materials. In 2016 we primarily partnered with Hand in Hand for Syria and ReliefAid. Due to the protracted nature of the crisis we've sought to tailor the aid items in each shipment to the particular effects of summer and winter conditions in Syria, as well as providing basic household items such as kitchen sets and water carriers.



Syria, October 2015. Delivering aid throughout ongoing conflict with the help of our partner Hand in Hand for Syria working on the ground.

Summer kits have included mosquito nets to help protect against insect-borne disease, such as leishmaniosis. Winter kits have been focused on helping people protect themselves from the cold and wet by including blankets, mattresses and roll mats.

Monitoring the effect of our work in Syria demonstrates the very real impact that we're having. For example, recipients of kits during distributions in spring reported a 73% improvement in protection from the elements.

During 2016, our target was to help 21,000 families with emergency and longer-term shelter. We actually responded to 16 individual natural disasters and conflicts, providing 29,300 households with aid.

Haiti, October 2016. Thousands of Haitians were once again left without shelter after Hurricane Matthew ripped through the island. ShelterBox closely monitored the storm and quickly responded to help those in need.



Review of 2016 – Fundraising report

How will we meet our long-term goal of helping one million people every year by 2025? One of the key factors will be our ability to sustainably grow our income.

That's why, in 2016, ShelterBox launched a comprehensive programme of investment in fundraising, designed to rapidly grow our core income and build an underlying revenue base. This will enable us to sustain our spending through the periods of income volatility associated with unpredictable major disasters.

“ In 2016 ShelterBox launched a comprehensive programme of investment in fundraising.

The results dramatically exceeded our expectations. 2016 total income of £10.2m was more than 50% ahead of our £6.6m target. To continue and sustain this growth we're continuing to invest in fundraising for 2017.

Individual donations

Donations from individuals are vital to our work. Yet this key revenue stream is an area in which ShelterBox has historically invested relatively little.

To maximise the opportunities in this area in 2016 we introduced a number of programmes to significantly grow and develop our donor base.

Our total income from individual giving and legacies amounted to £2.6m, well ahead of our target of £1.7m.



Our activities to recruit new donors included:

- campaigns sent by mail
- newspaper and television advertising
- taking a pro-active fundraising approach when disasters have made the headlines.

Fundraising activities with our existing donor base included:

- a number of themed appeals
- campaigns to promote regular giving.

Our total income from individual giving and legacies amounted to £2.6m, well ahead of our target of £1.7m.

Rotary Support

2016 also saw the start of a programme to build on our long history of support from UK and International Rotary clubs. We've renewed our three-year project partnership with Rotary International, making us the go-to organisation for Rotarians across the world who want to support disaster relief.

“ A steady professionalisation of our fundraising activities has underpinned all of our income generation in 2016.



Campaigns

Our community fundraising activities in 2016 included two significant campaigns, and we are continuing to develop strong community events that deliver income and awareness and attract new supporters to the organisation.

Major giving

Our major giving programme (relating to trusts, foundations, companies and high value gifts from individuals) continues to provide a vital source of funding for ShelterBox's work. We are building the capacity of our major giving team, including the appointment of our first institutional fundraiser, and we anticipate positive growth in this area in 2017.

A steady professionalisation of our fundraising activities has underpinned all of our income generation in 2016.



Affiliates

Although the majority of our income comes from the UK, our network of 17 international affiliate organisations plays a crucial role in raising awareness and funds in their respective countries.

Income from affiliates amounted to £4.8m in 2016 — almost double our expectations. Most of the growth came from our US and Canadian affiliates, both of which have adopted significant expansion programmes. We're working closely with our affiliates network to build on this success and create a global ecosystem that makes our work more effective and more efficient.

Our team

A steady professionalisation of our fundraising activities has underpinned all of our income generation in 2016. We're continuing to develop an experienced and capable team of fundraising staff and volunteers who are properly resourced and with clear objectives and performance measures.



Dartmoor, September 2015. A team tackles the Wild West Challenge - one of our toughest endurance fundraisers.

Effective investment helped achieve an income for the year of £10.2m compared to our budgeted income of £6.6m. This has helped us to help even more people in desperate need.

Financial performance

Year-on-year comparisons of ShelterBox's financial performance are always subject to the unpredictable timing of major disasters. For example, the upsurge in donations that followed the 2015 Nepal earthquake meant that 2015 income of £12.7m was almost double the £6.7m total achieved in 2014. Against this backdrop, to have achieved income of £10.2m in 2016, a year in which there were thankfully no major rapid-onset disasters, represented considerable progress for the organisation.



Only by expanding our financial supporters will we be able to secure the funds we need to help 1 million people in 2025.

Income growth is a key part of our strategic plan. Only by expanding our financial supporters will we be able to secure the funds we need to help 1 million people in 2025. We've followed targeted investment in key income streams both in the UK and overseas in 2016. And it's encouraging that we're already seeing positive results from this strategy.

Spending

Our total expenditure in 2016 was £11.9m (compared to budget of £10m) of which £8.9m (75%) was spent on charitable activities, achieving the target set. Our increased income meant that we were able to spend £1m more on our charitable activities compared to 2015 and £1.4m more than budgeted. Importantly, it also enables us to sustain a higher level of disaster relief spending in 2017 and later years,

avoiding the inefficient peaks and troughs of spending that we have experienced historically.

Reserves

Our reserves policy is designed to balance the needs of future and current beneficiaries, ensuring that reserve levels are sufficient to cover day-to-day activities, absorb setbacks and respond to change and opportunity. And, of course, we also need to ensure that essential beneficiary services are maintained.

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 overall level of reserves appropriate for the forthcoming year. On this basis, the current policy identifies a reserves target of £2.5m, and a tolerable range of £2m to £3.5m.

“Extra reserves have enabled us to increase our sustainable future expenditure within the rolling three-year plan timeframe and to accelerate our transformation programme.”

At the end of 2016, total funds were £15.7m, of which:

- £3.0m were restricted funds.
- £5.7m were unrestricted designated funds (£3.4m for holding stock of disaster relief materials, £0.6m represented by freehold property and £1.7m for planned future expenditure within the strategic plan).
- £0.5m represented contracted materials purchase orders.

Free reserves were £6.5m at the end of 2016. This was higher than budgeted and was above the upper policy level of £3.5m, largely because 2016 income exceeded our expectations.



These extra reserves have enabled us to increase our sustainable future expenditure within the rolling three-year plan timeframe outlined on page 14, and to accelerate our transformation programme. We expect reserves to come within the policy range within that period.

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.

LOOKING AHEAD

Our vision

ShelterBox is growing, changing and innovating to meet the needs of the increasing numbers of people displaced by disaster and conflict around the world. We're ambitious. We're driven. And we're impatient to help.



Gaza, March 2015. ShelterBox distributed aid to people in rural parts of Gaza who were made homeless by ongoing conflict.

Our vision for ShelterBox in 2025 is to provide shelter for 1 million people every year.

In order to achieve this goal we also need to:

- generate an annual income of £40m net of fundraising costs
- be a leader and recognised authority in emergency shelter
- employ a best-in-class organisational culture to retain, develop and attract talented people
- introduce a globally inclusive ShelterBox ecosystem.

Objectives 2017-2019

To reach these goals we're planning ahead using a rolling three-year timeframe. We'll review and refine our objectives each year.

For the three years 2017-2019 our five main objectives are:

1. Reach and impact

Under this objective (which was titled Operational effectiveness in the previous year's plan) we aim to help 135,000 people in 2017. This compares to a target of 105,000 people in 2016 (against which we actually reached 146,500).



*We aim to reach
135,000 people in 2017
compared to a target of
105,000 people in 2016.*

We'll continue to increase ShelterBox's operational capacity in order to enable timely and effective delivery of aid to more people. We will also maximise the impact of our interventions by evolving our operational model and developing systems and processes that improve efficiency and facilitate rapid growth.

2. Income

In order to fund the cost of helping more people, we'll continue to invest to sustain income levels. Our income target for 2017 is £11.1m.

Key activity streams in 2017 and beyond will include:

- developing supporter insights and satisfaction
- building our supporter base
- transforming major gift income
- entering the institutional funding arena.

*“ Our income target for 2017
is £11.1m.*

3. Awareness and sector voice

This new objective will drive awareness of ShelterBox and our impact. We'll strengthen the content of our communications with key audiences and develop and deliver a robust communications and PR plan. This will help us to build gravitas around ShelterBox's expertise in emergency shelter.

4. Global partnerships

ShelterBox operates in a global environment. In order to develop and manage effective partnerships that support our strategic objectives we'll develop our affiliate network, strengthen our relationship with Rotary and build a network of strategic partners for the effective delivery of aid.

5. Organisational effectiveness

This objective underpins all of the others. It will see us continuing to build a high performing, values-driven organisation that puts the needs of the people we help at the centre and continually strives for excellence.



*We'll continue to create
an environment that
retains, develops and
attracts effective people.*

We'll continue to create an environment that retains, develops and attracts effective people, thereby ensuring that our staff and volunteers are engaged and motivated to deliver the organisation's strategy.

And we'll meet the internal challenges that accompany rapid expansion by further professionalising the organisation's infrastructure and maximising our use of technology.



Haiti, October 2016. Following the devastation of Hurricane Matthew we were quick to respond, helping people to rebuild their lives in Haiti.

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 has 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 and maintenance of adequate financial reserves.

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

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

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 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 seven members at 31 December 2016, 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.

Volunteers and staff

During 2016, the human resources department continued to develop and implement the HR strategy, policies and best practice. This supports the organisation's development and ensures that volunteers and staff are valued and at the heart of the organisation.

Without the support of more than 140 voluntary ShelterBox response team members and hundreds of other volunteers who fulfill a number of vital roles such as helping with fundraising, administration, packing boxes and other warehouse tasks, 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.



Tanzania, November 2015. Political violence in neighbouring Burundi led to thousands of people fleeing their homes, ShelterBox worked with other aid agencies to create refugee camps to help those who had fled.

Disclosure to auditors

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 auditors 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 auditors are aware of that information.

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 income over expenditure 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
- 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions. They must be able to disclose, with reasonable accuracy at any time, the financial position of the charitable company and 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.

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.

The Trustees Annual Report and Strategic Report were approved on 20 March 2017 and signed on its behalf by:

Dr Rob John OBE
Chair of Trustees

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

- Dr Rob John OBE (Chair)
- Robin Bayford FCA (Hon. Treasurer)
- Richard Bland
- Bill Decker
- Peter Munro-Lott (resigned 19 July 2016)
- Lydia Poole
- James Sinclair-Taylor
- Chris Warham (resigned 28 February 2016)
- James Vaughan

Executive team

- Chief Executive Officer – Alison Wallace (to 28 February 2016)
Chris Warham (from 29 February 2016)
- Director of Operations – Darren Moss
- Director of Fundraising and Communications – Richard Lee
- Director of Corporate Services and Chief Operating Officer – Michael Johns
- Head of Legal and Risk – Stephen Branfield

Auditor

KPMG LLP
Plym House
3 Longbridge Road
Plymouth
PL6 8LT

Registered office

1 Water-Ma-Trout
Helston
TR13 0LW

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

Withersworldwide LLP
16 Old Bailey
London
EC4M 7EG

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 2016 set out on pages 22 to 37. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 18, 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 2016 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; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; 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

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; or

**Ian Brokenshire (Senior Statutory Auditor)
for and on behalf of KPMG LLP,
Statutory Auditor**

Chartered Accountants
Plym House
Plymouth
PL6 8LT

04 April 2017

FINANCIAL STATEMENTS

Statement of financial activities for the year ended 31 December 2016

	Note	Unrestricted funds £000	Restricted funds £000	Total Funds 2016 £000	Unrestricted funds £000	Restricted funds £000	Total Funds 2015 £000
Income from							
Donations and legacies	2	6,256	3,056	9,312	8,952	3,248	12,200
Charitable activities		714	-	714	397	0	397
Investments		71	10	81	44	16	60
Other income		126	-	126	13	2	15
Total		7,167	3,066	10,233	9,406	3,266	12,672

Expenditure on							
Raising funds	3	3,014	12	3,026	1,575	36	1,611
Charitable activities	3	4,672	4,190	8,862	4,975	2,888	7,863
Total	3	7,686	4,202	11,888	6,550	2,924	9,474

Net income / (expenditure) before other recognised gains and losses		(519)	(1,136)	(1,655)	2,856	342	3,198
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Reconciliation of funds							
Total funds brought forward		13,231	4,146	17,377	10,375	3,804	14,179
Total funds carried forward		12,712	3,010	15,722	13,231	4,146	17,377

The statement of financial activities incorporates an income and expenditure account and includes all gains and losses during the period. All income and expenditure are 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 2016

	Note	2016 £000	2015 £000
Fixed assets			
Tangible assets	9	899	1,127
Investments	10	1	1
		900	1,128
Current assets			
Stocks	11	4,852	6,883
Debtors	12	739	459
Short term deposits	13	9,025	8,250
Cash at bank and in hand	13	1,275	1,249
		15,891	16,841
Creditors: amounts falling due within one year	14	(1,069)	(592)
Net current assets		14,822	16,249
Net assets		15,722	17,377
Charity funds			
Restricted funds	15	3,010	4,146
Designated funds	15	5,728	9,294
Unrestricted funds	15	6,984	3,937
Total funds		15,722	17,377

The financial statements on pages 22 to 37 were approved by the Trustees on 20 March 2017 and signed on their behalf, by:

Dr Rob John OBE – Chair

Robin Bayford FCA – Hon. Treasurer

The accompanying notes form part of these financial statements.

Cash flow statement for the year ended 31 December 2016

	Note	2016 £000	2015 £000
Cash flows from operating activities			
Net cash provided by operating activities	17	503	1,433
Cash flows from investing activities			
Dividends, interest and rents from investments		81	60
Proceeds from the sale of tangible fixed assets		480	1
Purchase of tangible fixed assets		(263)	(54)
Net cash provided by investing activities		298	7
Change in cash and cash equivalents in the year			
Cash and cash equivalents brought forward		9,499	8,059
Cash and cash equivalents carried forward	13	10,300	9,499
Analysis of net cash and cash equivalents			
Cash at bank and in hand		1,275	1,249
Short term deposits		9,025	8,250
Net funds at the end of the year		10,300	9,499

Notes to the financial statements for the year ended 31 December 2016

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.

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 company, ShelterBox Trading Ltd, 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 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:

- i. 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.
- 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 expenditure 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. 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.
- v. "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 are those incurred in seeking voluntary contributions, and they include the costs of providing donors with information about the charity's work.

Expenditure 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.

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:

Freehold land	Nil
Freehold buildings	2%
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 leases 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
	£000	£000	2016 £000	2015 £000
UK donations, legacies and grants	4,164	586	4,750	6,358
Gift aid	415	-	415	444
Donations and grants from ShelterBox affiliate organisations	1,635	2,470	4,105	5,332
Donated transport and other services	42	-	42	66
Total	6,256	3,056	9,312	12,200

3. EXPENDITURE

	Expenditure on raising funds	Disaster relief operations	Support costs	Total 2016	Total 2015
	£000	£000	£000	£000	£000
Disaster relief materials	38	4,258	-	4,296	3,520
Transport costs	1	955	1	957	1,862
Grants payable	277	1,349	-	1,626	662
Staff costs	710	703	724	2,137	1,902
Travel, subsistence and accommodation	78	553	33	664	577
Telephone and mobile communications	5	13	18	36	39
Maintenance and utilities	30	16	221	267	154
Insurance	-	1	53	54	47
Legal, professional and consultancy	110	21	110	241	73
Financial costs	33	2	(64)	(29)	43
Sundry administration costs	172	72	96	340	217
Rental on premises	26	3	159	188	28
Marketing agency costs	929	-	-	929	227
Depreciation	15	15	58	88	97
Other expenses	82	5	7	94	26
	2,506	7,966	1,416	11,888	9,474
Apportionment of support costs	520	896	(1,416)	-	-
Total	3,026	8,862	-	11,888	9,474

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 and are monitored for project milestones.

Institution	Project	2016 £000	2015 £000
ACTED	Nepal Earthquake	-	618
ACTED	Philippines Typhoon Nona	50	38
ACTED	Mosul crisis	779	-
IEDA	Lake Chad Basin Crisis	429	-
Catholic Relief Services	Typhoon Haiyan	-	7
Islamic Relief Worldwide	Typhoon Haiyan	-	(5)
ReliefAid	Syria crisis	54	-
Habitat for Humanity	Ecuador Earthquake	19	-
ShelterBox USA	Affiliate network	276	-
Other ShelterBox affiliate	Affiliate network	19	4
Total		1,626	662

5. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging/(crediting):

	2016 £000	2015 £000
Depreciation of tangible fixed assets	88	91
Auditors' remuneration - audit	16	11
Auditors' remuneration - other services	-	1
Operating lease rentals	188	28
Loss/(Gain) on disposal of fixed assets	(77)	6
Exchange rate (gain)	(69)	(7)

6. TRANSACTIONS WITH TRUSTEES

Members of the Board of Trustees (who are also directors of the company) received no remuneration (2015: £Nil) for their services as trustees.

2 trustees received reimbursement of travel, subsistence and accommodation expenses amounting to £3,000 in the current year, (2015: 3 trustees £5,286).

Trustees' indemnity insurance was purchased at a cost of £1,695 (2015: £1,810).

In total, donations of £3,950 (2015: £4,839) were received from the trustees during the year.

7. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£000	£000
Wages and salaries	1,848	1,654
National insurance costs	168	149
Company pension costs	72	63
Life assurance	4	5
Agency and seconded staff	40	16
Termination costs	5	15
	2,137	1,902

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

	2016	2015
	No.	No.
	73	75

The number of higher paid employees was:

	2016	2015
	No.	No.
In the band £60,001 - £70,000	1	-
In the band £90,001 - £100,000	1	1

Payments of £5,109 (2015: £3,130) were made to the charity's defined contribution pension scheme for two employees (2015: one) whose annual emoluments exceeded £60,000.

Key management personnel are deemed to be the charity's executive team, consisting of seven (2015: five) individuals. The charity's executive team received total emoluments in the year of £376,294 (2015: £274,332).

Termination costs are paid in full in the year and there are 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

	Freehold property	Fixtures and fitting	Total
	£000	£000	£000
Cost			
At 1 January 2016	1,193	738	1,931
Additions	-	263	263
Disposals	(440)	(49)	(489)
At 31 December 2016	753	952	1,705

Depreciation			
At 1 January 2016	165	639	804
Charge for the year	19	69	88
On disposals	(37)	(49)	(86)
At 31 December 2016	147	659	806

Net book value			
At 31 December 2016	606	293	899
At 31 December 2015	1,028	99	1,127

The book value of land (which is not depreciated) was £125,000 at 31 December 2016 (2015: £220,000). A legal charge over the freehold property has been given to the charity's bank as security for various credit facilities.

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings
	£000
Cost	
At 1 January 2016 and 31 December 2016	1

ShelterBox Trading Limited is a wholly owned subsidiary which undertakes various trading and fundraising activities. Financial details relating to ShelterBox Trading Limited are as follows:

	2016	2015
	£000	£000
Assets	57	41
Liabilities	(61)	(40)
Net (liabilities)/assets	(4)	1

Shareholders' funds	(4)	1
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	2016	2015
	£000	£000
Turnover	41	16
Cost of sales	(36)	(5)
Administrative and other expenses	(10)	(7)
(Loss)/Profit for the period	(5)	4

11. STOCKS

	2016	2015
	£000	£000
Held in the UK	2,003	2,916
Pre-positioned outside the UK	1,641	2,424
Aid in transit	1,208	1,543
	4,852	6,883

Stock of disaster relief materials is net of provisions of £473,769 (2015: £191,973). Amounts included in expenditure in the year can be seen in note 3.

12. DEBTORS

	2016	2015
	£000	£000
Amounts due from ShelterBox Trading Limited	56	37
Prepayments and accrued income	476	136
VAT and Gift Aid	109	75
Other debtors	98	211
	739	459

13. DEPOSITS AND BANK/CASH BALANCES

	2016	2015
	£000	£000
Short term deposits	9,025	8,250
Bank current accounts and cash		
Sterling bank accounts	147	59
Foreign currency bank accounts	1,070	1,160
Cash	58	30
	1,275	1,249

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£000	£000
Trade creditors	366	279
Other taxation and social security	66	52
Accruals and other creditors	637	181
Deferred grant income	-	80
	1,069	592

	£000
Movement on deferred grant income	
Deferred income at 1 January 2016	80
Amounts released from previous years	(80)
Deferred income at 31 December 2016	-

15. MOVEMENT IN FUNDS

(a) Unrestricted funds

	Brought forward	Income	Expenditure	Transfers in/out	Carried forward
	£000	£000	£000	£000	£000
Designated funds					
Property	1,028	-	(19)	(403)	606
Stock	5,205	-	(1,812)	-	3,393
Strategic	3,061	-	(1,332)	-	1,729
	9,294	-	(3,163)	(403)	5,728
General funds					
General Funds	3,937	7,167	(4,523)	403	6,984
Total Unrestricted funds	13,231	7,167	(7,686)	-	12,712

The Property fund represents the net book value of the charity's freehold premises in the United Kingdom.

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	1,678	-	-	(344)	1,334
ShelterBox Disaster Fund	281	72	(129)	-	224
JTI Foundation	41	85	(48)	-	78
Syria Refugee Appeal	50	880	(930)	-	-
Typhoon Haiyan Appeal	498	-	(498)	-	-
ADC	194	182	(110)	-	266
Affiliates fund	1,170	1,273	(1,931)	344	856
Disaster Appeals	-	300	(300)	-	-
Mosul fund	-	41	(31)	-	10
Syria and Iraq	-	13	-	-	13
SB Germany fund	228	220	(219)	-	229
Other	6	-	(6)	-	-
	4,146	3,066	(4,202)	-	3,010

The Emergency Supply fund is restricted to the holding of stock and its purpose is to allow the charity to hold sufficient stock levels. Transfers from this fund are following agreement with donors to change use of donations.

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 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.

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.

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

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

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

The Mosul funds are funds restricted to responding to the Mosul crisis.

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.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Total Funds	Total Funds
	2016 £000	2016 £000	2016 £000	2015 £000
Tangible fixed assets	899	-	899	1,127
Fixed asset investments	1	-	1	1
Net current assets	11,812	3,010	14,822	16,249
	12,712	3,010	15,722	17,377

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

	2016 £000	2015 £000
Net (expenditure)/income for the year (as per Statement of financial activities)	(1,655)	3,198
Adjustment for:		
Depreciation charges	88	91
Dividends, interest and rents from investments	(81)	(60)
(Profit)/loss on the sale of fixed assets	(77)	6
Decrease/(increase) in stocks	2,031	(1,440)
(Increase)/decrease in debtors	(280)	63
Increase/(decrease) in creditors	477	(425)
Net cash provided by operating activities	503	1,433

18. PENSION COMMITMENTS

The charity operates a defined contribution pension scheme. Contributions payable for the year were £71,790 (2015: £62,938). Outstanding contributions at the end of the period were £6,698 (2015: £5,279).

19. OPERATING LEASE COMMITMENTS

At 31 December 2016 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2016 £000	2015 £000
Amounts payable:		
Within 1 year	168	-
Between 1 and 5 years	180	23
Net cash provided by operating activities	348	23

20. OTHER FINANCIAL COMMITMENTS

The amount of materials purchase orders contracted for at 31 December 2016 but not recognised in these financial statements was:

	2016 £000	2015 £000
Materials purchases contracted for	494	452

THANK YOU FOR BEING PART OF TEAM SHELTERBOX

Dartmoor, September 2015. A fundraiser battles the elements on the cycling route of the Wild West Challenge, a two-day endurance mission to raise money for ShelterBox.





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President

Her Royal Highness
The Duchess of Cornwall