

Trustees' Annual
Report & Financial
Statements
for the year ended
31 March 2013

Shelter

Contents

About Shelter	03
Shelter's Strategy 2012-15	04
Key Objectives & Statement of Public Benefit	06
Structure, Governance & Management	07
Financial Review	09
Statement of Trustees' Responsibilities	11
Independent Auditor's Report	12
Consolidated Statement of Financial Activities	14
Charity and Group Balance Sheets	15
Consolidated Cash Flow Statement	16
Notes to the Financial Statements	17
Thanks from Shelter – 2012/13	35
Legal and Administrative Information	36

About Shelter

Who we are

Shelter is a charity that works to alleviate the distress caused by homelessness and bad housing.

We do this by giving advice, information and advocacy to people in housing need, and by campaigning for lasting political change to end the housing crisis for good.

What does Shelter do?

Help and advice

Shelter provides free, confidential advice to people with all kinds of housing problems through our online housing information and our face to face local services.

Fighting for change

Shelter tackles the root causes of bad housing by lobbying government and local authorities for new laws and policies, and more investment, to improve the lives of homeless and badly housed people. Our influential campaigns bring aspects of bad housing to the attention of the media and the public, who help us fight for solutions.

Informing professionals

As a leading expert on housing in Britain, we develop practical solutions to address the housing crisis. We also work in conjunction with the housing sector to promote good practice, publish reports, and deliver professional training.

Shelter's Strategy 2012-15

In April 2012, Shelter launched its new strategy which sets out our strategic aims over the next 3 years. Shelter has a 45 year history of helping vulnerable people in housing need. Over the next three years, we aim to help more people in housing need than ever before by working hard to achieve the aims set out below;

- Aim 1 | Supporting more families
- Aim 2 | Increasing the capacity of our website and helpline
- Aim 3 | Creating new integrated advice and support hubs in areas where there is the most need
- Aim 4 | Putting our housing crisis back on the national agenda
- Aim 5 | Generating more independent income
- Aim 6 | Investing in Shelter's people and infrastructure
- Aim 7 | Focusing on our outcomes

During the first year of our new strategy we have achieved our goal of helping more people; over 3.5 million people have received help from Shelter in 2012/13, either through our advice and support network of services, our helplines or our websites in England and Scotland. Going forward we will be looking to build on our achievements from 2012/13 and help even more people in housing need in 2013/14 and beyond.

You can read our full strategy document or download a copy from our website at the following link; http://england.shelter.org.uk/about_us/who_we_are/what_we_stand_for

Shelter's Strategy 2012-15

Key achievements against strategic aims for 2012/13

Aim 1: Helping more people, supporting more families

In 2012/13 Shelter helped over 61,000 people through our face-to-face, family and support and 2nd Tier services, exceeding our annual target of 58,793.

The BIG Lottery funded 'Realising Ambition' service in Sheffield and Bristol has now been launched and is enabling us to pilot new ways of working with some of the most vulnerable families.

In Scotland, two key successes include the launch of the Safe and Sound project in Dundee, and the successful bid for a major grant from the BIG Lottery Fund to enable Shelter Scotland to work with prisoners in partnership with SACRO.

Aim 2: Increasing the capacity of our website and helpline

In England, the helpline answered 83,000 calls; a 25% increase on 2011/12.

We had 3.2m visits to the 'Get advice' section on our England website; a 52% increase on 2011/12.

In Scotland the helpline assisted 12,872 people; a 29% increase on 2011/12.

We had 600k visits to the 'Get advice' section on our Scotland website; a 35% increase on 2011/12.

Aim 3: Creating new integrated advice and support hubs in areas where there is the most need

In Scotland we have built upon the distribution of our services to create Hubs in Glasgow, Edinburgh and Dundee.

In England, we are piloting a Hub in Birmingham to re-design how our clients experience our services.

In addition we are implementing the new London Council's contract in partnership with Broadway, which has new ways of working to offer integrated advice and support services.

Aim 4: Putting our housing crisis back on the national agenda

In England, continued campaigning to protect the Housing Safety Net has secured significant government concessions across a variety of policy areas. Shelter Scotland's campaigning has led to the development of the Housing Support Duty (January 2013)

Affordable housing investment featured prominently in both the Scottish Govt. and UK political parties' announcements, and the Rt. Hon Alex Salmond MSP delivered the first ever Shelter Scotland lecture in the Autumn of 2012

Aim 5: Generating more independent income

In 2012 Shelter had its most successful Christmas campaign ever with a 50% growth on income and total amount raised of £2.3m.

New long term corporate partnerships with British Gas, KPMG and Fujitsu UK offer Shelter pro bono support, reach and profile opportunities as well as funding.

Donor retention has improved by 4% over the year and donor recruitment has outperformed target by 41%.

The Training and Publications team have continued to grow sales and profit in a difficult trading environment.

Shelter opened 31 new stores and closed 14 units during the year; retail sales overall grew by 15%. The costs of the investment programme and a weaker performance from our older, 'core' stores meant that the retail business made a small operating loss in the year.

Aim 6: Investing in Shelter's people and infrastructure

We have replaced our current case management system with two new systems to ensure that both our legal advice work and our support and helpline work has the most effective IT to meet requirements whilst at the same time enabling us to improve efficiency and client experience.

We are undertaking a recruitment review to ensure Shelter has an approach that delivers the best possible new recruits within a streamlined process.

Aim 7: Focusing on our Outcomes

The Shelter research team have developed a range of indicators to measure the impact and outcomes of our advice and support work as well as exploring options around how we are rated by the key audiences we work with and tracking the awareness of Shelter with the public.

Shelter's Strategy 2012-15

Looking forward; Our priorities for 2013/14

Aim 1: Helping more people, supporting more families

We are developing new models of Family Services that will support vulnerable families to prevent them being made homeless, and to set up and keep a home.

Aim 2: Increasing the capacity of our website and helpline

As a part of our overarching digital advice strategy, the new CRM system will allow us to develop the next phase of our project to allow seamless communication from the contact centre across all advice delivery channels including mobile, social media, web and phone.

Aim 3: Creating new integrated advice and support hubs in areas where there is the most need

In England, we are trialling ways of integrating our services to ensure they are seamless from the client's perspective. Our intention is to tailor our approach to different cities to create further Hubs, once these trials have been concluded.

In Scotland, we will be adding to our current Hub projects with a new location in Aberdeen.

Aim 4: Putting our housing crisis back on the national agenda

We will ensure that homelessness and the lack of affordable homes stay high up on the national agenda.

We will continue to improve the security of private renting by campaigning for improvements to tenancy contracts, clarifying the role and costs of letting agents, working with local authorities to stamp out rogue landlords, and ensuring that tenants know their rights to reclaim their deposit.

Aim 5: Generating more independent income

We have a challenging fundraising income target to meet next year and we will continue to plan our activity in line with the strategic drivers of attracting new donors, keeping our donors loyal, growing strategic partnerships and driving value.

A priority for 2013/14 is to improve the performance of the core stores within our shops network.

We will also be introducing 'Gold Standard' training to Local Authorities in conjunction with the National Homelessness Advice Service.

Aim 6: Investing in Shelter's people and infrastructure

We are currently developing our volunteering strategy and will be further strengthening the links between our volunteering and service user involvement in individual services and the organisation as a whole.

We will continue with our work to auto-enrol all staff in a suitable pension scheme by our staging date of 1 October 2013.

We will be implementing a new electronic performance management system as part of our HR Strategic Plan.

Aim 7: Focusing on our Outcomes

Standard Life have funded external research into how people experience our face-to-face services, and we are using the findings in the redesign of our services in our pilot hub in Birmingham. Tested improvements will then be rolled out nationally.

We will review and refine our work to measure our impact as current research projects are completed throughout 2013/14.

Key Objectives & Statement of Public Benefit

Shelter's Key Objectives

Shelter was set up in 1966 with the following objectives:

- To relieve hardship and distress among homeless people and among those in need who are living in adverse housing conditions.
- To make monies available to other bodies (whether corporate or not) whose aims being charitable are the relief of such hardship and distress
- To relieve poverty and distress
- To educate the public concerning the nature, causes and effects of homelessness, human suffering, poverty and distress as aforesaid and to conduct and procure research concerning the same and to make available the useful results thereafter to the public.

Statement of Public Benefit

Under the Charities Act 2006, charities are required to demonstrate that their aims are for the public benefit. The two key principles which must be met in this context are, first, that there must be an identifiable benefit or benefits; and, secondly, that the benefit must be to the public, or a section of the public. Charity Trustees must ensure that they carry out their charity's aims for the public benefit, must have regard to the Charity Commission's guidance, and must report on public benefit in their Annual Report.

Shelter's Board of Trustees regularly monitors and reviews the success of the organisation in meeting its key objectives of helping people to find and keep a home and campaigning for decent homes for all. The Trustees confirm, in the light of the guidance, that these aims fully meet the public benefit test and that all the activities of the charity, described in the Report of the Trustees, are undertaken in pursuit of these aims.

Structure, Governance & Management

Board of Trustees

Shelter, the National Campaign for Homeless People Limited (trading as "Shelter") is a registered charity (number 263710 for England & Wales and SCO02327 Scotland) and a company limited by guarantee (number 1038133) and is governed by its Memorandum and Articles of Association. The Board of Trustees, who are also directors of the charity for the purposes of the Companies Act, have overall responsibility for the direction, management and control of the charity. As discussed below, the Board is supported in discharging these responsibilities by Board Committees. Overall operational management of Shelter is delegated to the Senior Management Team.

The Board may be comprised of no fewer than 6 and no more than 15 members, and currently consists of 15 members. It is a non executive Board and its members are unpaid. Applications for Board membership are invited by external advertisement. Applicants are interviewed by the Nominations and Governance Committee and are appointed according to relevant skills, competencies and experience. Trustee terms of office are normally limited to a maximum of two terms, each of three years. Membership of the Board for any longer than six years may be granted on the basis of the needs of Shelter and renewed up to a total of an additional three years.

Throughout the year, the Trustees and Senior Management Team have continued to monitor effectiveness and overall terms of reference for the various Committees, to ensure they are following best practice in the sector. In November 2012 we carried out an extensive Board effectiveness survey, using best practice methodology and involving all Trustees and the Senior Management Team. Following this, Board members took part in group work on the key areas for improvement and set an action plan for the year ahead. All new Trustees are given a thorough six month induction programme and issued with a governance handbook (updated in October 2012) explaining their role and responsibilities as a Trustee. Trustees are kept up to date with developments through regular bulletins and training where appropriate and the organisation is regularly updated on Trustee governance. The Board also appraises its own performance and contribution on an annual basis. The Chair of the Board of Trustees is appraised through a 360 degree process led by our Vice Chair to which all Trustees and members of the Senior Management Team contribute and the Chair carries out a similar annual appraisal of all our Board Committee chairs and of all Trustees coming to the end of a term of appointment.

The Board met six times in the course of the year under review including a residential weekend where we reviewed the first six months of our new strategy with the Senior Management Team. Much of our detailed work is undertaken within our committees, including the Audit Risk and Finance Committee,

Income Generation Committee and Scotland Committees. Our Nominations & Governance Committee keeps our governance under review and deals with appointments to the Board and its Committees. Our HR & Remunerations Committee considers and makes recommendations to the Board regarding the overall pay and reward of all staff and with the appraisals and pay of the Chief Executive and other members of the Senior Management Team.

The Board appoints members of the Audit, Risk and Finance Committee, the Shelter Scotland Committee, the HR & Remuneration Committee, the Nominations Committee and the Income Generation Committee. The Audit, Risk and Finance Committee, which meets five times a year, the Scotland Committee, which meets five times a year, the Nominations Committee, which normally meets three times a year, and the Income Generation Committee, which normally meets four times a year, are made up of Trustees and other individuals with relevant skills and experience. Both external and internal auditors are invited to attend the Audit, Risk and Finance Committee meetings.

Structure, Governance & Management

Employees

Shelter and Shelter Trading employ 1,362 people who have achieved a remarkable amount over the last year, whilst having to adjust to the profound restructuring of our front line services and operating within an external environment that has seen one of the most vitriolic and divisive debates on the welfare state in decades. In 2012/13 Shelter saw a 47% rise in the number of people that come to us for help and thanks to the continued hard work and dedication of our staff, we have been able to help more people than any other year in our history.

As part of our new 3-year strategy, we are investing in our people. Shelter has undertaken a comprehensive review on how it rewards, recognises and develops its staff. This has resulted in the development of a new approach to performance which will ensure that the undoubted talent, passion and commitment of our staff is properly recognised and developed. Shelter continues to invest in the training and development of its staff with additional e-learning packages having been developed and launched this year. Shelter has also maintained its commitment to management development recognising that investing in leadership is at the heart of maximising our impact. Shelter believes that its continuing commitment to the professional development of all staff ensures we can continue to meet our objectives.

Voluntary turnover has remained low and consistent throughout 2012/13, however, highly talented employees will always be in demand and we will continue to develop the flexibility in our approach to pay and reward to ensure we are able to retain our best staff. Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming

disabled every effort is made to ensure that their employment with Shelter continues and that appropriate training is arranged. It is the policy of Shelter that the support, career development and promotion of disabled employees should, as far as possible, be identical to that of other employees.

We have a dedicated HR project group that have developed plans to implement auto-enrolment for staff into an appropriate pension scheme and we are on target to have this work completed by our staging date of 1 October 2013.

Volunteers and Service Users

The Trustees of Shelter remain ever grateful for the continued support of our network of volunteers across the country. Over 1000 volunteers donated their time over the past year in Shelter shops and retail administration. Across our services we have over 100 dedicated volunteers who help with events co-ordination, client support, working in prisons to prevent homelessness, or through research and policy.

Alongside this we have a network of service user groups providing us with invaluable insights into how we can most effectively help people in housing need. In Spring 2012, we published our first Impact Report on how we involve our service users. We are continuing to pilot different methods of involvement so that we can identify what works and so we can offer our service users more options in the future that better suit their needs. You can read the full report here; http://england.shelter.org.uk/about_us/who_we_are/involving_service_users

We are developing our Volunteering Strategy and will be further strengthening the links between our volunteering and service user involvement programmes. In Scotland, a Volunteer Development Manager is now in place, which will enable a more systematic approach to the recruitment, training and deployment

of the volunteers we have across the division. This role will dovetail with the English Regional Volunteer Co-ordinators and with the support of National Volunteering Administrator we will be moving to a National Volunteering Team which will enable us to take a more holistic approach to volunteering.

Thank you to each and every one of our supporters who has given their time and commitment – we could not do it without you.

Subsidiary undertakings

The charity's wholly owned trading subsidiary, Shelter Trading Limited, carries out non-charitable trading activities for the charity; primarily the operation of shops selling donated and new goods, and the delivery of training courses. Details are included in Note 19 to the accounts. Shelter's trading and training activity generates considerable awareness of the charity's wider work and some of the funds required to support the operations of the charity are raised by means of trading activities through Shelter Trading Limited. Shelter Merchandising Limited, also a wholly owned and dormant trading subsidiary, was requested to be dissolved on 27th February 2013.

Financial review

Shelter would like to thank its donors and supporters for their contributions during what has been a challenging year both economically and for housing and homelessness issues.

Shelter started the year with accumulated surpluses. In line with previously agreed investment plans the organisation invested in the income-generating areas of fundraising and the retail portfolio to support the charity's activities. Investment has also been made in campaigning and services to raise awareness of homelessness issues and expand our services. The result is an operating deficit of £5.2m.

Total incoming resources at £53.5m (2012: £52.9m) are higher than the previous year. In particular, donations and gifts have increased to £22.8m from £21.1m. Fundraising costs have increased from £8.3m to £10.4m reflecting substantial investment in fundraising capacity. By the nature of such activity the impact on income will be felt principally from 2014-15 onwards, although there has been an increase in income this year.

Retail costs have increased from £8.1m to £10.3m as a result of a significant programme of shop openings, which continued during the year. Revenue has also increased but not comparably, because of difficult trading conditions, with the result that retail activities made a loss overall in 2012-13. The shops are managed by Shelter's trading subsidiary, Shelter Trading Limited.

Costs of charitable activities have increased by £3.0m mainly due to an expansion in housing services activity and investments in additional research, digital advice and campaigning. Expenditure on campaigning in 2012-13 was 3.7% of total expenditure.

We anticipate that next year there will be a smaller deficit as the programme of investment comes to an end and income continues to increase.

Investments

Shelter invests in Common Investment Funds (CIFs), specialised unit trusts that are regulated and monitored by the Charity Commission and benefit from charitable tax exemptions. These funds enable Shelter to take advantage of economies of scale and opportunities for diversification, essentially by pooling our investments with other charities. Shelter invests in both equity and bond CIFs.

The Audit, Risk and Finance Committee has responsibility for reviewing the performance of these funds against comparative CIFs and the stock market in general. Schroders manage the investment fund on a discretionary basis, within the ranges set out in Shelter's Investment Policy. During the year 2012-13 investments have outperformed against benchmark.

Reserves

Under the requirements of the Statement of Recommended Practice on Accounting and Reporting by Charities 2005, Shelter segregates its funds into those which are restricted and those which are unrestricted. A further description of these funds is included within Note 20 to the accounts.

Shelter's general funds constitute in practice its reserves. Trustees have identified three possible sources of a call on reserve: a sharp temporary increase in expenditure, a sharp temporary drop in income, or a temporary excess in expenditure over income as the organisation takes time to bring the two back into balance following adverse developments. They have reviewed the major elements of both income and expenditure to identify where such sudden changes might arise and how

likely they might be. On the basis of this analysis they have concluded that the general funds of £7.8m are sufficient to provide financial security for Shelter.

Risk management and internal control

The Trustees have overall responsibility for ensuring that the organisation operates an appropriate system of controls, financial and otherwise, to provide reasonable assurance that:

- The charity is operating efficiently and effectively
- Proper records are maintained and financial information, used within the charity or for publication, is reliable
- The charity complies with relevant laws and regulations.

The Audit, Risk and Finance Committee is responsible for monitoring the effectiveness of the internal controls and reports to the Board the results of such monitoring. This is achieved through:

- Reviewing Shelter's systems of financial control, risk management and compliance
- Reviewing the nature and scope of the external audit, and any matters raised, for the attention of management. Any significant findings or identified risks are examined so that appropriate action can be taken
- Reviewing and approving the annual internal audit plan, considering and approving the areas of the organisation that are subject to review, approving the scope of such reviews, considering any findings that arise and agreeing changes to audit plans to take account of emerging risks and new areas of business

Financial review

- Ensuring that appropriate action is taken on recommendations made by the internal auditors.

The systems of control operated within Shelter are designed to provide reasonable, but not absolute assurance against material misstatement or loss. They include:

- A strategic plan
- A business plan, annual budget and cash flow forecast
- Regular consideration by the Trustees of actual results compared with budgets, forecasts and trends, cash flow and reserves levels
- Segregation of duties
- An identification of, and management of, risks
- A regular review of financial procedures

A three-tier system of risk registers operates in Shelter, with a top ten organisational-level risk register, divisional risk registers and project-specific risk register. The Senior Management Team review the top ten risk register on a rolling basis throughout the year, and with Trustees twice-yearly. The key risks that have been identified to the successful delivery of Shelter's business strategy include the underperformance of the shop operations and the impact of localism and welfare reform on the ability of the organisation to remain a source of expert knowledge.

Statement of Trustees' responsibilities

Preparation of the Annual Report and Accounts

The Trustees are responsible for preparing the Trustees' 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 in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. 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 the group and of its net incoming resources of the group 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 SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable 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 charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company and group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and group and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charity and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to auditors

Each of the Trustees who were directors of the company at the date when this report was approved has confirmed that:

- So far as they are aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Signed on behalf of the Board



Professor ADH Crook, AcSS
Chair of the Board of Trustees

Independent auditor's report

We have audited the financial statements of Shelter, the National Campaign for Homeless People Limited for the year ended 31 March 2013 set out on pages 14 to 34.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 and to the charitable company's trustees, as a body, in accordance with section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005. 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 the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2013 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report

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 or the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent 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 parent charitable company 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.



Naziar Hashemi Senior Statutory Auditor

For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
London

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities

For the year ended 31 March 2013 (incorporating income and expenditure accounts)

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2013 £'000	Total 2012 £'000
Incoming resources					
Incoming resources from generated funds					
Voluntary Income: Donations and gifts	2	21,003	1,752	22,755	21,085
Legacies	2	2,522	790	3,312	4,847
Activities for generating funds:					
Retail sales	3	9,942	-	9,942	8,820
Investment income	3	244	-	244	253
Other income		60	-	60	303
Incoming resources from charitable activities					
Training		1,136	-	1,136	1,354
Publications		54	-	54	61
Research, Digital Advice and Campaigning		35	-	35	33
Legal Services contracts	4	5,271	-	5,271	5,911
Statutory and grant-funded activities	4	461	10,267	10,728	10,192
Total incoming resources		40,728	12,809	53,537	52,859
Resources expended					
Costs of Generating Funds					
Costs of generating voluntary income:					
Fundraising activities	2	10,447	-	10,447	8,276
Retail costs	3	10,331	-	10,331	8,090
Total costs of generating funds		20,778	-	20,778	16,366
Net incoming resources available for charitable application		19,950	12,809	32,759	36,493
Cost of charitable activities:					
Training		1,047	-	1,047	1,262
Publications		947	-	947	895
Research, Digital Advice and Campaigning		4,255	-	4,255	3,740
Housing Aid and other grants made	6	169	-	169	263
Legal Services contracts		11,250	-	11,250	10,647
Housing Services		9,047	11,126	20,173	18,060
Total cost of charitable activities		26,715	11,126	37,841	34,867
Governance Costs	7	167	-	167	189
Total resources expended	5	47,660	11,126	58,786	51,422
Net income for the year		(6,932)	1,683	(5,249)	1,437
Net gain on investments	13	653	-	653	82
Transfer between funds		395	(395)	-	-
Net movement in funds		(5,884)	1,288	(4,596)	1,519
Fund balances at 1 April		20,063	2,095	22,158	20,639
Fund balances at 31 March	20	14,179	3,383	17,562	22,158

All the above results are derived from continuing activities.

All gains and losses recognised in the year are included in the consolidated statement of financial activities
Included within restricted funds is a permanent endowment fund of £39,000 (2012: £39,000)

Charity and Group Balance Sheets

As at 31 March 2013

	Notes	Group		Charity	
		2013 £'000	2012 £'000	2013 £'000	2012 £'000
Fixed Assets					
Tangible fixed assets	12	6,417	5,404	6,417	5,404
Investments	13	9,032	14,163	9,112	14,243
		15,449	19,567	15,529	19,647
Current Assets					
Stock	14	220	157	-	-
Debtors	15	5,250	5,037	5,343	4,793
Cash at Bank		3,363	3,328	3,226	3,402
		8,833	8,522	8,569	8,195
Current Liabilities					
Creditors: amounts falling due within one year	16	5,676	5,041	5,505	4,809
		3,157	3,481	3,064	3,386
Net Current Assets					
Total Assets less current liabilities		18,606	23,048	18,593	23,033
Provisions for liabilities and charges	17	1,044	890	1,044	890
Net Assets		17,562	22,158	17,549	22,143
Accumulated Funds					
Unrestricted income funds					
General funds	20	7,762	5,766	7,749	5,751
Designated funds	20	6,417	14,297	6,417	14,297
Restricted income funds	20	3,344	2,056	3,344	2,056
Permanent endowment fund	20	39	39	39	39
		17,562	22,158	17,549	22,143

The financial statements were approved by the Board of Trustees and authorised for issue on 11 July 2013.
They were signed on its behalf by:



Professor ADH Crook
Chair of the Board of Trustees

Consolidated Cash Flow Statement

Year ended 31 March 2012

	Notes	2013 £'000	2012 £'000
Cash flow from operating activities		(4,107)	787
Returns on Investment and servicing of finance			
Investment income received	3	165	158
Interest received	3	79	95
Net cash flow for returns on investment & servicing of finance		244	253
Capital expenditure and financial investment			
Purchase of listed investments	13	(156)	(152)
Purchase of tangible fixed assets	12	(1,886)	(642)
Net cash outflow for capital expenditure and financial investment		(2,042)	(794)
Net cash inflow/(outflow) before management of liquid resources & financing		(5,905)	246
Management of liquid resources			
Decrease/ (Increase) in investment cash		5,940	(576)
Increase/ (Decrease) in cash at bank		35	(330)
Reconciliation of net incoming resources to net cash inflow from operating activities			
Net incoming resource		(5,249)	1,437
Depreciation	12	842	515
Loss on disposals of fixed assets	12	32	-
Investment income received	3	(165)	(158)
Interest receivable	3	(79)	(95)
Movement in provisions		154	9
(Increase) in stocks		(63)	(34)
(Increase)/ decrease in debtors		(213)	139
Increase/ (decrease) in creditors		635	(1,026)
Net Cash inflow from operating activities		(4,107)	787
		Cash flow	
	1 April		31 March
	2012		2013
Analysis of changes in net debt			
Cash at bank	3,328	35	3,363
Cash on deposit	9,598	(5,940)	3,658
Total	12,926	(5,905)	7,021

Notes to the Financial statements

1. Accounting policies

(a) Basis of Accounting

The accounts have been prepared under the historical cost convention with the exception of investments and the 88 Old Street freehold property which are stated at market value. They have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 with applicable accounting standards. They also comply with Statement of Recommended Practice on Accounting and Reporting by Charities (SORP 2005). As explained in the report of the Trustees the planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. The Trustees have a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future. The accounts have therefore been prepared on the basis that the charity is a going concern.

(b) Group Accounts

Group accounts have been prepared for Shelter, The National Campaign for Homeless People Limited, and its wholly owned subsidiary company, Shelter Trading Limited, in accordance with the requirements of SORP 2005. Shelter Merchandising Limited was dissolved during the year. The accounts have been consolidated, on a line by line basis to include the results of Shelter Trading Limited. The results of Shelter Trading Limited are shown in Note 19. In accordance with the Companies Act 2006, no individual statement has been prepared for the parent company, Shelter, The National Campaign for Homeless People Limited.

(c) Incoming resources

All incoming resources are included in the Consolidated Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

The following specific policies apply to categories of income:

- (1) Legacy income is accounted for on the earlier of cash receipt or notification of estate accounts being finalised.
- (2) Grant income is split between government and other. Grant income that is received in advance of performance is deferred and included in creditors.

(d) Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of resources. The majority of overheads have been apportioned on the basis of headcount because that is the main driver of costs in the charity.

Expenditure is stated in line with the SORP 2005 recommended practice. Support costs, which include finance, IT, head office functions (London and Edinburgh) and facilities are allocated across the categories of charitable expenditure, governance and the costs of generating funds. The basis of the cost allocation is explained in the accounts.

Governance costs, separately identified, relate to the general running of the charity as opposed to the costs of fundraising or charitable activity. Included within this category are costs associated with the strategic as opposed to day to day management of the charity's activities.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities or costs of negotiating contracts for the provision of services

Grants are charged to the Consolidated Statement of Financial Activity when a constructive obligation exists.

Irrecoverable VAT is charged as a cost to the Consolidated Statement of Financial Activity.

(e) Donated Services and Facilities

Donated Services and Facilities are included at the value to the charity where this can be quantified. No amounts are included in the Financial Statements for services donated by volunteers.

(f) Gifts in Kind

Gifts in Kind are included at current market value where their value is ascertainable and material. The estimated valuation of gifts in kind is based on the value of the contribution to the charity, or the valuation the charity would have had to pay to acquire the assets.

Notes to the Financial statements

(g) Tangible Assets and Depreciation

Assets with a cost in excess of £500 intended to be of ongoing use to Shelter in carrying out its activities are capitalised as fixed assets. Fixed assets are included at cost with the exception of the 88 Old Street freehold property which has been included at market value. Depreciation is charged, on a straight line basis, as follows;

Freehold buildings

50 years

Short-leasehold buildings

In line with the lease term

Freehold improvements

10 years

Furniture and fittings

4 years

Computer and office equipment

3 years

Vehicles

3 years

Freehold land on which buildings are constructed is not depreciated.

Fixed assets are subject to a review for impairment where there is an indication of a reduction in their carrying value. Any permanent impairment is recognised in the Consolidated Statement of Financial Activities in the year in which it occurs

(h) Dilapidations

Provision is made for all dilapidations on leasehold properties where Shelter has a contractual obligation to bear such costs. The provision for these costs is based on the results of an internal Chartered Surveyor's review and is reviewed periodically. Movements on the provisions are included in the expense headings to which they relate.

(i) Investments

Listed investments (such as shares, bonds, etc) are stated at market value. Any realised or unrealised gain or loss resulting from movements in investments and changes in valuation are reflected in the statement of gains and losses on investment assets and are accounted for in the relevant fund (see note 1 (k)). Investments in subsidiary companies in the balance sheet of Shelter, The National Campaign for Homeless People Limited, and unlisted investments, in the form of donated shares, are stated at cost.

(j) Stock

Stock is stated at the lower of cost or net realisable value. Stock consists of new goods held by Shelter Trading Limited

(k) Fund Accounting

Due to the constraints of law and donor imposed restrictions, the charity segregates its funds between those that are restricted and those that are unrestricted. General funds represent the accumulated surplus on income and expenditure and are available for use at the discretion of the Board in pursuing the general charitable objectives of the charity (see Report of the Trustees).

Designated funds are funds that have been set aside by the Board for a specific purpose. An analysis of designated funds is provided in Note 20 to the financial statements.

Included in designated funds is a freehold property and fixed asset fund that represents the net book value of Shelter's freehold property and fixed assets. This fund has been separated from the general fund in recognition of the fact that the freehold property and fixed assets are used in Shelter's

day-to-day work, and the fund value would not be easily realisable if needed to meet future liabilities.

Where funds are received under contracts to provide services they are classified as restricted, this is on the basis that the contracts specify the service to be performed by the charity. The treatment of these contracts as restricted enables monitoring of performance and outcomes against the contractual agreement. The terms of the contract for legal services are such that it is categorised as unrestricted.

Restricted funds represent income received where the donor or the nature of the appeal generating the income has imposed restrictions as to how the monies shall be used. The nature and purpose of the designated and restricted funds are also set out in Note 20 to the financial statements. The cost of raising and administering such funds are charged against the specific fund.

Endowment funds comprise a capital sum donated under the restriction that the money is invested and only the income arising is available for expenditure.

(l) Operating Leases

Rental income and expenditure applicable to operating leases are credited or charged to the Consolidated Statement of Financial Activities on a straight line basis, in the period to which the cost or income relates.

(m) Pension costs

Contributions to the company's defined contribution pension scheme are charged to the Consolidated Statement of Financial Activities in the year in which they are payable to the scheme.

Notes to the Financial statements

2. Voluntary Income

	Unrestricted 2013 £'000	Restricted 2013 £'000	Total 2013 £'000	Total 2012 £'000
Donations and gifts				
Individuals	19,962	250	20,212	18,657
Donated services	90	-	90	74
Charitable foundations	259	621	880	989
Corporate donors	692	881	1,573	1,365
Total	21,003	1,752	22,755	21,085
Legacies	2,522	790	3,312	4,847
Cost of generating voluntary income				
	Unrestricted 2013 £'000	Restricted 2013 £'000	Total 2013 £'000	Total 2012 £'000
Fundraising costs				
Staff costs	5,650	-	5,650	4,496
Other costs and support costs	4,797	-	4,797	3,780
Total	10,447	-	10,447	8,276

The increase in fundraising expenditure compared to 2011-12 is the result of investing in Shelter's fundraising capacity. This has had some impact on income this year but the majority of the benefit will materialise in future years. The charity has been notified of legacies with an estimated value of £1.4m (2012: £1.5m restated) which have not been recognised as income at 31 March 2013 because no confirmation of impending distribution or notification of estate accounts being finalised has been received.

3. Activities for Generating Funds

	Donated Goods £'000	Shops New Goods £'000	Other £'000	Mail Order £'000	Total 2013 £'000	Total 2012 £'000
i) - Income from retail activities						
Sales	8,463	1,293	6	180	9,942	8,820
Costs	(8,964)	(1,240)	-	(127)	(10,331)	(8,090)
Incoming resources available	(501)	53	6	53	(389)	730

The total number of shops increased by a net 17 (31 opened, 14 closed) over 2012-13 in line with investment plans to expand the chain. As costs are generally higher than sales in the early period of trading there was a lower increase in sales income over the same period. Sales were also affected by difficult trading conditions during 2012-13.

	2013 £'000 Staff	2013 £'000 Other	2013 £'000 Total	2012 £'000 Staff	2012 £'000 Other	2012 £'000 Total
ii) - Direct cost of retail activities						
Shelter Shops	4,056	6,148	10,204	3,178	4,816	7,994
Mail Order	77	50	127	59	37	96
	4,133	6,198	10,331	3,237	4,853	8,090
iii) Investment Income						
Interest on cash at bank					79	95
Listed securities					165	158
					244	253

Notes to the Financial statements

4. Housing Services

Contract and statutory grant funding in Shelter comprise the following:

	Unrestricted 2013 £'000	Restricted 2013 £'000	Total 2013 £'000	Total 2012 £'000
Legal Services Contracts	5,271	-	5,271	5,911
Total Legal Services Contracts	5,271	-	5,271	5,911

Government Grants

Scottish Government	17	394	411	553
Department for Communities and Local Government	-	2,493	2,493	2,569

Grants from Other Agencies

Local authority grants	193	2,061	2,254	2,870
Local authority Supporting People grants	-	2,548	2,548	2,384
Big Lottery Fund	-	673	673	162
HM Prison Service	-	1,540	1,540	960
Other agencies	251	558	809	694
Total statutory and grant funded activities	461	10,267	10,728	10,192

Total contract and statutory grant funding	5,732	10,267	15,999	16,103
---	--------------	---------------	---------------	---------------

5. Total resources expended

Support cost allocation	Direct cost* £'000	HR £'000	Finance £'000	Apportioned cost			Total £'000	Total 2013 £'000	Total 2012 £'000
	£'000	£'000	£'000	IT £'000	Facilities £'000	Director £'000	£'000	£'000	£'000

Costs of generating funds

Voluntary income

Fundraising & legacies	9,779	148	131	174	130	85	668	10,447	8,276
------------------------	-------	-----	-----	-----	-----	----	-----	--------	-------

Costs of activities for generating funds

Retail costs (shops and trading)	10,331	-	-	-	-	-	-	10,331	8,090
----------------------------------	--------	---	---	---	---	---	---	--------	-------

Costs for charitable activities

Training	889	35	31	41	31	20	158	1,047	1,262
Publications	798	33	29	39	29	19	149	947	895
Research, Digital Advice and Campaigning	3,587	148	131	174	130	85	668	4,255	3,740
Housing Aid and other grants made	169	-	-	-	-	-	-	169	263
Legal Services contracts	8,656	575	509	677	504	329	2,594	11,250	10,647
Housing Services	15,970	932	825	1,096	817	533	4,203	20,173	18,060
Governance	167	-	-	-	-	-	-	167	189
Total Direct and apportioned costs	50,346	1,871	1,656	2,201	1,641	1,071	8,440	58,786	51,422

* Direct costs are directly attributable to the department.

Indirect support costs are directly allocated where possible or apportioned on the basis of headcount or time allocated.

Notes to the Financial statements

6. Grants made

	2013 £'000	2012 £'000
Housing Aid and other grants		
Shelter Wales/Cymru	150	150
Preventing Mortgage Repossessions	-	86
Ayr Housing Aid Centre	9	9
Andy Ludlow Homelessness Awards	5	5
Sheila McKechnie Foundation	5	8
Glasgow City Mission	-	5
	169	263

7. Governance costs

	2013 £'000	2012 £'000
Fees payable to the Charity's auditors for the audit of the Charity's annual accounts	46	44
Fees payable to the Charity's auditors for other work	4	-
Internal audit	55	56
Trustee expenses, insurance and recruitment	13	11
Board and committee support costs *	49	78
	167	189

* These costs reflect a proportion of the pay and non pay costs of the CEO, directors, and support staff who support the Board and governing committees.

Notes to the Financial statements

8. Staff costs

	2013 £'000	2012 £'000
Wages and salaries	30,519	26,801
Social Security costs	2,779	2,464
Pension costs	2,202	1,942
Other staff-related costs	2,646	2,310
	38,146	33,517

	2013 No.	2012 No.
Average full-time staff numbers		
Fundraising	63	49
Retail Shops and Trading	227	195
Training	15	16
Publications	14	14
Campaigning and education	63	58
Legal Services contracts	245	226
Housing Services	397	369
Governance	2	3
Support	73	84
	1,099	1,014

The average full-time equivalent number of employees who received emoluments (excluding pensions) in the following ranges were:

	2013 No.	2012 No.
£60,001 to £70,000	2	2
£70,001 to £80,000	-	3
£80,001 to £90,000	6	2
£110,000 to £120,000	1	1

All of the higher paid employees shown belong to a defined contribution scheme that Shelter operates for employees. The assets of the scheme are held separately from those of the charity, being invested with AEGON Scottish Equitable plc. The pension cost shown above represents contributions payable by Shelter to AEGON Scottish Equitable. Of the total, £50,064 (2012: £59,269) related to the higher paid employees and £214,000 (2012: £204,000) was outstanding to AEGON Scottish Equitable at the year-end, and was paid in April 2013.

Trustees are not entitled to, and did not receive, any remuneration in respect of their services throughout the year. Travel expenses incurred by Trustees in respect of Shelter meetings amounted to £6,997 (2012: £11,176) during the year. The number of Trustees receiving expense reimbursement during the year was 9 (2012: 6).

Notes to the Financial statements

9. Related-party Transactions

The Charity has taken advantage of the exemptions under FRS8 not to disclose balances with or transactions with group entities eliminated on consolidation other than as disclosed in note 19. There were no transactions with other related parties in the year.

10. Net incoming resources

The net incoming resources to funds is stated after charging:

	2013 £'000	2012 £'000
Fees payable to the charity's auditors for the audit of the charity's annual accounts	37	35
Fees payable to the charity's auditors for the audit of the charity's subsidiaries pursuant to legislation	9	9
Total audit fees	46	44
Other services	4	-
Total fees payable to the charity's auditors	50	44
Depreciation of tangible fixed assets	842	515
Rental costs relating to operating leases		
- plant & machinery	39	99
- other	3,229	2,583

11. Taxation

The company is registered as a charity and as such is entitled to the exemptions under the Corporation Taxes Act 2011.

During the year, the group incurred VAT of £748,000 (2012:£727,000) which it was unable to recover from HM Revenue and Customs under current VAT legislation. This resulted in a commensurate reduction in the resources of the charity.

Notes to the Financial statements

12. Fixed assets – group and charity

	Freehold buildings £'000	Freehold improvements £'000	Short leasehold buildings £'000	Furniture and fittings £'000	Computer and office equipment £'000	Vehicles £'000	Total £'000
Cost or valuation							
At 1 April 2012	4,050	791	651	2,450	968	5	8,915
Additions	-	-	-	921	965	-	1,886
Disposals	-	-	-	(123)	-	-	(123)
At 31 March 2013	4,050	791	651	3,248	1,933	5	10,678
Depreciation							
At 1 April 2012	(183)	(419)	(420)	(1,831)	(655)	(2)	(3,510)
Charge for the year	(61)	(79)	(65)	(349)	(286)	(2)	(842)
Disposals	-	-	-	91	-	-	91
At 31 March 2013	(244)	(498)	(485)	(2,089)	(941)	(4)	(4,261)
Net book values							
At 31 March 2013	3,806	293	166	1,159	992	1	6,417
At 31 March 2012	3,867	372	231	620	312	2	5,404

Freehold buildings include £1,000,000 of land that is not depreciated. The Old Street property is included at market value, based on a valuation undertaken on 15 March 2009 by Lambert Smith Hampton Chartered Surveyors acting as independent valuers. The valuation was undertaken in accordance with the Practice Statements of the RICS Appraisal and Valuation Manual. The charity undertakes an independent professional valuation every five years. The Trustees are not aware of any material changes to the value of the Freehold property since the last valuation.

Included in Freehold buildings are assets held for use as operating leases with a gross value of £871,429 (2012: £871,429) and accumulated depreciation of £69,714 (2012: £52,286).

Aggregated rental income received from operating leases amounted to £60,415 (2012: £75,961)

Notes to the Financial statements

13. Fixed asset investments – group and charity

	Group		Charity	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Listed investments				
Investments at market value at 1 April	4,565	4,331	4,565	4,331
Additions	156	152	156	152
Disposals	-	-	-	-
Net gain for the year	653	82	653	82
Listed investments	5,374	4,565	5,374	4,565
Cash investments	3,658	9,598	3,658	9,598
Investment in subsidiaries	-	-	80	80
Total investments at 31 March	9,032	14,163	9,112	14,243
Historical cost: Listed investments as at 31 March	4,361	4,205	4,361	4,205
Investment Holdings:				
Schroders Equity Fund	4,116	3,337	4,116	3,337
Schroders Fixed Interest (Bond)	1,258	1,228	1,258	1,228
Cash Investments:				
Schroders Cash Management	1,060	1,035	1,060	1,035
Royal London Cash Management	2,598	8,563	2,598	8,563
	9,032	14,163	9,032	14,163

14. Stock

	Group		Charity	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
New goods	220	157	-	-

15. Debtors

	Group		Charity	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Trade debtors	1,067	936	1,032	701
Amounts due from subsidiary companies	-	-	178	-
Taxation recoverable - Gift Aid	602	522	602	522
VAT	-	-	-	-
Other debtors	1,355	1,920	1,355	1,920
Prepayments	1,018	974	968	965
Accrued income	1,087	517	1,087	517
Accrued legacy income	121	168	121	168
	5,250	5,037	5,343	4,793

Notes to the Financial statements

16. Creditors: amounts falling due within one year

	Group		Charity	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Trade creditors	1,651	1,470	1,578	1,414
Amounts due to subsidiary companies	-	-	-	48
Amounts due for taxation and Social Security	749	756	692	676
VAT	(113)	29	(113)	29
Other creditors	922	896	916	893
Accruals	1,314	790	1,279	649
Deferred income	1,153	1,100	1,153	1,100
	5,676	5,041	5,505	4,809

	Group		Charity	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Movement on deferred income				
Deferred income brought forward	1,100	2,187	1,100	2,187
Realised during year to March 2013	(1,100)	(2,187)	(1,100)	(2,187)
Deferred in March 2013	1,153	1,100	1,153	1,100
Deferred income carried forward	1,153	1,100	1,153	1,100

Deferred income relates to income received in advance of its recognition in the accounts.

All deferred income brought forward is released and the carry forward relates only to new deferrals.

17. Provision for liabilities and charges – group and charity

	Dilapidations £'000	Total 2013 £'000	Total 2012 £'000
Balance at 1 April 2012	890	890	881
Utilised during the year	(76)	(76)	(28)
Additions in the year	230	230	37
Balance at 31 March 2013	1,044	1,044	890

Provisions relate to dilapidations on leasehold properties where Shelter has a contractual obligation to bear such costs. The provision for these costs is based on the results of an internal Chartered Surveyor's review. The dilapidations will become payable on lease terminations.

Notes to the Financial statements

18. Leasing commitments – group

As at 31 March 2013 the group had annual commitments under non-cancellable operating leases of:

	2013		2012	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating Leases which expire:				
Within one year	438	6	732	17
Within two to five years	2,560	135	1,854	114
After more than five years	123	-	226	-
	3,121	141	2,812	131

19. Trading Subsidiaries

The principal activities of Shelter Trading Limited (STL) in the period under review was the sale of new goods via Shelter's retail chain, mail order activities and managing the corporate sponsorship activities of Shelter, the National Campaign for Homeless People Limited. Audited financial statements have been prepared for STL and all taxable profit is gifted to Shelter.

	2013 £'000	2012 £'000
Shelter Trading Limited		
Total income	1,978	1,870
Cost of sales	(876)	(820)
	1,102	1,050
Administration costs	(1,075)	(1,009)
Net profit gifted to Shelter	27	41

As at 31 March 2013, Shelter Trading Limited had total assets of £445,403 (2012: £494,440) and total liabilities of £350,290 (2012: £399,327). Shelter Merchandising Limited has no assets or liabilities and was dissolved in the year.

Notes to the Financial statements

20. Statement of funds

	Balance 1 Apr 2012 £'000	Incoming resources £'000	Resources used £'000	Net gain on investments £'000	Transfers £'000	Balance 31 Mar 2013 £'000
Unrestricted Income Funds						
General funds	5,406	40,728	(43,563)	-	4,178	6,749
Unrealised investment gain	360	-	-	653	-	1,013
Total general funds	5,766	40,728	(43,563)	653	4,178	7,762
Designated funds						
Strategy Investment fund	8,892	-	(5,109)	-	(3,783)	-
Revaluation reserve	2,828	-	-	-	-	2,828
Property and fixed asset fund	2,577	-	1,012	-	-	3,589
Total designated funds	14,297	-	(4,097)	-	(3,783)	6,417
Restricted income funds (Note 21)	2,056	12,809	(11,126)	-	(395)	3,344
Permanent endowment - John Rees Fund	39	-	-	-	-	39
	22,158	53,537	(58,786)	653	-	17,562

The Strategic Investment fund was created in 2010 to fund growth in direct fundraising activities, expand the retail chain and extend service capacity and campaigning activity. These objectives have now largely been achieved so the residue balance has been de-designated and transferred into General funds.

The Endowment fund relates to a donation from John Rees to fund an award to volunteers. Interest added to the Permanent endowment will be utilised in future years with capital remaining in perpetuity. A formal plan has been put in place to use the interest on the endowment for Volunteer Awards to recognise individuals who have made a significant contribution to Shelter as volunteers.

Of the group deficit for the year of £5,249,000 (2012: surplus £1,437,000), Shelter's income was £51,586,000 (2012: £51,030,000) less expenditure of £56,837,000 (2012: £49,567,000).

Notes to the Financial statements

21. Statement of restricted funds

	Balance 1 April 2012 £'000	Incoming Resources £'000	Resources Used £'000	Balance 31 March 2013 £'000
National Homelessness Advice Service	-	1,747	1,747	-
Prisons Projects	-	1,147	1,094	53
Supporting People	46	931	762	215
Restricted Projects - Scotland	581	772	-	1,353
Mortgage Debt Advice	1	685	686	-
Homelessness Resettlement	-	489	448	41
Restricted Projects - Services	154	438	-	592
Older Persons	-	383	383	-
Families Project	-	366	365	1
Shelterline	-	364	364	-
North East Prisons	11	323	322	12
Supporting People Domestic Abuse	-	287	259	28
Sheffield Homeless Families Project	1	268	268	1
London Councils First Tier	-	249	249	-
Realising Ambition Programme	-	236	236	-
Single Persons Project	-	228	228	-
Tayside Law Service	-	223	223	-
Families Project	-	216	216	-
Keys to the Future Knowsley	-	201	201	-
Scottish Housing Law Service	-	200	200	-
Shard End FIP	-	195	177	18
Debt Advisors - Standard Life	-	173	173	-
Families Project	-	163	163	-
Safe and Sound Project	-	162	162	-
Central Access, Information and Assessment Service for Socially Excluded Groups	-	130	130	-
Crisis Projects	-	129	118	11
Nationwide Partnership	-	125	94	31
Scottish Housing Advisory Service	-	116	116	-
Shop Expansion	-	106	-	106
Empty Homes - Local Authority Partnership	-	101	83	18
Child Support Contract	-	101	101	-
East Lothian Project	-	93	93	-
Berkeley Building Futures	-	85	82	3
Oxford Housing Advice	26	82	87	21
Research Project	-	80	80	-
Floating / Resettlement / Outreach Support Service for Offenders	-	80	80	-
KPMG Advice Work	-	77	67	10
Northumbria Probation Trust	-	74	74	-
Children & Young People Service	-	67	63	4
National Homelessness Advice Service - Gold Standard	-	61	61	-
London Councils Second Tier	-	60	60	-
Shelter Olympics Project	-	59	59	-
Herefordshire TREE Project	-	57	57	-
Empty Homes - Scottish Government	-	53	53	-

Notes to the Financial statements

	Balance 1 April 2012 £'000	Incoming Resources £'000	Resources Used £'000	Balance 31 March 2013 £'000
No Second Night Out	-	44	44	-
Hub Pilot Project - Standard Life	-	40	27	13
North Lanarkshire Advice Service	-	39	39	-
Sheffield Childrens Fund	12	37	42	7
West Sussex Legal and General Advice	-	35	35	-
Supporting Prisoners; Advice Network - Scotland	-	34	34	-
Kent Rurally Isolated Elder Persons	8	31	25	14
Sunderland PRS	-	30	30	-
Childrens Legal Service	-	29	29	-
Volant Trust	-	28	-	28
Bournemouth Housing Advice	5	28	33	-
Borders Law Service	-	24	24	-
Milton Keynes Housing Advice	2	23	25	-
Trust for London - London Impact Project	15	23	15	23
Probation Service	8	22	29	1
Childrens' Services	387	1	33	355
Central Tenancy	48	-	1	47
Cheshire West Local Authority	54	-	54	-
Rochdale Youth Task Force	53	-	53	-
Family Intervention Project - Birmingham	104	-	104	-
Family Intervention Project - Rochdale	23	-	23	-
Youth Crime Intervention Project	161	-	161	-
Other Restricted funds (under £20k)	356	159	177	338
	2,056	12,809	11,521	3,344

Included in the note are the following projects funded by the Big Lottery Fund:	Balance 1 April 2012	Incoming Resources	Resources Used	Balance 31 March 2013
Big Lottery Fund Grant: Safe & Sound Project *	-	162	162	-
Big Lottery Fund Grant: Keys to the Future Knowsley	-	94	94	-
Big Lottery Fund Grant: Herefordshire TREE Project	-	57	57	-
Big Lottery Fund Grant: Research Programme **	-	80	80	-
Big Lottery Fund Grant: Supporting Prisoners; Advice Network - Scotland ***	-	34	34	-
Big Lottery Fund Grant: Realising Ambition Programme	-	236	236	-
Big Lottery Fund Grant: Feel at Home with Your Finances ****	-	9	9	-
	-	672	672	-

* The income for the Safe and Sound Project excludes the amount received from Big Lottery Fund payable to Relationships Scotland of £52k

** The income for the Research Programme excludes the amount received from Big Lottery Fund payable to Crisis of £42k

*** The income for the Supporting Prisoners Advice Network Scotland excludes the amount received from Big Lottery Fund payable to Sacro of £32k and received from Big Lottery Fund payable to Inverness CAB of £5k

**** The income for the Feel at Home with your Finances project excludes the amount received from Big Lottery Fund payable to Citizens Advice Slough of £19k

Notes to the Financial statements

22. Contracts and Grants from statutory bodies and local authorities

Listed below are grants in excess of £2,000 receivable in respect of the year ended 31 March 2013. The list is prepared in compliance with section 37 of the Local Government and Housing Act 1989.

Funder	Purpose of Funding	Incoming Resources £'000	Resources Used £'000
District, Borough and County Councils in England and Wales			
Sheffield City Council	Sheffield Older Persons Project - Tenancy Support	383	383
Liverpool City Council	Supporting People - Merseyside	418	255
Birmingham City Council	Birmingham Domestic Abuse	287	259
Sheffield City Council	Sheffield Homeless to Homes - Tenancy Support	268	268
Herefordshire Council	Herefordshire Homeless to Homes - Tenancy Support	100	100
Birmingham City Council	Birmingham Homeless to Homes -Tenancy Support	215	215
Bristol City Council	Bristol Homeless to Homes - Tenancy Support	180	180
Birmingham City Council	Shard End Family Intervention Project	195	177
Bournemouth Borough Council	Independent Housing Advice Service	28	28
Sheffield City Council	Sheffield Central Tenancy Support	489	448
Oxford City Council	Oxford Housing Advice Service	82	82
Bristol City Council	Keys to the Future Bristol	67	63
Sheffield City Council	Sheffield Childrens Fund	37	37
Cheshire West City Council	Cheshire West & Chester	8	8
Milton Keynes Council	Milton Keynes HAC	23	25
Plymouth City Council	LSC Advice - Devon	28	5
Sheffield City Council	Housing Support Services for Addaction Sheffield	7	-
Burnley Borough Council	Lancashire LSC Court Desk	21	21
Gloucestershire County Council	Gloucester HAC	6	5
North Herts District Council	Hertfordshire HAC	3	3
Mendip District Council	Bristol Court Desk	2	2
Hertsmere County Council	Hertfordshire HAC	2	2
Rochdale Metropolitan Borough Council	CAIAS	130	130
Rochdale Metropolitan Borough Council	FS Offenders	80	80
Bristol City Council	Troubled Families	13	13
Total		3,072	2,789

Notes to the Financial statements

Funder	Purpose of Funding	Incoming Resources £'000	Resources Used £'000
Government Departments			
Scottish Government	Scottish Housing Advisory Service	133	116
Scottish Government	Shelter Housing Law Service	200	200
Scottish Government	Empty Homes - Scotland	53	53
Scottish Government	Homes Again project	20	17
Department of Communities and Local Government	National Homelessness Advice Service	1,747	1,747
Department of Communities and Local Government	Homelessness Prevention - Gold Standard	61	61
Department of Communities and Local Government	Mortgage Debt Advice	685	686
Scottish Government	Training and Support - Scotland	5	5
Total		2,904	2,885
Local Authorities in Scotland			
South Lanarkshire Council	South Lanarkshire Families Project	377	375
Dumfries and Galloway Council	Single Persons Project	245	228
Glasgow City Council	Glasgow Families project	231	216
Dumfries and Galloway Council	Dumfries and Galloway Families Project	163	163
Glasgow City Council	Families Project - Child Support Contract	101	101
East Lothian Council	East Lothian Project	93	93
North Lanarkshire Council	North Lanarkshire Service	39	39
Aberdeen City Council	Dundee Advice Service	56	56
Edinburgh City Council	Gypsy Traveller Project	12	12
Stirling City Council	Dundee Advice Service	29	29
Glasgow City Council	Housing Options Pilot	40	25
Dumfries & Galloway Council	Home Again project	16	13
Fife Council	Home Again project	16	13
Scottish Borders Council	Home Again project	16	13
West Lothian Council	Home Again project	16	13
East Lothian	Home Again project	16	13
Total		1,466	1,402

Notes to the Financial statements

Funder	Purpose of Funding	Incoming Resources £'000	Resources Used £'000
Other			
London Councils	First Tier Services	249	249
Scottish Legal Advice Board	Tayside Law Service	223	223
HM Prison Service	Prison Housing Advice Service- Humberside and Yorkshire	409	409
HM Prison Service	North East Prisons Services	323	322
HM Prison Service	Northumbria Prison Services	74	74
HM Prison Service	North West Prisons Services	728	673
Big Lottery Fund	Research Programme	80	80
Big Lottery Fund	Tree Project	57	57
Big Lottery Fund	Safe and Sound Project	162	162
London Councils	Second Tier Services	60	60
Glasgow Housing Association	Glasgow Advice Service	23	1
Scottish Legal Advice Board	Borders Law Service	24	24
Crisis	Dorset Project	42	36
Crisis	Cornwall Project	45	45
Crisis	Eastern Counties Project	42	37
Thanet Citizens Advice Bureau	Rurally Isolated Elder Persons	31	25
Youthnet UK	Shelter Helpline - England	19	19
Essex Probation Service	Essex Probation Project	22	22
Link Housing	Older People Housing Aid	13	13
Knowsley Housing Trust	Keys to the Future Knowsley	94	94
Slough Borough Council	Thames Valley Housing Advice	5	2
Big Lottery Fund	Realising Ambition	236	236
Big Lottery Fund	North of Scotland Offenders	34	34
Big Lottery Fund	Feel at Home with your Finances	9	9
Crisis	Sunderland PRS	30	30
Adullam Homes HA	No Second Night Out - Cheshire	44	44
Quartet Community Foundation	Skills Support (Ex Service users)	2	-
Norfolk Community Fund	Volunteers	5	3
Total		3,085	2,983

London Councils

'The amount received (£309k) in year end March 2013, was received by Shelter. The amount received was fully expended for the purposes granted'.

Notes to the Financial statements

23. Analysis of Net Assets between funds – group

Fund balances as at 31 March 2013 are represented by:	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Group Total Funds £'000
Tangible fixed assets	6,417	-	-	6,417
Investments	8,993	-	39	9,032
Net current assets	(187)	3,344	-	3,157
Provisions	(1,044)	-	-	(1,044)
Total net assets	14,179	3,344	39	17,562

Thanks from Shelter – 2012/13

1989 William Charitable Trust	Guy Morton	Sanctuary Group
20 Hoxton Square Projects	Hill Dickinson LLP	Savoir Beds
29th May 1961 Charitable Trust	Home Group	Saxon Weald
Albert Hunt Trust	Hugh Norton	Scottish Gas
Alice Ellen Cooper	Hugh Fraser Foundation	ShareGift
Dean Charitable Foundation	Hunter Foundation	Sheffield Town Trust
Affinity Sutton	Hyde Park Place Estate Charity	Sir James Knott Trust
Amec	Ian Williams Limited	Sir John Fisher Foundation
Amplify	Ingram Trust	Souter Charitable Trust
Andy Green	Interbrand	Spareroom.com
Art in Design	J & JR Wilson Trust	Standard Life
Art Marketing	John Jones	Standard Life Charitable Trust
Atass Ltd	John Lewis Partnership	Starshine Music
Audioscope	John Varley	Stolt-Nielsen
Barbour Foundation	KPMG	STV Appeal
Barclays Bank plc	L&Q Housing Association	TA Fund
Baroness Ruth Rendell	Leigh Trust	Talisman Charitable Trust
BBC Children in Need Appeal	Legal & General	Thames Valley Housing Association
Beatrice Laing Trust	Livingetc	The Card and Payment Awards
Berkeley Foundation	Margaret London	The Co-operative Group
Big Lottery Fund	Marks & Spencer	The London Marathon Ltd
B M Solutions	Max Publishing	The Pennies Foundation
Bracknell Forest Homes	McCarthy and Stone	The Royal Institute of British Architects
British Gas	Millfield House Foundation	Timpson
Bosch Home Appliances	Miss R C R Angel Charitable Trust	Total Media
British Land	Mulberry Trust	Tower 42
BRORA	Muslim Aid	Trust for London
Brownlie Charitable Trust	Nationwide Building Society	Tulip Charitable Trust
Building Societies Trust Limited	Newcastle Building Society	UK Asset Resolution
C Brewer & Sons	Northwood Charitable Trust	UK Greetings
Cattermach Trust	Oak Foundation	Vitra
Caledonian Concepts	Orbit Group East & South	Volant Trust
Chris Ingram	Orchard & Shipman	Warren Evans
Church Burgesses Trust	Oxford RAG	Walberton Nursery
ClearChannel UK	Phillips de Pury & Company	WH Smith
Constance Travis Charitable Trust	Pilkington Charitable Trust	Xperience
Coutts Charitable Trust	Pilkington Group	Zochonis Charitable Trust
DG Charitable Trust	Premier Stage Productions	Zoopla
Douglas & Gordon	Radio City 96.7	
Earl of Home	Rail Freight Group	
Enterprise	Redstone Charitable Trust	
Esmée Fairbairn Foundation	Redwood Consulting	
Evan Cornish Foundation	Reverend W N Monteith's Charitable Trust	
Freshfields Bruckhaus Deringer LLP	River Farm Foundation	
Fulmer Charitable Trust	Rita and David Slowe Charitable Trust	
Fujitsu UK	Robertson Trust	
Gateway Housing	Rockwool	
George Clarke	Robin and Bridget Pinchbeck	
Gibson Hall	Roger Ramsden	
Graham Trust	Saga	

Legal and Administrative Information

Ambassadors

George Clarke
Chris Ingram
Baroness Ruth Rendell

Board of Trustees

Professor ADH Crook, AcSS (Chair)
Hugh Norton (retired as Trustee and Vice Chair 25 July 2012)
Jon Kenworthy (appointed as Vice Chair 25 July 2012)
Paola Barbarino
Julie Bentley
Nigel Chapman
John Devaney (appointed 21 March 2013)
Sharon Flood
Rosemary Hilary
Kelvin MacDonald
William Anthony Rice (appointed 21 March 2013)
John Rogerson
Gavin Sanderson
Joanna Simons
Shirley-Anne Somerville
Dr Ian Wall

Audit, Risk and Finance Committee

Sharon Flood (Chair)
Rosemary Hilary
Andrew Martyn-Johns (co-optee)
William Anthony Rice (appointed 21 March 2013)
John Rogerson
Joanna Simons

Nominations & Governance Committee

Jon Kenworthy (Chair)
Paola Barbarino
Julie Bentley (appointed 8 May 2013)
Professor ADH Crook
Shirley-Anne Somerville

Income Generation Committee

Dr Ian Wall (Chair)
Paola Barbarino
Sharon Flood
Kelvin MacDonald
Gavin Sanderson

HR & Remuneration Committee

Professor ADH Crook (Chair)
Julie Bentley
Nigel Chapman
John Devaney (appointed 21 March 2013)
Rosemary Hilary

Shelter Scotland Committee

John Rogerson (Chair)
Graeme Hardie (co-optee)
Kelvin MacDonald
Ian McAlpine (co-optee)
Rosalind Micklem (co-optee)
Lindy Patterson QC (co-optee)
Liz Shiel (co-optee)
Shirley-Anne Somerville
Dr Ian Wall

Chief Executive

Campbell Robb

Company Secretary

Daniel Oppenheimer (appointed 23 August 2012)
Joanna Quirk (resigned 23 August 2012)

Shelter, the National Campaign for Homeless People Limited

Registered Office
88 Old Street, London EC1V 9HU
Company number

Registered charity number

England and Wales 263710
Scotland SCO02327

Solicitors

Bates, Wells and Braithwaite
2–6 Cannon Street, London
EC4M 6YH

Investment Managers

Schroders plc
3rd Floor, 100 Wood Street,
London EC2V 7ER

Auditors

Crowe Clark Whitehill
St Bride's House, 10 Salisbury
Square, London EC4Y 8EH

Principal Bankers

Lloyds Bank
4th Floor, 25 Gresham Street
London, EC2V 7HN

Our vision

Shelter believes that everybody needs a home. Our work won't stop until there's a home for everyone.

Our values

We are approachable.

We challenge.

We are enterprising.

Our goal

Our ambition for our 2012-15 strategy is to help more people in housing need than ever before.

We need your help to continue our work. Please support us. Visit shelter.org.uk to join our campaign, find housing advice, or make a donation.

Shelter
88 Old Street
London EC1V 9HU

0300 330 1234
shelter.org.uk

Registered charity in England and Wales (263710)
and in Scotland (SCO02327)

Shelter