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**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023
FOR
ROTARY SHOEBOX SCHEME**

ROTARY SHOEBOX SCHEME

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ROTARY SHOEBOX SCHEME
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2023

The trustees present their report with the financial statements of the charity for the year ended 30 June 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The scheme aims to serve underprivileged people of central and eastern Europe by supplying comfort and raising morale through delivering special shoeboxes filled with gifts from Great Britain and Ireland.

The scheme assists these people by transporting gifts from donors. The gifts are sent to such establishments as hospitals, children's homes, schools, community centres and long term refugee camps.

Policy

The trustees, the majority of whom must be members of clubs of Rotary International in Great Britain and Ireland, fulfil these objectives by :

- a) Working with the network of clubs of Rotary International within Great Britain and Ireland plus other non Rotary based organisations and individuals to fill specially made shoeboxes with suitable gifts.
- b) Encouraging these clubs to consider inviting people in their local communities to fill shoeboxes.
- c) Appointing distributors in Central and Eastern Europe who are able to receive bulk loads of shoeboxes and deliver them to families and organisations where people are in great need. If possible we involve the local Rotary clubs.
- d) Requiring a report to be written by the distributors giving information about the final destination and recipients of each distribution.
- e) Working in partnership with other charitable organisations and individuals to maximise the effectiveness of the operation.
- f) Providing continuity of supply to our overseas distributors.
- g) Providing information for the people who have filled shoeboxes about the deliveries made to Central and Eastern Europe.

Public benefit

The public benefit of the scheme is to provide humanitarian aid to people in need in Eastern Europe and to spread a little happiness to those whose everyday lives are blighted by circumstance or poverty. The shoebox may be the only gift they have ever received.

The trustees also believe that there is a public benefit to the individuals who fill the boxes, especially children who experience the joy of giving and helping others who are less fortunate than themselves. Schools are particularly appreciative of this aspect of the scheme.

The trustees consider that during the year under review they have successfully achieved the objectives of providing relief for those in need and have given due regard to the guidance published by the Charity Commission on public benefit.

Volunteers

The trustees, management and helpers are all volunteers who do not receive any wages or salary.

ROTARY SHOEBOX SCHEME

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2023

ACHIEVEMENT AND PERFORMANCE

Review of operations

The year started promisingly with a shipment of 7,098 filled boxes to the Prison Fellowship in Cluj Napoca, Romania in July. This shipment consisted of filled boxes that had been received during the previous 3 months and although only half a full load they were desperately needed in Cluj and emptied the warehouse of stock.

There continued to be a regular input of orders for new boxes and over the course of the year over 200 orders were received. In total in excess of 43,000 flat packs were despatched to supporters across the country.

The encouraging start to the year was tempered by less positive news from Iasi to where the container originally destined for Ukraine, as detailed in last year's report, had been re-directed. Unfortunately our colleagues in Iasi had failed to communicate adequately with Customs in Romania which resulted in the container not being released. The consequence of this situation was that the scheme incurred significant charges totalling nearly £10,000 for demurrage and fines. Eventually with assistance from the Prison Fellowship, our partner in Cluj Napoca, the issues with Romanian customs were resolved and the container was released into their care. The boxes were subsequently distributed around Romania and some to Ukraine.

The financial impact of the situation in Romania was severe and could have caused the charity considerable financial difficulties. It was entirely due to a donation of £10,000 from a dedicated supporter that the charity was able to pay those costs and continue to operate. The trustees wish to express their gratitude for this magnificent gesture.

It is important to note that the charity does hold significant reserves but these could not be accessed at the time of the crisis. Sufficient funds were subsequently released and the trustees are confident that the situation has been resolved.

The escalating costs of both fuel and cardboard resulted in the price of a box being increased to £3 with effect from February. This was the first price increase for ten years and although the trustees were reluctant, they were left with no option as rising prices could not be absorbed by the charity.

As usual filled boxes started to be returned to the warehouse from October and by December it was possible to send a shipment of 11,227 by container to Albania. This was as a direct result of the visit to Albania last year by trustee Peter Clare who re-established the relationship with our distributors in Tirana.

A further delivery of 11,190 filled boxes was sent by container to Moldova in February and a final shipment of 11,124 was prepared for Cluj Napoca but transport for this could not be arranged before the end of June. However, the total number of filled boxes received and made ready for shipment was 40,639 in the year.

Filled boxes are defined by category:

Baby - gifts for mothers and babies up to 1 year old,

Child - for boys and girls up to the age of 12,

Teenager - for young adults and

Household - useful items for struggling families and something for the adults.

Demand is still high for household and teenage boxes and our supporters are encouraged to fill boxes for these categories. While donated quantities of these categories have increased, demand continues to exceed the numbers we are able to supply. Boxes filled with toys account for more than 45% of the total, many coming from primary school children who pass on cherished toys as gifts for children less fortunate than themselves.

Community groups, schools and businesses across Great Britain and Ireland enjoy filling and donating the gift of a shoebox. Much of this activity is co-ordinated by local Rotarians who voluntarily give their time and expertise to support the charity. Their activities include school assemblies, presentations at Rotary and other meetings, delivering, collecting and storing boxes ready for transportation to our warehouse and generally supporting and promoting the scheme where possible. The trustees acknowledge with thanks the commitment that Rotarians and supporters give to the scheme and it is their goodwill that helps us to minimise the cost of distribution.

ROTARY SHOEBOX SCHEME

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2023

Boxes are not opened during the sort process as we rely on the individuals who fill the box to ensure that it is of an acceptable quality. Unfortunately as many as 20% of the boxes received fail to meet that standard and where it is obvious that the box content is of poor quality, they are separated for future investigation. If possible, they are re-packed, often with additional gifts included, and returned to the sorting process. However, resources for checking and re-packing boxes are very limited and causes severe backlogs in the sorting process. The trustees re-iterate their request that whoever fills a box makes sure that it is of a quality that can be given as a gift without additional involvement.

The trustees appreciate the assistance of all the volunteers at the warehouse without whose support it would be impossible to fulfil our obligations. The trustees are also pleased to report another accident free year at the warehouse.

Marketing is primarily through our website and Facebook and we thank trustee Clive Gardiner for the continued maintenance and development of the sites. Our usual promotional activities including attendance at Rotary Conferences and speaking at Rotary Clubs, Inner Wheel Clubs and other interested organisations that were suspended during the pandemic are beginning to re-establish and we look forward to being able to promote the scheme through our traditional channels in the future.

The trustees understand the need to maintain close relationships with our distributors in Eastern Europe to ensure that shoeboxes are given to those most in need and to be satisfied that the selection process for the receipt of boxes is satisfactory. We also need to develop our distribution channels and look for new opportunities to expand the charity.

The Rotary Shoebox Scheme is supported by Rotary International in Great Britain and Ireland, is non-political and non-denominational and boxes are distributed all year round to people of all ages on a strictly humanitarian basis.

The trustees wish to emphasise that the Rotary Shoebox Scheme is not associated with any other shoebox project.

FINANCIAL REVIEW

Investment policy

The trustees invest surplus funds in an interest bearing bank account until required for the charity's use.

Reserves policy

The charity is a non profit making organisation and any profits earned are retained within the reserves to support future years.

The trustees believe reserves of £50,000 are sufficient to ensure a minimum of twelve months activities should the need arise. This is reviewed on an annual basis.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document dated 13 May 1997 as amended by supplemental deeds dated 22 February 2002 and 29 January 2011.

Recruitment and appointment of new trustees

The power to appoint or remove a trustee is vested in the trustees.

ROTARY SHOEBOX SCHEME
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The trustees, who meet regularly with the management of the charity, control the scheme. The majority of the trustees are also involved in the daily management of the charity.

The management positions are :

Chairman - N Danby until 30 June 2023

Chairman - J Shepley from 1 July 2023

Secretary - A Graves

Treasurer - Mrs G Danby

In addition to the trustees and a central management team, the majority of whom are Lancashire/Cheshire based, there is a team of district representatives located around Britain and Ireland whose purpose is to represent the scheme in their region and assist with aggregating filled shoeboxes.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1091507

Principal address

10 Greenshank Close
Rochdale
Lancashire
OL11 5QE

Trustees

P Clare

N Danby (resigned 30.6.23)

Dr C Ince

Mrs G Danby

C Gardiner

J K Shepley (appointed 24.4.23)

A Graves (appointed 24.4.23)

Independent Examiner

A J Syddall M.A., A.C.A.

P B Syddall & Co

Chartered Accountants

Grafton House

81 Chorley Old Road

Bolton

Lancashire

BL1 3AJ

Bankers

CAF Bank Limited

25 Kings Hill Avenue

Kings Hill

West Malling

Kent

ME19 4TA

ROTARY SHOEBOX SCHEME

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2023

ACKNOWLEDGEMENTS

The scheme could not operate without the support and goodwill of many people. In particular Rotarians and the members of Inner Wheel, Rotaract and Interact in Great Britain and Ireland who promote and co-ordinate shoebox campaigns in their local communities.

We acknowledge with appreciation the teams of Rotarians and friends who sort the thousands of boxes received into the warehouse ready for despatch.

We recognise the tremendous work carried out by Rotarians, friends and organisations across Eastern Europe who receive our boxes, identify suitable recipients and undertake the distribution, often under very difficult circumstances.

And finally, the trustees wish to thank all the members of the shoebox team for their continued commitment and dedication to the charity.

TRUSTEES

Chairman of trustees, Nigel Danby, gave notice of his intention to resign as a trustee at the end of the financial year. John Shepley was appointed as a trustee and chairman designate to take over from 1st July 2023.

Approved by order of the board of trustees on 25 March 2024 and signed on its behalf by:

N Danby - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
ROTARY SHOEBOX SCHEME**

Independent examiner's report to the trustees of Rotary Shoebox Scheme

I report to the charity trustees on my examination of the accounts of Rotary Shoebox Scheme (the Trust) for the year ended 30 June 2023.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under Section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under Section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by Section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

A J Syddall M.A., A.C.A.

P B Syddall & Co
Chartered Accountants
Grafton House
81 Chorley Old Road
Bolton
Lancashire
BL1 3AJ

25 March 2024

ROTARY SHOEBOX SCHEME

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2023

		2023 Unrestricted fund £	2022 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations		17,786	3,502
Shoebox income	2	53,209	43,387
Investment income	3	219	115
Total		<u>71,214</u>	<u>47,004</u>
 EXPENDITURE ON			
 Other		 <u>74,834</u>	 <u>54,340</u>
 NET INCOME/(EXPENDITURE)		 (3,620)	 (7,336)
 RECONCILIATION OF FUNDS			
Total funds brought forward		<u>53,811</u>	61,147
 TOTAL FUNDS CARRIED FORWARD		 <u><u>50,191</u></u>	 <u><u>53,811</u></u>

The notes form part of these financial statements

ROTARY SHOEBOX SCHEME

BALANCE SHEET 30 JUNE 2023

		2023 Unrestricted fund £	2022 Total funds £
CURRENT ASSETS	Notes		
Stocks	5	4,215	2,489
Debtors	6	75	1,970
Cash at bank		50,901	56,907
		<u>55,191</u>	<u>61,366</u>
CREDITORS			
Amounts falling due within one year	7	(5,000)	(7,555)
NET CURRENT ASSETS		<u>50,191</u>	<u>53,811</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>50,191</u>	<u>53,811</u>
NET ASSETS		<u>50,191</u>	<u>53,811</u>
FUNDS	8		
Unrestricted funds		50,191	53,811
TOTAL FUNDS		<u>50,191</u>	<u>53,811</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 25 March 2024 and were signed on its behalf by:

N Danby - Trustee

The notes form part of these financial statements

ROTARY SHOEBOX SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The presentation currency of the financial statements is the Pound Sterling (£).

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

STOCK

Stock is valued at replacement cost as at the end of the financial year.

TAXATION

The charity is exempt from tax on its charitable activities.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The scheme does not have any restricted funds.

GOING CONCERN

At the time of approving the accounts the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

ROTARY SHOEBOX SCHEME

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 30 JUNE 2023**

2. SHOEBOX INCOME

	2023	2022
	£	£
Shoeboxes	<u>53,209</u>	<u>43,387</u>

3. INVESTMENT INCOME

	2023	2022
	£	£
Bank interest received	<u>219</u>	<u>115</u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2023 nor for the year ended 30 June 2022.

TRUSTEES' EXPENSES

The trustees receive expenses for the reimbursement of travelling and similar expenditure incurred on the scheme's behalf.

5. STOCKS

	2023	2022
	£	£
Stocks	<u>4,215</u>	<u>2,489</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Amounts due for shoeboxes	<u>75</u>	<u>1,970</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Accruals and deferred income	-	2,555
Provision for unreturned shoeboxes	<u>5,000</u>	<u>5,000</u>
	<u>5,000</u>	<u>7,555</u>

ROTARY SHOEBOX SCHEME

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 30 JUNE 2023**

8. MOVEMENT IN FUNDS

	At 1.7.22 £	Net movement in funds £	At 30.6.23 £
Unrestricted funds			
General fund	53,811	(3,620)	50,191
TOTAL FUNDS	<u>53,811</u>	<u>(3,620)</u>	<u>50,191</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	71,214	(74,834)	(3,620)
TOTAL FUNDS	<u>71,214</u>	<u>(74,834)</u>	<u>(3,620)</u>

Comparatives for movement in funds

	At 1.7.21 £	Net movement in funds £	At 30.6.22 £
Unrestricted funds			
General fund	61,147	(7,336)	53,811
TOTAL FUNDS	<u>61,147</u>	<u>(7,336)</u>	<u>53,811</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	47,004	(54,340)	(7,336)
TOTAL FUNDS	<u>47,004</u>	<u>(54,340)</u>	<u>(7,336)</u>

ROTARY SHOEBOX SCHEME

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023**

9. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 30 June 2023.

ROTARY SHOEBOX SCHEME

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2023

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Donations		
Donations	17,786	3,502
Shoebox income		
Shoeboxes	53,209	43,387
Investment income		
Bank interest received	219	115
Total incoming resources	71,214	47,004
EXPENDITURE		
Other		
Shoeboxes	26,365	21,011
Overseas transport	19,587	7,494
Local transport	14,920	12,895
Rent	9,000	9,000
Marketing	813	201
Miscellaneous expenses	271	-
Accountancy	1,002	990
Mileage and fuel	90	75
Subsistence	180	37
Bank charges	113	121
Shoebox goods bought	151	315
Warehouse expenses	542	401
Computer and software expenses	1,800	1,800
	74,834	54,340
Total resources expended	74,834	54,340
Net expenditure	(3,620)	(7,336)

This page does not form part of the statutory financial statements

ROTARY SHOEBOX SCHEME
C/O 10 Greenshank Close
Rochdale
Lancashire
OL11 5QE

P B Syddall & Co
Chartered Accountants
Grafton House
81 Chorley Old Road
Bolton
BL1 3AJ

Dear Sirs,

ROTARY SHOEBOX SCHEME

We confirm to the best of our knowledge and belief, and having made appropriate enquiries of other trustees and staff of the charity, the following representations given to you in connection with your review of the charity's accounts for the year ended 30 June 2023.

- We acknowledge as trustees our responsibility for the accounts, which you have prepared for the charity. All the accounting records have been made available to you for the purpose of your review and all the transactions undertaken by the charity have been properly reflected and recorded in the accounting records.
- We confirm that there have been no changes in the accounting policies.
In our opinion, the accounting policies are appropriate to the charity and conform with generally accepted accounting principles. We confirm that all transactions and balances have been accounted for in accordance with these accounting policies.
- We confirm that all assets have been included in the balance sheet.
- We confirm that all assets included in the balance sheet exist.
- We confirm that the charity owns all the assets included in the balance sheet, unless otherwise stated in the accounts.
- We confirm that the cost (or value) of all the assets in the balance sheet are fairly stated.
- We confirm that all liabilities have been fully recorded in the balance sheet.
- We confirm that all liabilities recorded in the balance sheet are properly those of the charity.
- We confirm that all liabilities have been recorded at a fair value.

- We confirm that there has been no netting off of assets and liabilities.
- We confirm that all income has been fully recorded and correctly classified.
- The charity has not at any time during the year had any transactions with trustees and connected parties.
- The charity has no contingent liabilities.
- There has been no event since the balance sheet date which requires disclosing or which would materially affect the amounts in the accounts.
- The charity has not entered into any charitable commitments.

Yours sincerely

Signed on behalf of the trustees

N Danby

Date 25 March 2024

