

BRITISH REFUGEE COUNCIL

**Registered Charity No. 1014576
Registered Company No. 2727514**

TRUSTEES' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2010

BRITISH REFUGEE COUNCIL

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REPORT OF THE TRUSTEES

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2010.

Reference and Administrative Details

Charity number 1014576

Company number 2727514

Chief Executive
Donna Covey

Auditors
PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London EC1M 3AP

Company Secretary
Carol Jackson

Bankers
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1-4 Berkeley Square
London W1J 6BR

Registered Office
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Solicitors
Gregory, Rowcliffe & Milners
1 Bedford Row, London WC1R 4BZ

Stanton Dunne & Co Solicitors
The Generals, Main Road
Boreham, Chelmsford
Essex CM3 3JH

Trustees of the company

The Refugee Council Trustees serve as the directors of the company and members of the Board of Trustees. The following were members of the Board of Trustees during the year:

Douglas Board (Chair)	Co-opted	
Yvonne Cass (Vice-Chair)	Northern Refugee Centre	Appointed as Vice Chair 30 July 2009
Heather Foster (Honorary Treasurer)	Co-opted	Appointed 1 October 2009
John Wenger (Honorary Treasurer)	Co-opted	Resigned 30 September 2009
Ellen Amoah-Khatem	Refugee Advice Centre	Appointed 2 December 2009
Michael Bartlet	Religious Society of Friends	
Alex da Costa	Angolan Civic Communities Alliance	Resigned 8 October 2009
Richard Foster	Co-opted	
Tina Gharavi	Bridge + Tunnel Voices	Appointed 2 December 2009 Resigned 26 May 2010
Keefa Kiwanuka	One World Foundation	
Mohamed Maigag	Haringey Community and Cultural Association	
Afzal Mirza	Refugee Advice Centre	Resigned 2 December 2009
Yen Nyeya	Ghana Refugee Welfare Group	
Sunetra Puri	Co-opted	
John Wilkes	Scottish Refugee Council	
Maurice Wren	Asylum Aid	
Alison Young	Co-opted	
Louise Zanré	Jesuit Refugee Service	

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Structure, Governance and Management

The British Refugee Council ("the Refugee Council") is a company limited by guarantee and is registered as a charity with the Charity Commission. The Refugee Council is a membership organisation and its governing documents are its Memorandum and Articles of Association. Organisations and individuals become members by payment of a membership subscription. All members agree to contribute £1 in the event of the charity winding up.

Appointment of Trustees

The Board of Trustees consists of up to fifteen members:

- Five are elected from Refugee Community Organisations;
- Five are elected from national and international organisations that carry out significant work with refugees; and
- The remaining five are, following a recruitment campaign, co-opted by the other Trustees because of the particular skills or experience they can bring to the work of the Board.

Trustee induction and training

All Trustees receive a full induction upon being elected or appointed to the Board of Trustees. The induction is a comprehensive overview of the work of the Refugee Council, and includes detailed information about our grant arrangements with key funders and a thorough introduction to the organisation's strategic plan, financial procedures and budget for the current financial year. Trustees also receive training on governance issues including, for example, a briefing on what constitutes a conflict of interest.

The Trustee body as a whole is kept up-to-date with legal and statutory requirements with ad hoc training as required.

Organisation

The Board of Trustees administers the charity and normally meets six times a year, with additional review meetings when required. The Resources Committee of the Board is made up of the Chair, Treasurer, Vice Chair and one or more other Trustees with relevant experience and also meets six times a year. The Resources Committee operates under specific terms of reference, with certain delegated functions from the Board of Trustees. The Board ratifies all decisions made by the Resources Committee.

Other committees may be constituted from time to time, for example to review fundraising or governance.

Day-to-day management is the responsibility of the Senior Management Team led by the Chief Executive, who is appointed by the Trustees.

Risk management

The Trustees have overall responsibility for ensuring that appropriate systems of control, financial and otherwise, exist. They are responsible for safeguarding the assets of the charity, taking reasonable steps for the prevention and detection of fraud and other irregularities and providing reasonable assurance that:

- The Refugee Council is operating efficiently and effectively;
- Its assets are safeguarded against unauthorised use or disposal;
- Proper records are maintained and financial information used internally or for publication is reliable; and
- The charity complies with relevant laws and regulations.

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

- The preparation of a three year Strategic Plan and an Annual Plan and Budget approved by the Board of Trustees;

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Risk management (continued)

- Regular review of financial and operational results by the Senior Management Team and Board of Trustees;
- A review by the Resources Committee with the external auditors of any matters raised for the attention of management;
- Delegation of authority for expenditure;
- Health and safety risk management, review and monitoring procedures;
- Critical incident reporting and review procedures; and
- Contract management of funding partnerships.

As part of its management of risk, the Board of Trustees commissions reports which:

- Identify the risks which the organisation faces;
- Assess their potential impact and the likelihood of them happening; and
- Highlight the management action being taken to mitigate and manage the risks.

The key risks are identified as:

- A reduction in unrestricted income due to the present adverse economic conditions;
- The volatility, internationally and politically, of the sector in which the Refugee Council works;
- The changing pattern of service provision including increased competitive tendering and reductions in public expenditure.

Risks, and the actions to manage the risks, are formally reviewed on a six-monthly basis.

Objectives, Activities and Achievements

Objectives

The objects of the charity, as defined in its governing documents, are:

- to provide relief for refugees and their dependants who are in conditions of need, hardship or distress;
- to preserve and protect the physical and mental health of refugees and their dependants;
- to advance the education and training of refugees and their dependants in need thereof so as to advance them in life and assist in their rehabilitation within a new community;
- to promote research into the condition of life of refugees throughout the world and ways of providing charitable relief for them and to publish the results of all such research; and
- to advance public education about the position of refugees and the situations which give rise to refugee movements.

The charity aims to deliver high quality services to refugees and asylum seekers to ensure that they fully understand their rights and responsibilities in the UK, obtain access to the legal, counselling, housing, employment, education and health care services they need and are able to integrate successfully into British society. The charity also aims to promote positive images of refugees and asylum seekers and ensure that the rights enshrined in national and international law are not eroded.

Public Benefit

The Trustees are aware that the Charities Act 2006 requires charities to demonstrate that their work is of direct benefit to the public. When planning the Refugee Council's activities each year, the Trustees take due regard of the Charity Commission's general guidance on public benefit.

Within the constraint of resources, the Refugee Council's services, described below, are available to all refugees and people claiming asylum. Services are offered in many of our clients' languages, without charging fees, and recognising the difficulties many face in meeting travelling costs. Our work on sector capacity-building, refugee integration and education of the general public about refugee issues benefits the whole community by supporting community cohesion. Our work on policy, legislation and advocacy advances human rights, and access to employment, education and health care, and combats destitution.

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Activities

The Refugee Council's four major areas of activity are asylum support and refugee integration, campaigning and policy, education and training, and capacity building.

Asylum support and refugee integration (direct services to refugees and asylum seekers)

Asylum support and refugee integration is at the very heart of the Refugee Council's work. We deliver high quality advice and support services to individuals and families at all stages of the asylum process from locations in Greater London, West Midlands, Yorkshire and Humberside and East of England. We also cover the North-East of England and Northern Ireland via sub-contracted services. Through our One Day Induction programme in London and Wraparound service for asylum seekers residing in Initial Accommodation centres in West Midlands and Yorkshire and Humberside we provide advice and information on the asylum and support processes to newly arrived asylum seekers as well as practical help such as accommodation and accessing healthcare, food and clothing. The One Stop Service provides advice to those at all stages of the asylum process and is able to help our clients to access both mainstream services and specialist support. The Refugee Integration and Employment Service (RIES) helps those who have been given refugee status to both integrate into their community and to gain employment. The charity's Children's Panel works specifically with separated children (unaccompanied asylum-seeking children), helping them to access education, training, healthcare and legal advice as well as providing much-needed emotional support.

The Refugee Council also plays a key role in the Gateway Protection Programme, the Government's programme which resettles refugees from various countries who have been displaced, have often lived in refugee camps for a number of years, require humanitarian protection, and are referred to the UK Government by the United Nations High Commissioner for Refugees (UNHCR).

Campaigning and policy

The Refugee Council plays a key role in influencing asylum and refugee policy and works to preserve the right to seek protection by challenging UK and European policies that have a detrimental effect on refugees and asylum seekers through analysis, research, information and lobbying. Much of this work involves coordinating with our partners in the UK and Europe and analysing the links between UK asylum policy and refugee producing situations. Through our campaigning and awareness-raising work and our leadership of Refugee Week we promote positive images of refugees and asylum seekers and challenge hostility and ignorance. We engage with our supporters to influence asylum and refugee policy in the UK, EU and internationally, and to inform public opinion and the media on key issues affecting our client group.

Capacity building, education and training

As the leading organisation in the sector, the Refugee Council's work extends beyond the provision of direct services to asylum seekers and refugees. We also support hundreds of local and regional organisations, including Refugee Community Organisations (RCOs) who support asylum seekers and refugees across the country. We help build and enhance the capacity of RCOs to deliver their services through providing them with relevant information and advice, training conferences, development materials and support for networking.

The Refugee Council provides information about asylum and refugee issues in a variety of media and to a wide range of different audiences – asylum seekers and refugees, advisers and community groups, schools, college and youth groups, voluntary and statutory service providers, legislators and policy makers, academics and journalists as well as the general public. Our Events and Training Team also organises conferences and training courses whilst our Communications Team publishes a wide range of material in print and on-line.

Access to training and employment is vital if asylum seekers and refugees are to integrate successfully into British society. To assist refugees, the charity also runs some employment mentoring schemes, with corporate and other volunteers, and gives advice on training and employment in the UK, through, for example, the Refugees into Teaching project, which aims to support people who have had teaching experience in their home country to develop a career in education.

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Achievements and their impact

The Refugee Council's annual plan for 2009/10 was driven by the key strategic objectives set out in our Strategic Plan 2009-2012. The key achievements for the year are set out below.

Asylum Support and refugee integration (direct services to refugees and asylum seekers)

Under this area of work, we sought to satisfy our strategic direction to provide high quality advice, support and services to refugees and their families, where we are best placed to do so.

In line with our plans for the 2009/10 financial year, we:

- Delivered high quality direct front-line services to unaccompanied asylum-seeking children through our Children's Panel, including our drop-in service in Brixton, in one-to-one direct casework with vulnerable young people and in surgeries in 12 locations across England. We were also successful in securing funding from a range of donors, including Comic Relief, for two specialist posts working with age-disputed young people and with trafficked girls. We were involved in a high profile court case which involved a judgement from the Supreme Court in November 2009 that set a precedent and a positive change in policy in relation to separated children being age assessed. The Supreme Court ruled that where there is a dispute about the age of a young person who claims to be a child, the issue must be resolved by the courts, not by local authorities.
- Delivered quality advice and support to adult refugees and their families through our One Stop Services in London, the West Midlands, East of England and Yorkshire and Humberside, despite reductions in funding and major changes in asylum regulations during the year. Our continued service delivery quality was achieved by an ongoing review of how services can best meet demand with our limited resources, including using more appointments rather than drop-in sessions, increasing the proportion of telephone advice compared to face to face advice, and using more volunteers to deliver "quick advice" for clients with simpler queries.
- Further developed and enhanced the service we provide to clients in our Initial Accommodation Centres after identifying specific areas of need and developing specialist teams to address those needs. For example, in Yorkshire and Humberside we created specialist sub groups for age disputes, women's issues, events and campaigns, sports activities and mental well being. In the West Midlands, our volunteers contributed to a number of activities including English classes, film shows, and a homework club.
- Helped over 200 newly arrived Iraqi refugees settle in Yorkshire and Humberside through our Gateway Resettlement Programme in Hull and Sheffield, assisting with all aspects of integration and cohesion including housing, education, employment, family and social issues. Meanwhile, our Norwich team has been transferred to Norfolk County Council, mainstreaming the provision of resettlement services in the Norfolk area.
- Further developed the Refugee Integration and Employment Service in London, West Midlands, the East of England and Yorkshire and Humberside, delivering integration advice and support, employment advice and mentoring to clients who have recently been granted refugee status. Up to the end of March 2010, we had delivered advice services to over 1,800 clients in the London, West Midlands and East of England areas. Despite the recession, this year we have helped 327 refugees to find sustained employment and client feedback for the service has been very positive. Partnership working remains an important feature of this project, contributing to its success. We work directly with 13 partners and other important collaborations include our volunteers working with Leeds Central Libraries to deliver ESOL classes at 4 locations across the city and to assist new refugees to access computer classes and other library services; a formal referral arrangement with West Midlands housing associations, to assist refugees with housing issues; and employer engagement events organised in collaboration with the West Midlands Strategic Migration Partnership and Birmingham Chamber of Commerce.
- Developed the work of our specialist counselling team in London, appointing a systemic family therapist who has carried out valuable work with individuals, couples and families, helping them to come to terms with their experiences and to find ways to cope with the very difficult circumstances pre- and post- asylum decision. We are currently seeking funding to expand the team's work to a full therapeutic casework service across the country.

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- Continued to provide for the needs of destitute asylum seekers, including: co-ordinating fundraising efforts across the country for our hardship funds; distributing food, clothing and other items donated by corporate supporters and individuals; providing over 42,000 hot meals via our London day centre; working in partnership with Short Stop in Leeds to arrange over 800 nights of accommodation for destitute clients with volunteer hosts in their own homes; and working in partnership with Birmingham Law Centre to support the Hope Projects in the West Midlands. We have also continued to communicate to key decision makers the experiences and frustrations of the Section 4 system and the needs of exceptionally vulnerable clients including those who are not in a position to receive social services support.

Campaigning and policy

We sought to fulfill our strategic directions to strengthen the commitment of the UK government and society to providing the safety refugees need and to ensure that there is a stronger and more influential UK voice speaking up for refugees. Our integrated approach across policy, research, communications and campaigns has meant we have made some real progress towards achieving our goals.

In line with our plans for the 2009/10 financial year, we played a leading role in influencing government to adopt evidence-based proposals for positive public policy change. We also developed key influencing priorities that provide a framework for the next three years: a fair and effective asylum process; access to mainstream benefits and permission to work for asylum seekers until status or return; permanent status for those recognised as refugees; borders with doors to safety for refugees and access to asylum procedures across Europe for those who need them; recognition and support for the critical role of Refugee Community Organisations in the welcome and integration of refugees in the UK.

In line with these priorities and our strategic directions, we achieved the following:

- Played an active role in the coalition to end destitution, Still Human Still Here, achieving a small rise in support payments to refused asylum seekers for 2010/11 despite the challenging economic climate.
- Maintained our campaign for reinstating permission to work for asylum seekers; 105 Members of Parliament signed the parliamentary motion EDM 960, 'Let Them Work'.
- Informed and lobbied decision makers and officials on key policy issues relevant to refugees and asylum seekers, including housing, integration, provision of English language tuition, 5 year leave to remain, separated children, the Common European Asylum Process, a gender-sensitive asylum system and access to legal representation. This led to policy commitments, including the roll out of a project to ensure early access to legal advice and the appointment of senior lead on gender within the UK Border Agency.
- Secured a Department of Health proposal restoring free healthcare for certain groups of refused asylum seekers.
- Continued to push for an end to the detention of families and challenged the use of detained fast track for deciding asylum claims and the failure to provide adequate medical care in detention. Following the announcement by the government in May 2010 of an end to the detention of children, we have been active in the subsequent review.
- Secured significant media coverage, communicating why refugees need protection and explaining the changes needed to create a fair, humane and effective asylum system. Journalists continue to turn to us for comment as we respond effectively and authoritatively and can also facilitate refugee voices. We also worked with journalists to secure coverage for our own work, for example with age-disputed young people and for our 'Chance or Choice' research report.
- Worked to influence the development of the UKBA's strategy for tendering services to refugees and asylum seekers to ensure that the specification reflects the needs of this client group and the added value that the voluntary sector has brought.
- Developed and promoted a successful Asylum Election Pledge in partnership with Liberty &

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Scottish Refugee Council. All the party leaders and over 1,030 other parliamentary candidates signed the pledge to ensure Britain is a place of refuge for the persecuted. Of those who were successfully elected as MPs, 219 signed the pledge in total, including seven members of the new cabinet.

Capacity building, education and training

Under this area of work we sought to fulfill our strategic directions to provide strong, supportive and accountable leadership to the refugee sector so that it can achieve more for refugees, and to provide high quality advice, support and services to refugees and their families where we are best placed to do so.

In line with our plans for the 2009/10 financial year, we:

- Delivered infrastructure support for refugee community organisations as part of the Big Lottery funded BASIS project. During the year, we facilitated seminars with representatives from 312 refugee community organisations, funders and second-tier service providers, which helped the refugee community organisations to improve their understanding of funders' requirements, improved infrastructure support provided by second-tier service providers, and helped to raise awareness of refugees and asylum seekers' issues among funders. We also provided one to one intensive advice and support on fundraising, governance, business planning, project development and financial management to 78 organisations, enabling them to raise £0.4m additional income; and disseminated a bi-monthly newsletter and weekly e-bulletin to 1,000 organisations.
- Registered 901 refugee teachers nationally as part of our newly expanded Refugees into Teaching project, which supports refugee teachers into employment in schools, through the provision of training, information, advice and guidance, mentoring and support to teacher training providers. So far, 15 clients have gained Qualified Teacher Status, 64 have secured work placements, 9 have attended school observations, 36 have secured a place on an Initial Teacher Training course, 224 have received information, advice and guidance, and 115 have attended a variety of information events.
- Supported refugee integration by delivering 11 training courses on financial literacy, business start-up, and social enterprise and train the trainer sessions as part of our HBOS funded Financial Literacy Project, in partnership with NERS in North East region, the New Communities Forum in West Midlands, MMRC and the Citizens Advice Bureau. As a result of attending these training courses 4 of our clients have managed to set up new businesses and 8 of our clients have registered with the Citizens Advice Bureau as volunteers to gain work experience.
- 17 refugee community representatives from 8 RCOs have benefited from The Refugee Empowerment Project (REP) which aimed to build on the campaigning skills and capacity of RCO representatives and illustrate how they can be supported by the Refugee Council to pursue shared campaign goals in the longer term.
- Planned and delivered a wide variety of training courses and events to a range of public service bodies, private providers, other charities and community organisations. We delivered 71 courses compared to 52 in 2008/09, with 97% of delegates indicating that they would recommend the course they attended to a colleague. In February 2010 we organised the annual conference, 'From theory to practice: How asylum policy impacts on the refugee experience' which explored changes in policy and legislation over the past year, and the impact of these on the experience of asylum seekers and refugees. It provided an opportunity to consider the challenges ahead in a changing economic and political climate, and to discuss specific policies for which the sector should be campaigning. The event had 266 attendees and received very positive feedback.
- Continued to provide up-to-date, accurate and authoritative information on the asylum process, support and entitlements of asylum seekers through the interactive Information Service Online which replaced the previous paper based information service last year, helping us to work towards our sustainability goals.
- Following our achievement of Investor in Volunteers (the national award for excellence in working with volunteers), we are developing a volunteering strategy which places emphasis on leading and developing volunteering within the wider refugee sector, engaging volunteers in different areas of our influencing work and providing a diverse range of volunteering opportunities that meet the needs of our clients, the organisation and individual volunteers while maximising our capacity to deliver high quality and efficient services.

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Maintaining our effectiveness and independence

Our fifth strategic direction is to strengthen our position as an independent and effective charity. This is key to the fulfillment of all our other strategic directions.

In this challenging economic climate, we have maintained our focus on fundraising from a wide range of sources in order to diversify our income. Unrestricted voluntary income has increased from £1.1m in 2008/09 to £1.4m in 2009/10, including an unrestricted £100,000 donation from a major donor. We have also increased the number of grant applications being sent to potential funders, to help build a diverse restricted income base. We have a wide portfolio of projects to fundraise for, including: the therapeutic casework unit, providing counselling support to refugees who have suffered traumatic experiences; supporting age-disputed children; day centre services for destitute refugees; and our independent influencing function. Successes in 2009/10 include raising over £135,000 for the day centre in Brixton and over £50,000 towards the continuation of our work with age-disputed refugee children, following the government's announcement of funding cuts in May 2009.

We are extremely grateful to all our longstanding individual supporters, grant-making trusts and major donors for their continued enthusiastic support. In addition, we have recruited over 1,600 new donors this year. We have been delighted to see so many supporters rallying around the cause of the Refugee Council in these difficult economic times.

At the same time, we have started a major review of our service delivery model and infrastructure, measuring how effectively it meets refugees' and asylum seekers' current needs, to ensure that we continue to provide our clients with the best possible support given our limited resources. We are also undertaking work to reduce our carbon footprint and to improve the environmental sustainability of the organisation. Whilst this is challenging in our existing premises, we have partnered with the Climate Outreach Information Network (COIN) and signed up to the 10:10 climate change campaign. We are making small but effective changes in the way we work.

Financial review

Total income has increased from £18m in 2008/09 to £20m in 2009/10, mainly as a result of a number of new or newly expanded projects, including the first full year of the new Refugee Integration and Employment Service which was launched in autumn 2009.

We have increased our expenditure on our essential campaigning and policy work, which has become even more important around the general election, and in the face of cuts across the public sector which are likely to have a significant impact on both the mainstream and specialist services accessed by refugees and asylum seekers.

When setting the 2009/10 budget, the Trustees recognised the need to increase reserves in order to weather the current economic climate and also to set aside designated funds for a number of essential purposes this year. The net movement in unrestricted funds was therefore £1.5m (2009: £517,000), of which £629,000 has been transferred to a designated fund to meet a previous pension scheme obligation (see note 16a) and £100,000 has been designated to premises and infrastructure changes planned over the next two years, including moving from a number of our current offices and improving IT infrastructure to increase flexibility. General funds have therefore increased to £2.9m in line with the new target reserves policy below.

The increase in cash balances of £3.2m offsets a decrease of £2.1m in 2008/09, which was due to a number of grant and contract installments from the UK Border Agency (UKBA) not having been received prior to last year end. This also explains the decrease in debtors of £1.8m in comparison to the previous year.

Reserves

The reserves policy for the charity, approved by the Trustees, is to set a target level of general unrestricted funds, as part of the strategic plan, aiming to increase free reserves year-on-year to achieve that target. Separately, the charity holds a designated fund equivalent to the net book value of tangible fixed assets at the year end (the Fixed Asset Reserve) - these are not included in the free reserves calculation as they are not easily convertible to cash.

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The target level of general unrestricted funds is reviewed annually and is set in consideration of the exposure the Refugee Council has for expenditure in the event of income falling. The target has been reviewed and increased to £3.9m, equivalent to 2.5 months' operating expenditure. This recognises both the challenging economic climate and also the uncertainty surrounding a number of the charity's direct services, which are likely to be put out to tender by UKBA during 2010/2011 with effect from 2011/2012, but is still extremely modest in comparison to the Charity Commission best practice recommendation for charities to hold free reserves covering six months' operating expenditure. General unrestricted funds increased by £0.9m to £2.9m (2009: £2.0m) during the year.

Investment policy

The charity has, with the exception of donated investments, opted not to pursue a policy of investing surplus funds on the equities or bonds markets. Instead, due to the short term nature of its surplus funds and the need to retain quick access to them, the charity has chosen to place surplus funds on short term cash deposit. The donations kept as investments are not material in value, being £4,000 at 31 March 2010 (2009: £4,000).

Employment of disabled persons

The charity follows a number of policies relating to the employment of disabled persons. We ensure that full and fair consideration is given to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities, through our recruitment and selection policy and capability policy. In consultation with our occupational health advisers, we ensure that reasonable adjustments are made for interview candidates, for new starters, and existing staff members who become disabled. All new employees are trained to implement our equality and diversity policy in the workplace, which strives to ensure that all staff, including disabled persons, are treated on an equal basis in areas including training, career development and promotion. Our sickness policy is also mindful of the need to avoid disability discrimination and our flexible working and time off for dependents policies aim to help staff members who may not be disabled themselves but are caring for a disabled person.

Employee involvement

The charity has systems in place to provide employees with information on matters of concern to them as employees, through our staff handbook and regular communication via our intranet, email and letters. We formally recognise the trade union Unison, and meet with union representatives monthly in order to consult on issues affecting employees' interests. We encourage the involvement of employees in the company's performance through involving all staff in planning our strategic directions every three years, and ensure that employees are aware of current performance through staff briefing sessions delivered by the Chief Executive at all key sites at least twice each year.

Volunteer development

Approximately 600 (2009: 410) people volunteered to support our clients and services each week. This equates to around 80,000 (2009: 60,000) hours, with a value well in excess of £460,000 per year (2009: £340,000) (estimate based on the minimum wage of £5.80 per hour). We continued to expand the range of volunteering opportunities we offer in order to better support our clients. As an additional benefit, many volunteers went on to secure paid employment, using the skills and experience they gained at the Refugee Council.

The Trustees are grateful to all our volunteers and wish to thank them most particularly for all their work in helping to extend our services and making them more effective for service users.

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Plans for Future Periods

Refugees in the UK remain one of the most vulnerable groups in our society. As long as there are conflicts and human rights abuses in the world, people will need to claim asylum. We are committed to ensuring that the British government upholds the right to claim asylum, which is needed more than ever as we approach the 60th anniversary of the Refugee Convention in 2011.

The current economic crisis brings with it a real danger that both in the UK and across Europe public and political attitudes towards asylum seekers and refugees will harden. The challenge for the Refugee Council is to continue to influence public opinion and lobby opinion formers for real change, at the same time as we are ourselves facing very real challenges in terms of our funding.

Our greatest priority, therefore, is to ensure the financial viability and sustainability of the Refugee Council so that we are able to continue to provide services to refugees and asylum seekers, lobby for change and raise public awareness. This will mean continuing to streamline our organisation so that money is freed up for front line work, whether aimed at supporting asylum seekers and refugees directly, or changing policy and public attitudes. It will mean finding new and imaginative partnerships that will enable us to deliver more against a background of massively reduced public expenditure. We will also continue to invest in raising our own funds, so that we become less dependent on central government funding.

Our work with European partners will become increasingly important as we seek to influence not just the domestic agenda, but the background against which many British Government decisions are made. We will also work hard to make sure we are well placed to compete for what government funding there is going forward, as well as continuing to use our influence to help government understand the importance of continuing to fund support for asylum seekers and refugees, as part of Britain's international obligations to people fleeing persecution.

External context

2010/11 will be a year of exceptional uncertainty for the Refugee Council. In particular our work will take place in the context of a change of government and unprecedented public spending cuts, both creating uncertainty about many of our funding streams as well as the public policy challenges we face. The coalition government's work programme includes a number of commitments on asylum: an end to the detention of children, a review of the decision making process and an end to the deportation of lesbian and gay asylum seekers to certain countries. We are committed to working closely with government on these and on other issues as the government's asylum policy evolves.

The cuts in public spending have implications for us as a charity, given that the bulk of our services are funded by central government. The initial government review of expenditure has resulted in a reduction in the value of the services which we provide under grant agreements or contracts for UKBA for 2010/11 of just over 20% as compared with 2009/10. Most of those agreements come to an end in March 2011, and the future of this work remains unclear. The economic downturn will also impact on our ability to raise funds from other sources.

At the same time, despite the fall in the number of asylum seekers coming to the UK each year, pressure on our services will continue to increase. The increased demand across all sectors of society for access to social housing and to legal and other advice services will leave our clients with no where else to turn, particularly given that many of our member organisations are being hit through cuts to voluntary organisations at a local level.

Priorities for 2010/11

We remain committed to the vision set out in our strategic directions for 2009 -12. For 2010/11, however, in recognition of the particular challenges we face, we have focussed on a small number of priorities for delivering on the directions. These are:

- Completing and implementing the review of our front line services to ensure that we continue to deliver high quality client services, despite the harsh social and economic climate which will impact on attitudes towards refugees, their access to other support services, and their ability to

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support themselves and their families through paid employment.

- Develop our work around sector leadership, facilitating dialogue across the sector and between the sector and wider society, so that we are enabling and supporting the sector, as well as the Refugee Council, to weather the recession and continue to effectively support refugees and asylum seekers across the UK.
- Ensuring that we have a clear strategic vision for our influencing work so that we are able to engage with emerging government priorities, through a targeted combination of policy, campaigns, communications and research.
- Continuing to build on our recent fundraising successes so that the Refugee Council can continue as a financially secure, independent charity into the future. This will involve delivering year 3 of our fundraising strategy to diversify our income including a major donor programme, increased focus on grant-making trusts and statutory funding, and the continued trialling of new methods of donor acquisition and donor development.
- Focusing on reducing the core costs of the organisation and increasing the flexibility of its infrastructure to ensure that the organisation remains in a strong position to face the challenges of the coming years.

BRITISH REFUGEE COUNCIL

REPORT OF THE TRUSTEES

Statement of Trustees' responsibilities

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity 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 financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Provision of information to auditors

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as the trustee is aware, no relevant audit information has been withheld from the company's auditors; and
- the trustee has taken all the steps that he/she could reasonably be expected to have taken as a trustee in order to make himself/herself aware of any relevant audit information and has established that this information has not been withheld from the auditors.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 2006.

Auditors

A resolution to re-appoint PKF (UK) LLP as the Company's auditors will be proposed at the forthcoming Annual General Meeting.

This report was approved and authorised for issue by the Council on 16 September 2010 and signed on its behalf by:

Heather Foster

Heather Foster
Treasurer

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRITISH REFUGEE COUNCIL

We have audited the financial statements of British Refugee Council for the year ended 31 March 2010 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors' 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of the company for the purposes of company law) for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') and for being satisfied that the financial statements give a true and fair view are set out in the statement of trustees' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Report of the Trustees is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with those accounting records, if we have not received all the information and explanations we require for our audit or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Report of the Trustees is consistent with the financial statements.

PKF(UK)LLP

Ian Mathieson
Senior statutory auditor
For and on behalf of PKF (UK) LLP, Statutory auditors
London, UK

20 September 2010

BRITISH REFUGEE COUNCIL
STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2010

	Notes	Unrestricted Funds £' 000	Restricted Funds £' 000	2010 Total £' 000	2009 Total £' 000
Incoming resources from generated funds					
Voluntary income					
Donations, legacies and other voluntary income	2	1,412	1,649	3,061	3,110
Investment income	3	39	1	40	192
Incoming resources from charitable activities					
Direct services to refugees and asylum seekers		4,885	10,622	15,507	13,325
Campaigning and policy		46	157	203	223
Capacity building, education and training		338	947	1,285	1,087
Other incoming resources	5	7	-	7	87
Total incoming resources		6,727	13,376	20,103	18,024
Less: Cost of generating funds					
Voluntary income:					
Fundraising costs	6	790	-	790	618
Total cost of generating funds		790	-	790	618
Net incoming resources available for charitable activities		5,937	13,376	19,313	17,406
Resources expended					
Charitable activities:					
Direct services to refugees and asylum seekers		3,725	11,075	14,800	13,722
Campaigning and policy		234	300	534	448
Capacity building, education and training		416	2,059	2,475	2,531
Total charitable activity costs	6/7	4,375	13,434	17,809	16,701
Governance costs	6	5	42	47	39
Total resources expended		5,170	13,476	18,646	17,358
Net incoming/(outgoing) resources before other recognised gains and losses		1,557	(100)	1,457	666
Other recognised gains					
Gains on investment assets	9	-	-	-	1
Net incoming/(outgoing) resources before transfers		1,557	(100)	1,457	667
Transfers between funds	14	(17)	17	-	-
Net movement in funds in year		1,540	(83)	1,457	667
Total funds brought forward 1 April		3,464	1,770	5,234	4,567
Total funds carried forward 31 March	14	5,004	1,687	6,691	5,234

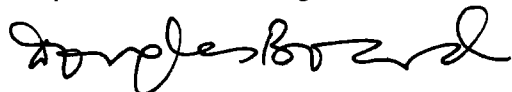
The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended are derived from continuing activities.

BRITISH REFUGEE COUNCIL
BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2010

REGISTERED COMPANY NO: 2727514

	Notes	2010 £'000	2009 £'000
Fixed assets			
Tangible fixed assets	8	131	206
Investments	9	<u>4</u>	<u>4</u>
		<u>135</u>	<u>210</u>
Current assets			
Debtors	10	2,459	4,300
Cash at bank and in hand	11	<u>6,434</u>	<u>3,263</u>
Total current assets		<u>8,893</u>	<u>7,563</u>
Creditors: amounts falling due within one year	12	(2,059)	(2,280)
Net current assets		<u>6,834</u>	<u>5,283</u>
Total assets less current liabilities		6,969	5,493
Provisions for liabilities	13	(278)	(259)
Net assets		<u><u>6,691</u></u>	<u><u>5,234</u></u>
Funds			
Unrestricted funds			
-General		2,913	2,013
-Designated		<u>2,091</u>	<u>1,451</u>
Total unrestricted funds		<u>5,004</u>	<u>3,464</u>
Restricted funds		1,687	1,770
Total funds	14	<u><u>6,691</u></u>	<u><u>5,234</u></u>

The financial statements on pages 14 to 28 were approved and authorised for issue by the Council on 16 September 2010 and signed on its behalf by:



Douglas Board
Chair



Heather Foster
Treasurer

The accompanying notes form an integral part of this balance sheet.

BRITISH REFUGEE COUNCIL
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2010 £'000	2009 £'000
Net cash (outflow)/inflow from operating activities	(i)	3,142	(2,396)
Returns on investments and servicing of finance	(ii)	40	192
Capital expenditure and financial investment	(iii)	(11)	132
Increase/(Decrease) in cash in the year	(iv)	3,171	(2,072)

(i) Reconciliation of net incoming/(outgoing) resources to net cash (outflow)/inflow from operating activities

Net incoming resources	1,457	667
Depreciation	86	89
Gifts in kind income	(3)	-
Gifts in kind expenditure	3	-
Exchange gain on foreign currency account	-	(2)
Profit on disposal of fixed assets	-	(76)
(Increase)/Decrease in debtors	1,841	(2,132)
Increase/(Decrease) in creditors	(221)	81
(Decrease)/Increase in provisions	19	(831)
Interest receivable	(40)	(192)
Net cash (outflow)/inflow from operating activities	3,142	(2,396)

(ii) Returns on investments and servicing of finance

Interest received	40	192
Net cash inflow	40	192

(iii) Capital expenditure and financial investment

Purchase of tangible fixed assets	(11)	(40)
Sale of tangible fixed assets	-	164
Sale of investments	-	8
Non cash movement on investment	-	-
Net cash inflow/(outflow)	(11)	132

(iv) Reconciliation of net cash flow to movement in net funds (Note 20)

(Decrease)/Increase in cash in the year	3,171	(2,072)
Net funds at 1 April 2009	3,263	5,335
Net funds at 31 March 2010	6,434	3,263

The accompanying notes form an integral part of this cashflow statement.

BRITISH REFUGEE COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

During the year, the classification of expenditure has been updated in line with the charity's new strategic directions and this has resulted in changes in classification of certain activities.

(b) Incoming resources

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- the donor specifies that the grant or donation must only be used in future accounting periods; or
- the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Gifts in kind are included in income at their estimated market value where possible. Donated assets are included at realisable value. No value has been attributed to donated goods in the form of clothing, toiletries and food that provide welfare to the beneficiaries of the Refugee Council. The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the Trustees' annual report.

Income from charitable activities includes income received under contract or, where entitlement to grant funding is subject to specific project conditions, is recognised when earned. Grant income is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when:

- project related grants are received in advance of the date they are due to commence; or
- projects are delayed due to specific conditions not being in place.

(c) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under the related activity. The expenditure comprises direct expenditure including direct staff cost attributable and allocated support cost. Support costs represent operational overheads incurred in provision of services to the beneficiaries of the charity. Support costs have been allocated on the basis of head count (full time equivalent), consistent with the use of resources. These costs include central administration costs arising from Finance, Human Resources, Information Technology and Business Services.

Cost of generating funds represents those costs incurred in raising voluntary income.

Charitable activities include grants payable and expenditure associated with the provision of service to the beneficiaries and stakeholders in the charity, and covers both direct costs and allocated support costs relating to these activities. Grants payable are accounted for when the directors have accepted a constructive obligation to make the grant. The value of grants approved, but still to be paid, are included in the balance sheet as current liabilities.

BRITISH REFUGEE COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

1 ACCOUNTING POLICIES (continued)

(c) Resources expended (continued)

Charitable activities have been classified into the following main activities of the charity:

Direct services to refugees and asylum seekers

Covers services such as: the One Stop Service, the One Day Induction Process, Wraparound Service, Initial Accommodation, Gateway Protection Programme and Resettlement services.

Campaigning and policy

Covers activities arising from the charity's key role, which is to promote the rights of refugees and to ensure that UK immigration legislation and European directives are responded to in a co-ordinated manner. This includes work on policy research, European Voluntary Returns and Parliamentary lobbying.

Education and training

Covers direct training and conference seminars offered to organisations and individuals. The charity also provides publications and leaflets which are available to the public.

Capacity building

The charity provides services to a large number of local and regional organisations. Activities in this area include work with Refugee Community Organisations as well as projects supporting refugee integration in the wider society.

Governance costs

Include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. This includes such items as external audit, legal advice for Trustees and other associated costs arising from their fiduciary responsibilities.

(d) Fund accounting

The charity maintains various types of funds as follows:

Unrestricted funds

Designated funds are unrestricted funds transferred from general funds and set aside at the discretion of the Board of Trustees for particular purposes. The Trustees review the composition of the funds annually in order to assess their continued use and make new reserves in line with the future strategy of the charity. General unrestricted funds represent funds which are expendable at the discretion of the Trustees in the furtherance of the objects of the charity. The current status of designated and general funds is disclosed in note 14.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors, or which have been raised by the charity for particular purposes. Capital grants received for specific activities are recognised as restricted funds and released over the useful life of the asset. The aim and use of each restricted fund is set out in note 14 to the financial statements.

(e) Tangible fixed assets and depreciation

Tangible fixed assets purchased for the Refugee Council's purposes and costing more than £2,000 are capitalised and included at cost, including any incidental expenses of acquisition. Depreciation is calculated so as to write off tangible assets on a straight line basis over the expected useful lives as follows:

Freehold buildings	50 years
Leasehold property improvements	lesser of 10 years or lease period
Computer equipment	3 years
Motor vehicles, furniture, fixtures and equipment	5 years

Computer equipment purchased for specific projects is written off in the year of purchase.

BRITISH REFUGEE COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

1 ACCOUNTING POLICIES (continued)

(f) Value added tax

Irrecoverable Value Added Tax is included in the relevant costs in the Statement of Financial Activities.

(g) Pension policy

For annual accounting purposes the pension scheme is treated as a defined contribution scheme and the amount charged to the Statement of Financial Activities in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

(h) Investments

Investments listed on a recognised stock exchange are stated at market value at the balance sheet date. The statement of financial activities shows the net unrealised gains and losses arising from the revaluation of the investment portfolio throughout the year. The charity does not actively participate in trading on the Stock Exchange; all investments arose from shares transferred as part of residual legacies.

(i) Finance and operating leases

Rentals applicable to operating leases, where substantially all the benefits and risk of ownership remain with the lessor, are charged to the Statement of Financial Activities over the period in which the cost is incurred. The Refugee Council has no assets under finance leases, which confer rights, and obligations similar to those attached to owned assets.

(j) Provision for liabilities

Provision for liabilities only arises where the charity has a legal or constructive obligation to meet future liabilities. The following liabilities have been recognised in the accounts:

Dilapidations

Provision is made for dilapidation works due to arise on leasehold properties. The Refugee Council has a contractual obligation to absorb such future costs. The provision for these costs is based on the results of an external review carried out by a firm of chartered surveyors. See note 13.

Other provisions

These arise where the charity is required to make good any claim arising from restricted funds which are subject to finalisation and closure reports.

(k) Grant making policy

Grants are provided to organisations in areas where the charity wishes to carry out its charitable activities but another organisation is best placed to fulfil this and has the ability to provide the services required. Outcomes are regularly monitored against those agreed in the terms of the grant.

Grants are provided to individual refugees and asylum seekers who are suffering financial hardship. Beneficiaries are selected based on their level of need and ability to benefit from the award.

BRITISH REFUGEE COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

2. Donations, legacies and other voluntary income

	Unrestricted £'000	Restricted £'000	2010 Total £'000	2009 Total £'000
Individual donations and fundraising events	1,062	241	1,303	881
Charitable trusts and foundations	182	1,408	1,590	2,107
Legacies	168	-	168	102
Other	-	-	-	20
	1,412	1,649	3,061	3,110

Voluntary income grants included in restricted voluntary income and other major funders requiring disclosure are shown below.

	Direct services £'000	Campaigning & policy £'000	Capacity building, education & training £'000	2010 Total £'000	2009 Total £'000
Restricted Income					
Arts Council	-	35	-	35	34
BBC Children in Need	-	-	-	-	19
Beatrice Laing Trust	5	-	-	5	-
Big Lottery Fund	159	-	842	1,001	1,219
British Red Cross	12	-	-	12	15
Catholic Agency for Overseas Development	-	-	-	-	40
Camelot Foundation	-	-	-	-	50
City Bridge Trust	-	-	-	-	30
City Parochial Foundation	-	-	52	52	-
Citizen Organising Foundation	-	-	-	-	9
Children's Society	-	-	-	-	12
Comic Relief	53	-	-	53	48
Department for International Development	-	-	30	30	30
The Diana, Princess of Wales Memorial Fund	-	-	63	63	55
Emma Thompson	10	-	-	10	-
Employability Forum	-	-	-	-	41
Goldman Sachs International	-	-	7	7	-
Goldsmith's Company Charity	15	-	-	15	5
HBOS Foundation	-	-	75	75	86
Joseph Rowntree Charitable Trust	-	10	-	10	15
KPMG Foundation	-	-	10	10	-
The Mercers' Charitable Company	5	-	-	5	-
Rayne Foundation	-	10	-	10	-
Rowan Charitable Trust	10	-	-	10	-
Separated Child Foundation	14	-	-	14	-
Other funders	147	65	20	232	262
	430	120	1,099	1,649	1,970
Unrestricted Income					
Basil Bellhouse Charitable Trust				15	-
J A Nasmyth Discretionary Settlement				5	-
Jane Durell Charitable Trust				15	-
The Richer Family Foundation				15	-
Samuel Sebba Charitable Trust				5	-
Tolkien Trust				9	-
Other funders				1,348	1,140
				1,412	1,140
				3,061	3,110

3. Investment income

	Unrestricted £'000	Restricted £'000	2010 Total £'000	2009 Total £'000
Interest on cash deposits	39	1	40	192
	39	1	40	192

BRITISH REFUGEE COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

4. Incoming resources from charitable activities

	Direct services	Campaigning & policy	Capacity building, education & training	2010 Total	2009 Total
	£'000	£'000	£'000	£'000	£'000
Restricted Income					
CapacityBuilders	-	-	-	-	30
Department for Education	-	-	181	181	190
Department of Health	57	-	-	57	44
Development Cooperation Ireland	-	-	-	-	45
Equality and Human Rights Commission - EHRC	-	-	4	4	32
European Social Fund	-	-	-	-	11
Greater London Authority	-	10	-	10	7
Home Office - UK Border Agency	10,345	141	248	10,734	11,188
Leeds City Council	-	-	-	-	20
London Councils	-	-	-	-	10
Norfolk County Council	209	-	-	209	170
Training & Development Agency for Schools	-	-	500	500	208
Wakefield Trust	-	-	-	-	14
Other funders	11	6	14	31	52
	10,622	157	947	11,726	12,021
Unrestricted Income					
Home Office - UK Border Agency	4,754	45	187	4,986	2,427
Leeds City Council	128	-	-	128	43
Other funders	3	1	151	155	144
	4,885	46	338	5,269	2,614
	15,507	203	1,285	16,995	14,635

5. Other incoming resources

	Unrestricted £'000	Restricted £'000	2010 Total £'000	2009 Total £'000
Rental income	5	-	5	11
Profit on disposal of fixed assets	-	-	-	76
Other	2	-	2	-
	7	-	7	87

BRITISH REFUGEE COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

6. Total resources expended

	Staff costs £'000	Direct costs £'000	Support costs £'000	2010 Total £'000	2009 Total £'000
Cost of activities for generated funds					
Fundraising costs	331	377	82	790	618
Charitable activities					
Direct services to refugees and asylum seekers	8,272	5,199	1,329	14,800	13,722
Campaigning and policy	293	177	64	534	727
Capacity building, education and training	1,223	1,013	239	2,475	2,252
	<u>9,788</u>	<u>6,389</u>	<u>1,632</u>	<u>17,809</u>	<u>16,701</u>
Governance	-	23	24	47	39
Total resources expended	<u>10,119</u>	<u>6,789</u>	<u>1,738</u>	<u>18,646</u>	<u>17,358</u>
Support costs include:				2010 £'000	2009 £'000
Depreciation charge				86	89
Auditors' remuneration:					
Statutory audit fees				28	30
Overaccrual in previous year				(11)	
Other fees				-	7
Operating lease rentals:					
Buildings				658	607
Equipment				66	33

7. Grants Payable

	2010 £'000	2009 £'000
Grants paid in the year included in charitable activities are as follows:		
Direct services to refugees and asylum seekers	784	742
Campaign and Policy	-	11
Capacity building, education and training	485	505
	<u>1,269</u>	<u>1,258</u>

See Appendix 1 for details

BRITISH REFUGEE COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

8. Tangible fixed assets

	Freehold property £000	Leasehold property improvement £000	Computer equipment £000	Furniture, motor vehicles, fixtures and equipment £000	Total £000
Cost					
At 1 April 2009	81	424	643	65	1,213
Additions	-	-	11	-	11
Disposals	-	-	-	-	-
At 31 March 2010	<u>81</u>	<u>424</u>	<u>654</u>	<u>65</u>	<u>1,224</u>
Depreciation					
At 1 April 2009	5	421	521	60	1,007
Disposals	-	-	-	-	-
Charge for the year	2	3	76	5	86
At 31 March 2010	<u>7</u>	<u>424</u>	<u>597</u>	<u>65</u>	<u>1,093</u>
Net book value					
At 31 March 2010	<u>74</u>	<u>-</u>	<u>57</u>	<u>-</u>	<u>131</u>
At 31 March 2009	<u>76</u>	<u>3</u>	<u>122</u>	<u>5</u>	<u>206</u>

9. Investments

UK Listed Investments

	2010 £000	2009 £000
Market value at 1 April 2009	4	11
Additions in the year	-	-
Disposals in the year	-	(8)
Realised gains	-	1
Unrealised gains	-	-
Market value at 31 March 2010	<u>4</u>	<u>4</u>
Historical cost at 31 March 2010	4	9
Net investment gain on historical cost	<u>-</u>	<u>(5)</u>

10. Debtors

Amounts falling due within one year

	2010 £'000	2009 £'000
Grants receivable	-	450
Other debtors	1,194	1,468
Prepayments and accrued income	1,265	2,382
	<u>2,459</u>	<u>4,300</u>

11. Cash at bank and in hand

	2010 £'000	2009 £'000
Cash on short term deposit	1,504	2,200
Cash at bank and in hand	4,930	1,063
	<u>6,434</u>	<u>3,263</u>

BRITISH REFUGEE COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

12. Creditors

	2010	2009
	£000	£000
Trade creditors	555	420
Other creditors	219	566
Taxes and social security costs	359	354
Accruals and deferred income	926	940
	2,059	2,280

Movement on Deferred Income

Balance at 1 April 2009	432	171
Income in the year	404	432
Income released in the year	(432)	(171)
Balance at 31 March 2010	404	432

Deferred income at the end of the financial year represents trust and grant income restricted to financial year 10/11.

13. Provisions for liabilities

	2010	2009
	£000	£000
Dilapidations		
Balance at 1 April	259	1,090
Amounts utilised in the year	(5)	(275)
Additions	24	165
Amounts released	-	(721)
Balance at 31 March 2010	278	259

Dilapidation provisions result from constructive obligations arising under leasehold agreements. Works relating to dilapidations on various leasehold properties are expected to crystallise within the next 12 months to 3 years.

14. Movement on funds

	Balance at	Incoming	Outgoing	Other	Transfers	Balance at
	1 April	resources	resources	gains		31 March
	2009	£000	£000	£000	£000	2010
	£000	£000	£000	£000	£000	£000
Unrestricted funds						
General	2,013	6,622	(5,045)	-	(677)	2,913
Designated						
- Pension Fund (i)	854	-	-	-	629	1,483
- Social and Welfare Fund (ii)	159	100	(117)	-	-	142
- Fixed Asset Reserve (iii)	112	-	-	-	(69)	43
- County of Surrey Refugee Committee Fund (iv)	106	5	(8)	-	-	103
- Premises and Infrastructure Fund (v)	220	-	-	-	100	320
Total unrestricted funds	3,464	6,727	(5,170)	-	(17)	5,004

The above funds carried forward at 31 March 2010 represent:

(i). The Pension Fund is to cover any contingent liability on the charity's pension arrangement. The Trustees agreed in the year to transfer £629,000 (2009: £200,000) from the General Fund to the Pension Fund. The charity also has £359,000 towards this liability included in restricted funds. Together the funds now cover the £1,841,000 deficit shown in the last full valuation as at 30 September 2009 (see note 16).

(ii). The Social and Welfare Fund was established in 2008 as a result of a generous donation of £200,000, and a further donation of £100,000 was received during this year. This has been used to fund the employment mentoring, family therapy and specialist advice services projects.

(iii). The Fixed Asset Reserve represents unrestricted funds invested in tangible fixed assets for use by the charity, which are not available for other purposes. This excludes freehold properties and tangible fixed assets included in restricted funds.

(iv). County of Surrey Refugee Committee Fund was represented by two freehold properties transferred in 2005 by a charity with similar objectives to the Refugee Council. The properties were used to provide private residential accommodation to refugee families. Last year, one property became vacant and was sold. The proceeds were transferred to the General Fund in order to be utilised in line with our strategic priorities.

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14. Movement on funds (continued)

(v) The Premises and Infrastructure Fund is to cover a number of changes to premises and infrastructure. Over the next two years, we will need to move from a number of our current offices and improve IT infrastructure to increase flexibility. The Trustees agreed in the year to transfer £100,000 from the General Fund to the Premises and Infrastructure Fund.

	Balance at 1 April 2009 £000	Incoming resources £000	Outgoing resources £000	Transfers £000	Balance at 31 March 2010 £000
Restricted funds					
Big Lottery Fund					
Basis	234	842	(920)	-	156
Voluntary Service Refugee Network	(4)	-	-	4	-
Specialist advice services	-	-	2	3	5
Separated children	1	152	(159)	6	-
Sowing Seeds	-	7	(5)	-	2
Camelot Foundation	26	-	(16)	(6)	4
Comic Relief					
Vulnerable Women's Project	(2)	25	(7)	(16)	-
Girls' & Young Women's Project	-	28	(25)	-	3
Department for Children, Schools and Families - SMILE	36	181	(212)	-	5
The Diana, Princess of Wales Memorial Fund	2	63	(55)	-	10
Felice Morgenstern Fund (xi)	1	-	(1)	-	-
Home Office - UK Border Agency					
Asylum Support Service (vi)	89	7,418	(7,440)	(68)	(1)
Initial Accommodation (vii)	23	617	(617)	(23)	-
Children's Panel (viii)	19	1,098	(1,087)	(2)	28
Gateway and Resettlement (ix)	(50)	1,205	(1,235)	69	(11)
Others	493	396	(483)	17	423
John Frank Fund (xii)	133	1	(24)	-	110
KPMG Foundation	15	10	(13)	-	12
Norfolk County Council - Gateway Norwich	(18)	220	(202)	-	-
Training & Development Agency for Schools	149	500	(318)	8	339
Premises and Infrastructure Fund (xiii)	336	-	-	-	336
Others (x)	287	613	(659)	25	266
Total restricted funds	1,770	13,376	(13,476)	17	1,687

The above funds carried forward at 31 March 2010 represent:

(vi). The Asylum Support Service grant is funded by the Home Office under the National Asylum Support Service (NASS). The grant is used to provide advice and support to individuals and families at all stages of the asylum process.

(vii). Initial Accommodation Service provides asylum seekers with temporary accommodation during the asylum process. This particular area of activity is in decline as the Refugee Council nears the end of its contract with the UK Border Agency.

(viii). The Children's Panel works mainly with unaccompanied children. The Panel provides access to education, training, health care and legal advice. This activity is principally funded by the UK Border Agency.

(ix). Gateway and Resettlement Programme is part of the government's Gateway Protection Programme which resettles refugees who have been living in camps around the world in the United Kingdom.

(x). Other restricted sundry grants cover a number of activities which are not funded by principal funders. Included in this category is the Hardship Fund, used to provide grant payments to refugees and asylum seekers in distress.

(xi). The Felice Morgenstern Fund offers financial grants for refugees and asylum seekers to continue their studies as well as access to informal education, voluntary work and employment.

(xii). The John Frank Fund is used to provide assistance to refugees who need to gain further qualifications and training to enhance their employment prospects in the United Kingdom. The capital element of the fund is invested in a low risk cash deposit and the interest arising from it is used to meet grant requests.

(xiii) The Premises and Infrastructure Fund is to cover a number of changes to premises and infrastructure. Over the next two years, we will need to move from a number of our current offices and improve IT infrastructure to increase flexibility.

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15. Employee information

The full time equivalent number of employees within the year was as follows:

	2010	2009
Activities for generated funds	9	10
Charitable activities	282	297
	291	307

	2010	2009
	£'000	£'000
Staff costs comprised:		
Wages and salaries	9,369	9,040
Social security costs	906	883
Pension costs	216	205
Aggregate employee remuneration	10,491	10,128
Agency and other staff cost	772	958
	11,263	11,086

The number of employees whose remuneration as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	2010	2009
£60,001-£70,000	1	-
£70,001-£80,000	-	1
£80,001-£90,000	1	1
£90,001-£100,000	1	-

Employer's pension fund contributions paid on behalf of the above amounted to £10,756 (2009: £8,232).

16. Contingent liabilities

(a) Pension

The Refugee Council participates in the Pension Trust's Growth Plan, a multi-employer Pension Plan which is, in most respects, a money purchase arrangement but which has some guarantees. It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to the individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the contributions payable by the employer.

The last formal valuation of the Plan was performed at 30 September 2009 by a professionally qualified actuary. The valuation revealed that the assets of the Plan fell short of the accrued liabilities as at the valuation date equivalent to a past service funding level of 96%. The Actuary has not recommended an increase to employer contributions which are currently 5% and the charity is not aware of any plans to change future employer contribution rates.

Following a change in legislation in September 2005, there is a potential debt on the employer that could be levied by the Trustee of the Plan. The current policy of the Trustees of the Plan is that this only applies to employers with pre October 2001 liabilities in the Plan. The debt is due in the event of the employer ceasing to participate in the Plan, ceasing to offer the Plan to its employees or the Plan winding up. However, effective from the 6 April 2008, the debt on withdrawal will now crystallise as soon as the last active member leaves the scheme.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis, i.e. the cost of security benefits by purchasing annuity policies from an insurer, plus allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt. The leaving employer's share of the buy-out debt is the proportion of the Plan's pre October 2001 liability attributable to members who were or are in employment with the leaving employer as compared to the total amount of the Plan's pre October 2001 liabilities (relating to employment with all the currently participating employers). The leaving employers' debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers.

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16. Contingent liabilities (continued)

Potential employer debt - contingent liability

The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

The Refugee Council has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2009. As of this date the estimated employer debt for the charity was £1.8m (2009: £1.7m). The Pension Trust's actuary has estimated that as at 31 March 2010 this liability has decreased by 38% and therefore this would indicate that the liability position at 31 March 2010 is in region of £1.1m (2009: £2.6m). There is no current intention to leave the Plan and trigger the contingent liability.

(b) Potential grant repayment

During 2007 the European Refugee Fund (ERF) carried out a review of a grant made to the Refugee Council in 2001/02. It is possible that a limited amount of the income may be repayable. At the date of signing of the accounts any amounts due were not known and therefore are not included in the accounts.

17. Trustees' expenses

	2010	2009
Number of Trustees claiming expenses	4	4
	£'000	£'000
Trustees' expenses:		
Travel and meeting expenses reimbursed	1	2
Trustees indemnity insurance cover cost	3	4

None of the Trustees of the Council received any remuneration during the year (2009: £nil).

18. Operating and financial commitments

The company is committed to paying the following amounts in respect of operating leases expiring:

	2010 Building £'000	2010 Equipment £'000	2010 Total £'000	2009 Building £'000	2009 Equipment £'000	2009 Total £'000
Between two and five years	698	66	764	658	66	724
	698	66	764	658	66	724

19. Analysis of net assets between funds

	Unrestricted funds £000	Restricted funds £000	Total funds £000
Funds balances at 31 March 2010 are represented by:			
Tangible fixed assets	117	14	131
Investments	4	-	4
Net current assets	4,958	1,876	6,834
Provisions for liabilities and charges	(75)	(203)	(278)
Total net assets	5,004	1,687	6,691

20. Analysis of net funds

	At 1 April 2009 £'000	Cashflow £'000	Other non cashflows £'000	Exchange movement £'000	At 31 March 2010 £'000
Cash in hand and at bank	3,263	3,171	-	-	6,434
Total	3,263	3,171	-	-	6,434

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21. Big Lottery Fund: reconciliation of income to cash received

	Income per statutory accounts 2010 £'000	Accrued & deferred income 2009 £'000	Accrued & deferred income 2010 £'000	Cash received during year 2010 £'000
Basis	842	26	124	992
Voluntary Service Refugee Network	-	2	-	2
Specialist advice services	-	-	-	-
Separated children	152	73	-	225
Sowing Seeds	7	-	1	8
	1,001	101	125	1,227

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Appendix 1

	2010	2009
	£'000	£'000
Grants payable < £1,000		
Exiled Writers Ink	-	0.52
Ice and Fire Theatre Company	-	0.50
Initiative for Social Entrepreneurs	-	0.10
Islington Refugee Forum	-	0.62
Kashore	-	1.00
Lachai Roi Ministries	-	0.67
London Link Radio	-	0.70
Neu Generation	-	0.46
Refugee Network Sutton	-	0.36
Salisbury World	-	0.44
West London Refugee Women's Forum	-	0.48
Woodberry Down Community Primary School	-	0.60
Small grants to 84 individuals	24.16	-
	24.16	6.45
Grants payable > £1,000		
	£'000	£'000
African Catholic Refugee Community	1	-
African Swahili Community Project	3	-
British Agencies Afghanistan Group	99	-
Bryson Charitable Group	166	157
Ethiopian Community in Britain	-	5
Help Somalia Foundation	3	-
Jinjer Welfare Group	2	-
Kurdistan Refugee Women's Organisation	2	-
London Metropolitan University	-	9
London Refugee Voice	2	-
Migrant Helpline	-	28
North of England Refugee Service	594	585
Refugee Action	368	468
Somali Youth Counselling and Rehab Action Group	2	-
Sudan Women's Association	3	-
	1,245	1,252
Total	1,269	1,258