



**SUPPORTING AND
EMPOWERING
REFUGEES**

BRITISH REFUGEE COUNCIL

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

TRUSTEES' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2017

BRITISH REFUGEE COUNCIL

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Chief Executive's Introduction

The Refugee Council has been changing refugees' lives for the better since 1951, the year the UN Refugee Convention was first signed. Today, when more people are displaced by violence and conflict than at any time since 1945, when public and political opinion on refugees is increasingly polarised, and when the UK asylum system routinely fails many who seek our protection, the Refugee Council is needed more than ever.

In 2016/17, the scale of the refugee flows into Europe abated substantially as the European Union's agreement with Turkey led to the effective closure of the Balkan and Aegean transit routes. Yet, the domestic political outlook remained difficult, despite the success of the UK's Syrian Vulnerable Persons Resettlement programme, in which the Refugee Council continued to play a significant operational and oversight role.

The Prime Minister's speech at the United Nations General Assembly in Dec 2016 set out a troubling vision of a two-tier refugee system intended to penalise the secondary movement of people who claim asylum in the UK after previously passing through other countries. This emphasis on deterring or constraining new arrivals was also evident in the Government's signal failure to honour the spirit of the 'Dub's Amendment' that committed the UK to relocate a substantial number of lone young refugees from the European mainland. And this fostering of a hostile, unwelcoming environment also characterised the day-to-day operation of the asylum system, of which indignity, humiliation and disrespect were commonplace features.

We responded by extending our capacity to help more people avoid destitution, exercise their rights to due process, access the health care they need and overcome the daily struggle to make ends meet. We put more pressure on the Home Office to safeguard those made more vulnerable by their experience of persecution and exile and we litigated successfully against Government on a number of crucial policy issues. We continued to play an active leadership and coordination role in the growing UK asylum and refugee movement and to speak up unambiguously for refugee rights.

On the organisational front, we strengthened our governance arrangements by appointing eight new Trustees, including a new Chair of the Board, we generated more income and we further stabilised our finances. We invested in our fundraising capacity and our back office functions in order to make us more sustainable in the long term, and we reviewed and refreshed our strategic priorities, taking time to listen and learn from our staff and volunteers and from our external stakeholders.

Looking forward, though the domestic and international political outlook is uncertain, the Refugee Council is committed to changing even more refugees' lives for the better. Thanks to the prodigious efforts of our staff, volunteers and Trustees, and the confidence and generosity of our donors and funders, the Council is very well equipped to do so.

Maurice Wren
28 September 2017

Strategic Report

Objectives and Activities

Objectives

The objects of the Refugee Council, set out in our governing documents, are:

- to provide relief for refugees and their dependents who are in conditions of need, hardship or distress;
- to preserve and protect the physical and mental health of refugees and their dependents;
- to advance the education and training of refugees and their dependents 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 Refugee Council aims to deliver these objectives through the provision of 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 to campaign and advocate to ensure that the rights enshrined in national and international law are not eroded.

Our Mission

To support and empower refugees to lead safe, dignified and fulfilling lives.

Our Vision

We want the UK to be a welcoming place of safety for people who seek refuge here from persecution and human rights abuses abroad.

Our Values

- We treat people with respect, dignity and compassion;
- We involve and empower the people we work with;
- We are committed to a person-centred way of working;
- We work together with communities and partners to transform lives;
- We are tenacious and creative in advancing refugee rights.

Our Aims

- For those seeking asylum, we want fair and just decision making;
- For those granted refuge, we want equality of opportunity to lead fulfilling lives;
- For those denied protection, we want understanding and humane treatment;
- For all refugees in the UK, we want respect and dignity.

Our strategic objectives covering the 2016/17 period

We intend that the Refugee Council will:

1. Be a prominent voice on refugee protection matters in the UK, working cooperatively with peers and partners to hold the Government and other authorities to account on the basis of evidence drawn from our joint service delivery and research experience;
2. Deliver a portfolio of discrete, holistic and expert services for the benefit of people at all stages of the UK asylum and refugee system, designed to transform the lives of beneficiaries and to complement other specialist and mainstream services;
3. Engage with Refugee Community Organisations to strengthen their involvement and the influence they exert in the shaping of the policies and practices that affect their lives;
4. Play a pivotal role in building a diverse, inclusive, influential and empowering refugee rights movement in the UK;
5. Be a sustainable and accountable charity, committed to developing a highly motivated and high-performing group of staff and volunteers.

Activities

The Refugee Council undertakes its work through the following six main areas of activities:

1. **Children's Services**, in particular working with separated children
2. **Resettlement Services**, where people arrive in the UK with official refugee status, especially those from Syria
3. **Therapeutic Services**, helping those who have suffered torture, trauma, violence or sexual exploitation
4. **Integration Services**, helping newly recognised refugees to make the challenging first steps towards integrating in the UK
5. **Advocacy** by speaking up for refugees drawing on evidence from our direct services, and making sure refugees have an influential voice in policy decisions that impact their lives
6. **Destitution Services** by supporting those who are pushed to the brink of our society

In addition we also provided **Asylum Support** to a small number of people claiming asylum with funding from the Home Office under a grant that substantially ceased at March 2014. There was some residual support being provided under this grant until June 2016.

2016/17 Achievements and performance against strategic objectives

Objective 1 **Be a prominent voice on refugee protection matters in the UK, working cooperatively with peers and partners to hold the Government and other authorities to account on the basis of evidence drawn from our joint service delivery and research experience**

Achievements In May 2016, we published research documenting the experiences of newly recognised refugees. The report, *England's forgotten refugees*, secured good media coverage when it was launched, and we have used the findings to raise issues with officials in the Home Office, the Department for Work and Pensions and parliamentarians. This report influenced the scope of the All Party Parliamentary Group on Refugees' *Refugees welcome?* Inquiry.

Following our concerted behind the scenes advocacy, and through briefing of parliamentarians, we were delighted that the Government announced in March 2016 that Syrians arriving through the Vulnerable Persons Resettlement Scheme would be granted refugee status, rather than just humanitarian protection. This means that this group of refugees is now able to access universities and more easily visit relatives in other European countries.

In January 2017, the Home Affairs Select Committee published a report about asylum accommodation, following a year-long inquiry. We submitted evidence relating to the needs of vulnerable groups, especially pregnant women in initial accommodation centres, and were pleased to see the Home Affairs Select Committee reflect these needs in their recommendation.

In February 2017, we co-authored and jointly published a report on refugee family reunion with Oxfam, Amnesty International UK and the British Red Cross. This set out changes all these organisations wish to see to the UK's family reunion rules. The report forms the basis of the advocacy work we continue to do in this policy area.

Objective 2 **Deliver a portfolio of discrete, holistic and expert services for the benefit of people at all stages of the UK asylum and refugee system, designed to transform the lives of beneficiaries and to complement other specialist and mainstream services**

Achievements Over the past year we have supported 7,522 refugees and asylum seekers through a combination of growing our current services and opening new ones. With a focus on quality and monitoring outcomes, we utilised the Theory of Change framework to develop an organisational Outcomes Map. We have improved the way we monitor and evaluate our work, and adapted tools to improve our outcomes measurement and evidence our successes. We have also used external evaluation to improve our work and ensure we are providing cost effective services that demonstrate impact.

Resettlement Services

We supported 1,050 resettlement clients this year, including Syrians on the regional Vulnerable Persons Resettlement Scheme (VPRS) programme, the Gateway Protection Programme and the Vulnerable Children's Resettlement programme. This work is being delivered across the Yorkshire and Humber Region and in Hertfordshire.

In Hertfordshire we have been supported by many local volunteers and groups of volunteers including Herts Welcome Syrian Refugees, all of which has made the resettlement experience a richer one.

The Yorkshire and Humber Resettlement teams have grown significantly over the past 12 months. The teams have been working with resettled refugees across 17

towns and cities in the region, including many areas (North Yorkshire and East Riding in particular) which had not previously hosted or supported this client group. Through our community development work and engagement with local volunteers in these areas, the Refugee Council has enabled the provision of services, and has made the wider local community more aware of refugees' needs. As well, many awareness raising sessions have been delivered to a range of services providers, including schools, local authorities and faith groups, with the active participation -- supported by Refugee Council -- of Syrian refugees anxious to share their experiences. This has proven very successful, with impressive willingness by partner agencies to tailor their services effectively to meet client needs.

The recruitment by our volunteer coordinators of local volunteers has brought a wealth of added support and sense of community, especially for those refugees placed in smaller, more rural towns in the region. Refugee Council is delivering weekly drop-ins in each of these 17 areas as well as organising social activities, including women's groups, men's groups, conversation clubs, sports and day trips out to the Yorkshire Dales and seaside. We are now working with the majority of Local Authority areas in the region to secure funding to continue integration support beyond the first year from the clients' arrival.

In February 2017 we commenced work with funding from the World Jewish Relief VPRS employment programme to support Syrians into employment in Sheffield and Leeds.

'A young boy on the Gateway programme in Sheffield, who has been mute since arriving in the UK as a result of the trauma he experienced back home, began speaking for the first time on a day trip out to the Peak District. His mother was delighted, and wanted to thank everyone at the Refugee Council for all the support she's had since they arrived'

Children's Services

The Separated Children's Advice Panel, funded by the Home Office, assisted 3,318 separated children this year. The Panel directly supported 1,370 young people with advice and guidance on the asylum process, accessing legal support, healthcare, education and much more. We also supported 690 separated children indirectly through foster carers, social workers, legal representatives and others.

In Dover we supported 441 children. Our staff there also supported 10 vulnerable adults who came through the port and were deemed vulnerable due to their circumstances, such as having been trafficked.

With the agreement by the Home Office and local authorities of a national transfer scheme, more areas in the UK will receive and look after separated children. Concomitantly, the Refugee Council will need to reach out to more areas.

Our **Age Dispute project** did case work with 153 young people whose ages were disputed. We supported 78 children through age assessments who were then accepted to be children. This ensured that they were safeguarded and allowed them access to appropriate child-centred support.

We secured the release from detention of 25 young people who had been held securely as adults, and 18 of those were then accepted as children. In the last quarter of the year the project had significant success in the courts, with landmark judgements in two cases. The first succeeded in rendering unlawful the Home Office practice of conducting age assessments on the basis of physical appearance for the purpose of detention. The second resulted in mandating that local authorities must treat putative children as children pending a lawful age assessment, and must provide accommodation and support during that time.

In our **Trafficking** work we assisted 77 girls and 20 boys who had been trafficked. The Project has significant impact on the lives of individual children and young people. Those client who finally secure status are able to safely remain here, whilst other clients know that someone is still working with and for them through very difficult times. Aside from this we maintain a our reputation as a source of accurate, timely and helpful advice to many external stakeholders concerned with trafficking issues.

Youth development project continues to run a range of activities for separated children, and in 2016/2017 325 children attended the centre in Croydon. The project enriches the lives of children through activities such as club classes, social evenings, music sessions, maths and English classes, a very successful and expanding girls group, various educational trips out and much more. The project impacts on the lives of these young people in many ways and has support from many external groups and organisations as well as some highly dedicated volunteers.

The Cricket project has seen a large increase in numbers, with more than 120 young people now participating. Volunteers have been vital to the success of this project, and we have benefited from having the three social work students on placement (two from Germany and one from the UK). However, the demands on both the cricket activity and the advice surgery are considerable, with an average of 37 children and young people attending each cricket session and 13 advice surgery attendees per session. The introduction of a Peer Leader scheme (whereby six of our longest standing/older participants assist the volunteers) has been successful. It creates a bridge between the age groups and provides both role models and a sense of the possibility of a future in the UK. We also believe that the scheme has boosted the self-esteem of the older participants. The project featured in the Guardian's film documentary part of their website in September 2017.

Within our **Training** provision we successfully bid to the Department for Education to deliver training for foster carers and support workers on working with separated children who have been trafficked. This bid was in partnership with ECPAT, an organisation specialising in trafficking training and advocacy.

We delivered training to 1,230 carers across the country. This had a positive impact upon people's understanding of children's support needs. By the end of the course, 97% of participants rated their understanding of the issues facing separated and trafficked children at 6 (out of 10) or above; and 91% of participants rated at 6 or above their ability to adequately support and safeguard this client group.

We also delivered training to professionals on a number of other areas such as Age Assessment best practice, and working with separated children.

Integration Services

Housing

We help homeless clients to understand their housing options, and assist them to make homelessness applications and secure hostel or night shelter options. We secured 39 tenancies for refugees, of which 31 have been sustained for 6 months.

Many clients were sleeping rough and had trouble opening bank accounts, avoiding job centre sanctions or obtaining employment. Accessing housing has meant that they are now much more confident about leaving welfare benefits and accessing employment.

Advice

It was an extremely busy year for the advice project, seeing 370 clients in all.

Universal Credit (UC) is being rolled out in full service across the UK so some of our clients now have no choice but to apply for it. This has created even more destitution

amongst newly granted refugees, as UC payments commence 6 weeks after the application has been submitted, and refugees only receive a 4-week grace period from asylum support with a 2-week grace period from NRM support only if they were survivors of trafficking.

Our clients continue to be affected by the benefit cap. Even some single refugees in studio flats are being capped and have to consider moving into shared accommodation. We work to assist our clients to become exempt from the cap through work, or through receipt of sickness benefit, disability benefit, or carer's benefits.

Local authority gatekeeping continues, and we continue to use our network of housing solicitors to challenge local authorities when they act unlawfully or unfairly. We support clients to access solicitors to support their claims, and we support solicitors' understanding of refugee issues.

This year we attended the All Party Parliamentary Group on Refugees to give evidence drawn from our clients' experiences on the issues that refugees face after they have been granted status.

Employment and Training

Building Bridges is our partnership project supporting healthcare professionals into work and is funded by the NHS. We assist them to embark on the path to re-qualification in order to successfully join the UK healthcare workforce. This year we saw 17 doctors gain employment in the NHS, with 18 doctors gaining clinical placements.

'There's all this talent out there that we need to harness and harvest.'
Dr Sandy Gupta, MD FRCP.

Refugees into Jobs programme has offered support to 166 individuals. We have formed many partnerships with businesses.

Clients were given a half day training at **Uniqlo** for which we ran a preparation session at the Refugee Council the day before. Nine clients attended the Uniqlo training, after which clients were asked to submit CVs and cover letters. We worked intensively to support our clients, 3 of whom were offered a job.

Jikoni restaurant offered 8 weeks' work placement at their restaurant to 2 of our clients. **Mazi Mas** contacted us to encourage our clients to apply for a chef vacancy at their restaurant. We supported a client who was an experienced chef from Iran, and who is now working at Mazi Mas.

Outer Temple approached us for a Junior Clerk vacancy at their barristers' chambers. We received many applications from clients, supported them with their CVs, did the short listing and submitted their applications. One of our clients from a law background obtained the job.

We participated in a research project conducted by University of Birmingham as part of a European project focusing on development of the European Skills Recognition Passport. We provided a presentation to District Managers of Job Centres in January 2017 on Refugee Employment issues.

Health Access for Refugee Programme

The Health Access for Refugees Programme (HARP) aims to improve health outcomes and health services for new migrants, decreasing inequalities, improving access and giving this group of clients in the North region a voice that directly influences the planning of services. HARP delivered services to 1,782 refugees and migrants in 2016/2017.

HARP has delivered health promotion workshops across a range of topics relevant to service users, such as gaining awareness of cancer, TB, HIV and family planning. Service users have undertaken screenings to determine if and when they may need to use health services..

This ongoing mentoring and advocacy support service was delivered with volunteers from the refugee communities themselves. Transfer of skills and knowledge to volunteers was supported by training in volunteering and health access, delivered by Volunteer Coordinators across Yorkshire and Humberside. This helped equip volunteers to act as "befrienders" and to provide face-to-face support service at drop-ins dedicated to assisting asylum seekers and refugees to overcome barriers to access, such as language and cultural issues, financial barriers, bureaucracy, form filling, lack of geographical knowledge of where health services are located, and psychological, social and technological issues such as inability to access the internet.

An interim external evaluation of HARP found the project fit for purpose, having exceeded planned performance targets. To ensure completeness in evidence building, we will monitor HARP's intermediate outcome objectives, such as increasing our clients' awareness of their rights and capacity for social action, growth in social capital among volunteers as a result of our investment in development of volunteers, and improvement in the language skills of volunteers. These volunteers, who are drawn from the refugee community, are the real stars of HARP. We invest in their development through training such as Self Management and English Skills for Health, thus enhancing their ability to become HARP health champions and to provide ongoing peer mentoring and advocacy support within their own communities.

A sample of 104 service user feedback forms, completed after health access courses at the Initial Accommodation Centres, showed that 90% of participants 'Strongly agree' to the statement "I have better knowledge about my rights, how the health system works and other services/agencies who can help me."

Feedback from the sample of 141 service users shows that 28% 'Agree' and 45% 'Strongly Agree' (combined total 73%) with the statement "I am confident about accessing health services (in an appropriate way)."

Feedback from the sample of 114 beneficiaries of the befriending support service indicates that 30% 'Agree' and 46% 'Strongly Agree' (combined total 76%) with the statement "I understand where to go for what".

Therapeutic Services

Our therapeutic services helped 880 clients, of which 122 were children. These clients were supported through a number of different services, such as **Tree for Life** and **Safer Refugee Women**, which focus on women who have experienced domestic violence. We also have a project involving work with men (**RIMBA**), and we deliver surgeries in Initial Accommodation Centres for asylum seekers in London and Birmingham.

We ran a pilot with the Home Office for ten months, called **EPIONE**, under which the Home Office referred women to us who had disclosed experience of sexual violence. We were inundated with 201 referrals, which overwhelmed our capacity. However, every woman who could be contacted received an assessment and was referred to one of our services. Many of these women believed they had no entitlement to access services such as health or child support.

Psycho-education groups gave women a sense of belonging, power and understanding that they could access support. This enabled women to become socially engaged in the community, and to create a help group for mutual support, thus reducing social isolation and psychological trauma. In this context we took two groups of women to

Kew Gardens, providing a much-needed opportunity for reconnection with nature and reflection on their efforts to achieve safety. We also took a group of ten women to see a performance at the Globe Shakespeare Theatre, following which they had afternoon tea with the actors.

My View Project for separated children is a unique project working to support children in trauma who have suffered horrific journeys and experiences. This project has had some significant transformative outcomes. We have continued to build capacity, by adding an experienced volunteer children's play therapist to our team dealing with individual clients. Drama Therapy group numbers have greatly increased, and the new outreach project in Lewisham Southwark College is now a regular programme with both individual clients and a weekly Art Space group.

We have supported 122 young people in this programme, which has resulted in significant improvements in our clients' lives:

- **Improved Ability to make informed choices**-The number of clients who felt they had managed to do all the things they wanted all of the time doubled by the end of the 12 week course of therapy, from 25% to 58%.
- **Increased social inclusion**-The number of clients who did not feel able to ask for help at all when they started their sessions fell by nearly a quarter, from 42% to 17%. The number of clients who did not feel like talking to anyone most of the time when they started therapy fell from 33% to 0%.
- **Improved physical and mental well being**- The number of clients who reported sometimes feeling edgy or nervous at initial assessment fell from 50% to 8%. The number of clients reporting sleep disturbances most or all of the time fell from 42% to 8%. The number of clients who reported they were distressed by their thoughts (50%) or were unhappy most or all of the time (25%) decreased to 17% and 8% respectively.
- **Improved safety** -The percentage of all clients who reported often thinking about hurting themselves decreased from 17% to 0% by the end of therapy.

Surviving to Thriving

In partnership with the British Red Cross, who were the lead partner, and Uprising, a leadership training organisation, we bid to the **Post Code Lottery Dream Fund** for £1million to extend the work with separated children for a two year period. We proposed to provide My View in three regions -- Birmingham, Luton and Leeds. The Red Cross will provide skills development for separated young people and Uprising will provide leadership courses. We won the bid and have started preparations to deliver the service during 2017/18.

Destitution

Our destitution project supported 222 people, of which 173 were new clients to the service. 85% of clients who completed feedback during the year reported a reduction in social isolation. Many clients are referred to our therapeutic services.

We are now offering monthly immigration advice at our destitution service in Hackney, provided by a solicitor at Hackney Community Law Centre which helps clients with their status issues. The project relies on the strong support of six volunteers, including one with refugee status and one who is an asylum seeker.

Collaboration continues with The Passage Day Centre in Victoria, doing outreach and seeing clients each week. We completed staff training on asylum support for 10 Passage House staff together with their immigration solicitor.

Partnership is key for delivery, and we work closely with other agencies including British Red Cross, Migrant Help, shelters (London Catholic Workers, Missionaries of

Charity, Shelter from the Storm), Winter Night Shelters, Rooms for Refugees, Refugees at Home and many solicitors.

Objective 3 Engage with Refugee Community Organisations (RCOs) to strengthen their involvement and the influence they exert in shaping policies and practices that affect their lives;

Achievements We continued to provide advice, training and infrastructural support to refugee-led organisations through our dedicated RCO support project in London, where we support a network of over 500 RCOs across the city, and through our community development work in Yorkshire and Humberside.

We worked with the Northern Ireland Community of Refugees and Asylum Seekers (NICRAS) and were instrumental in raising with senior Home Office officials NICRAS' research into the poor quality of accommodation provided to asylum seekers in Northern Ireland. This prompted the establishment of a Home Office review of accommodation conditions that in turn led to the implementation of an action plan to tackle the shortcomings exposed by the NICRAS findings.

We helped shape the New Beginnings pooled funding programme to ensure that refugee-led organisations were a priority beneficiary of the £1m in grant funding made available to local frontline agencies supporting refugees and people seeking asylum across the UK by a range of leading Trusts and Foundations.

We continued to resource and support the advocacy work of refugee-led groups in the UK through the creation of the Refugee Council Advocacy Network that provides accessible and timely information about key legal and policy developments affecting refugees and asylum seekers and about advocacy projects and campaigns open to their engagement. The Network had 273 members by the end of the year.

Objective 4 Play a pivotal role in building a diverse, inclusive, influential and empowering refugee rights movement in the UK;

Achievements We ran a retreat for the CEOs on 24 UK migration and refugee protection NGOs on communications and advocacy, with the aim of achieving better coordination of our work on the promotion and defence of migrant and refugee rights in the UK. This led to our involvement in the consequent advocacy alliance of migration and refugee protection NGOs, as a member of the Alliance steering group.

We continued to play a key role in coordinating the work of a large number of NGOs who are actively engaged as stakeholders of the Home Office, at both a strategic and operational level. We co-chair the high-level Strategic Engagement Group that brings together the CEOs of 11 leading asylum and refugee NGOs in the UK with senior officials, as well as the Refugee Resettlement Stakeholder group and the Asylum Accommodation Advisory Board.

We continued to chair the Refugee Week steering group that brings together the leading asylum and refugees NGOs and agencies in the UK, including the UNHCR and the International Organisation for Migration (IOM), to determine the themes, priorities and programme for the annual Refugee Week.

The Refugee Council provides the secretariat for the All Party Group on Refugees, and in July 2016, the Group launched an Inquiry into the experiences of newly recognised and newly arrived refugees in the UK. The Refugee Council co-ordinated the collection of written and oral evidence to the Inquiry, and facilitated visits to Bristol and Nottingham. This Inquiry allowed individuals as well as organisations large and small

to present their experiences to parliamentarians and influence the recommendations of the panel.

Objective 5 Be a sustainable and accountable charity, committed to developing a highly motivated and high performing group of staff and volunteers.

Achievements Following the overhaul of our governance structure in 2015/16 a new Board was put in place in May 2016. From a very high calibre of applications, eight new Board members were selected and appointed, joining four trustees from the previous Board. In addition Richard Foster, as Chair of the Board, remained in place for six months to ensure a smooth transition, including the induction of Andrew Halper as the new Chair.

After their initial induction to the organisation one of the key challenges for the new Board has been overseeing the organisation's strategic review process. This commenced late in 2016 and was approved by the Board in July 2017. In a period of increasing demand for the Refugee Council's services and a highly uncertain political environment, the process has provided a refreshed strategic basis for how the organisation sets its priorities.

As set out in the Financial Review section, the Board was able to agree the buy-out of the defined benefit pension liability which had overshadowed the finances of the organisation for many years. This, together with the improved financial position, has allowed the Board to set aside resources to enable future growth to be sustainably managed. The plans for the forthcoming period include investments in our website, office environments and fundraising.

The entire spectrum of our volunteers, from Trustees to colleagues managing reception, plays a huge role in the organisation, and without them our impact would be substantially reduced. In recognition of their critical role, we have been working towards retaining our Investors in Volunteers accreditation during the year and formally heard in July 2017 that we had achieved this.

Plans for Future Periods

During the year the Trustees considered the broad strategic direction of the organisation for the period through to 2021, and approved a new strategic framework in July 2017. The strategic direction was developed by the Senior Management Team and included consultation with staff, volunteers and external partner organisations. 2017/18 will be a year of transition and setting the groundwork for the future.

Over the next four years the organisation will work towards five key goals, with more specific annual targets to be developed for the 2018/19 planning year.

Our 2021 Goals

Goal 1:

To change for the better the way refugees are welcomed and treated in the UK

- We will achieve significant, progressive, changes to UK Government's refugee policy and will secure substantial operational improvements to the UK asylum system, informed by our extensive first-hand experience of working with refugees and people seeking asylum;
- We will use our service outcome and client feedback data to monitor the impact we have on the lives and prospects of our direct beneficiaries;

Goal 2:

To increase the number of refugees who access our specialist, transformative services

- Each year we will increase significantly the number of people we help directly, whether they are seeking asylum or have refugee status, by expanding our overall service capacity;
- We will establish service hubs in London, the South East, the Midlands and Yorkshire and Humberside, facilitating the expansion of our four service pillars: children, integration and employment, resettlement and therapeutic support;
- We will also develop in new areas where there is both demand and local support for our presence.

Goal 3:

To galvanise public attitudes to refugees and be instrumental in creating a powerful, popular movement for change

- We will increase public awareness of and support for our advocacy work by growing the number of our active supporters and the number of people with whom we engage digitally and via other channels;
- We will employ reliable benchmarking data to annually monitor shifts in UK public attitudes towards refugees;
- Our Advocacy Network will have a significantly increased subscriber base.

Goal 4:

To be a credible and trusted authority on the needs and aspirations of refugees in the UK

- We will be in regular, two way contact and dialogue with refugee and community-led groups across the UK;
- We will ensure that our priorities reflect refugees' concerns and interests by engaging with Refugee Community Organisations (RCOs) across the UK, including through an annual consultation process and by systematically analysing our service user feedback.

Goal 5:

To be an independent, accountable, value-led and sustainable organisation

- We will increase our investment in supporting and developing our staff and volunteers;
- We will safeguard our independence and expand our donor base to ensure that voluntary income continues to provide a major source of our revenue;
- We will increase the diversity of our staff and volunteers.

Principal Risks and Uncertainties

Risk management

The Trustees have overall responsibility for ensuring that appropriate systems of financial and other controls are in place. Trustees 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, although not absolute, assurance against material misstatement or loss. They include:

- The adoption of a Strategic Plan and an Annual Plan and Budget by the Board of Trustees;
- Regular review of financial and operational results by the Senior Management Team, Resources Committee and the Board of Trustees;
- A review carried out by the Resources Committee with the external auditors of any matters raised for the attention of management;
- Clear rules for delegation of authority for expenditure;
- Health and safety risk management, review and monitoring procedures;
- Critical incident reporting and review procedures; and
- Management by the budget holder and the fundraising team of funding partnerships.

As part of its management of risk, the Board of Trustees and its Resource Committee review the risk register twice a year which:

- Identifies the risks which the organisation faces;
- Assesses their potential impact and the likelihood of them happening; and
- Highlights management action being taken to mitigate and manage the risks.

At its last review the Board identified the following five key risks, which were categorised as either high impact (with medium or high likelihood) or high likelihood (with high or medium impact):

Risk	Mitigation Actions
Long term financial sustainability	Strong financial management and regular financial information and monitoring; Maintain flexible reserves policy; Robust investment in and strategy for income generation; Mix of funders and contracts that reduce reliance on any one source.
Substantial change in government policy	Collaborate with other organisations in the sector; Maintain close dialogue with Home Office officials.
Failure to deliver on the role of sector leader	Develop newly launched Advocacy Network; Co-chair the National Asylum Stakeholder Forum and fundraise for sector wide initiatives.
Non-compliance with legislative and regulatory requirements, including safeguarding	Staff induction programme and training on key issues including mandatory safeguarding training; Experienced operational management; Oversight by a balanced and diversified Governance Board.
Inability to respond to increasing demand for services in light of refugee needs	Dedicated capacity to respond to opportunities.

Financial review

2016/17 was a further year of significant financial improvement for the Refugee Council. Continuing the developments of the previous year, our total income increased by 50% from £6.3 million to £9.5 million, to double the level of two years ago. There are a number of factors, listed below, that sit behind this significant turnaround. These developments reflect the responses of individuals, trusts, foundations and statutory authorities to the refugee crises that so prominently and publicly emerged in the summer of 2015.

Income from individual supporters was roughly in line with the level of 2015/16. Given that the prior year included the immediate response to the refugee crisis and the contribution from the Guardian 2015 Christmas appeal, it was a significant achievement to see a further growth in income from our individual supporters. Our appeals all performed above expectations and we also received two £100,000 donations from one individual supporter. Driven by a small number of very significant bequests, legacy income more than doubled from the previous year although at the year-end over half this income had yet to be received by the charity due to the timing difference between when legacy income is recognised in the accounts and its receipt in the bank.

Income from trusts and foundations increased significantly, primarily from the £1.5m grant awarded by Goldman Sachs Gives in March 2017 to support refugees resettled under the Syrian Vulnerable Persons Resettlement Scheme. The funding is to cover work over the next three years and is carried forward as a restricted reserve at March 2017.

Income from charitable activities increased primarily from the expansion of our work on the Syrian Vulnerable Persons Resettlement Scheme in Yorkshire and Humber and Hertfordshire and also from additional Home Office funding towards the Children's Panel grant and its associated work in Dover.

Total expenditure increased from £5.9 million to £7.4 million, with our charitable expenditure rising in line with the increased funding, especially on Children's Services and Resettlement. While our expenditure on fundraising rose in the year from increased staffing and activities, as a proportion of our total expenditure the costs declined marginally, representing 12% of total expenditure compared to 13% in the prior year.

During the year the Refugee Council bought out the defined pension deficit liability that has existed for many years through membership of the Pensions Trust Growth Plan. The decision to do this was taken by the Trustees after careful deliberation and on the basis of external professional advice. The final cost to the Statement of Financial Activities from this was £0.6m, funded from resources previously set aside; full details are provided in note 21.

Reserves

Total reserves at 31 March 2017 stood at £5.9 million of which £2.1 million was restricted for specific purposes and not available for general use.

Of the £3.8 million of unrestricted funds £1.1 million have been designated by Trustees at the year-end. These designations are:

- £338,000 comprising the amount of reserves that can only be realised by disposing of tangible fixed assets;
- £260,000 being the remaining funding received through the Guardian 2015 Christmas appeal – the total sum received of £423,000 is being spent over a three year period;
- £547,000 set aside in a fund for future investment in organisational infrastructure including our donor development work, website and the spaces where we deliver front line services.

Free unrestricted funds at 31 March 2017 were £2.7 million, an increase of £1.1 million over the previous year end.

The level of free unrestricted reserves maintained by the organisation is determined by balancing two competing objectives. On the one hand, we must make maximum and speedy use of resources provided by our funders to deliver real impact for refugees and asylum seekers, while on the other we must ensure that we have adequate resources to continue to deliver our services through periods of financial challenge and uncertainty, so that we will be here for refugees and asylum seekers over the medium term.

The Trustees regularly assess the risks to which the Refugee Council is exposed, and determine a range for reserve levels in light of these risks. The principal risks include the requirement for unexpected additional expenditure, a sudden unexpected change in the level of our income, and a need to maintain services in the short term and then wind down in a phased manner as individual funding stream ends. While this process cannot come up with a precise figure for reserves after taking these risks into consideration, the Trustees believe the current appropriate level for free reserves is between £1.6 million and £2.4 million.

In assessing the level of reserves we ignore restricted reserves, where the funds have to be spent in accordance with the donors' intentions, the fixed asset reserve (because this cannot easily be realised to protect against risks) and other designated reserves where the trustees have already specifically set aside monies for expenditure in future periods.

At March 2017 the level of free unrestricted reserves is £2.7 million. Being above the upper target range the budget set for 2017/18 allows for investment in our work over the next year which should reduce the level of reserves whilst keeping them within the target range.

Approach to Fundraising

The vast majority of the fundraising undertaken by the Refugee Council is done directly by our own staff, which means we are able to fully control the standards to which the work is done. We have not used agencies to raise funds for us in the year, with the exception of one agency which we used to promote payroll giving. We do not currently undertake any street fundraising, door to door fundraising or telephone fundraising. We are conscious of feedback we receive from our supporters and adapt our communications frequency to them when they request this.

Occasionally, supporters or businesses wish to undertake fundraising through methods which fall under the term of commercial participator as defined by the Charities Act 1992. These are often small-scale ventures such as proceeds or profits from books or clothes. In all such cases the other party is required to enter into a signed commercial participator agreement with the Refugee Council, which ensures that the charity's reputation can be protected and that the other party complies for all relevant fundraising regulation, including, where applicable, how they will protect vulnerable people. During the year there were 6 such agreements in place, through which funds of £20,000 were raised for the organisation.

The Refugee Council has been registered with the Fundraising Regulator since its inception in July 2016 and with its predecessor, the Fundraising Standards Board, before then. We fully comply with the Code of Fundraising Regulations issued by the Fundraising Regulator. We report each year to the Regulator on complaints – in the calendar year 2016 we reported a total of 14 complaints which related to activity covering over 53,000 pieces of direct mail to supporters and 475,000 general leaflets distributed. We review all complaints received to determine any changes we need to make, and we update our mailing database whenever a donor requests this.

Structure, Governance and Management

This report covers the year to 31 March 2017.

Organisational Structure

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's governing documents are its Memorandum and Articles of Association. As at 31 March 2017 there were 12 trustees who were also members, and who as required by the Memorandum and Articles of Association agree to contribute £1 in the event of the charity winding up. The Trustees perform their work on a voluntary and non-remunerated basis, and are only reimbursed for minor costs such as transport to meetings.

Appointment of Trustees

The Board of Trustees consists of up to thirteen members who are appointed on the basis of an open recruitment exercise. The Board undertakes a regular skills audit for existing trustees and matches that against the desired skills and experience before undertaking any new recruitment, in order to ensure that the Board remains well equipped to meet its governance function.

One third of the trustees must stand down at the Board meeting immediately preceding each AGM, with those standing down are eligible for re-election subject to a maximum length of office of 9 years. The Board elects a Chair and Honorary Treasurer from among their members, who are able to serve in these posts for a maximum length of 7 years.

During the year there was significant change in the make-up of the Board following a review of governance conducted in 2015/16 and reported in last years Annual Report. Accordingly 8 new trustees were appointed in May 2016 and a new Chair, Andrew Halper, was appointed through this process. Andrew shadowed the previous Chair, Richard Foster for 6 months before assuming the role of Chair in November 2016.

Trustee induction and training

All Trustees receive a full induction upon being appointed to the Board of Trustees. The induction includes an introductory day with the Senior Management Team and visits to see some of the service delivery work first hand. Through this they receive a comprehensive overview of the work of the Refugee Council and grant arrangements with key funders. Trustees receive an induction pack which provides details of the charity's strategic plan, minutes of Board meetings for the previous year, financial information including budgets and procedures and more general information on the requirements of being a trustee. Trustees are kept up-to-date with legal and statutory requirements through circulation of materials, links to e-bulletins focusing on the voluntary sector, and where appropriate through attending external trustee training and networking events.

Organisation

The Board of Trustees meets on a regular basis throughout the year, and met formally five times during the year. The main tasks of the Board are:

- Setting and maintaining the vision, mission and values of the organisation
- Agreeing major organisational policies and programmes
- Approving the strategic direction, annual plans and associated budgets
- Reviewing progress against these plans and financial performance
- Monitoring risks and the mitigation actions taken

The Board also has one sub-committee, the Resources Committee. It comprises the Chair, Treasurer, and one or more other Trustees with relevant experience, and it also met five times during the year. This sub-committee, which operates within guidelines set by the Board, gives a greater level of scrutiny on financial and operational issues, including meeting with the external auditors and approving expenditures where they exceed levels delegated to management.

Day-to-day management is the responsibility of the Chief Executive, who is appointed by the Trustees, and a Senior Management Team comprising Executive Directors of Services, Income Generation, Advocacy and Finance and Resources.

Public Benefit

The Charities Act 2011 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, and subject to any eligibility criteria for a specific service, the Refugee Council's services, described above, 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.

Policies

Investment policy

The charity has opted not to pursue a policy of investing surplus funds on the equities or bonds markets. Due to the short-term nature of these funds, it has chosen to place them on short-term cash deposit.

Remuneration Policy

The Refugee Council has a job grading system in place that, on the basis of a number of criteria, matches posts against the pay spine used by the National Joint Council for Local Government. This system is used for all posts in the organisation with the exception of executive staff. Employees normally join the organisation at the bottom of the scale for their post and move up the scale on an annual basis. In exceptional circumstances a market supplement may be paid in order to attract a candidate in a difficult to recruit to post. An annual cost of living award is paid to staff in line with that agreed by the National Joint Council. This resulted in an annual increase of 1% in April 2016 and April 2017. No bonuses are payable to staff.

For executive staff the Refugee Council has to balance a number of factors, including the esteem and value of working for a charity, and the limited number of applicants for senior roles with experience and knowledge in some key functions. The Board are conscious that executive salaries need to remain competitive with the sector whilst ensuring that there is appropriate consistency on remuneration across the organisation. Therefore in determining levels of executive pay, the Refugee Council will usually reference pay data from employment agencies, charities of a comparable size and sector competitors, and will consider the ratio between executive and median employee data. Annual cost of living awards for executive staff are normally comparable to any increases paid to non-executive staff. In April 2016 and April 2017 senior management received annual cost of living increases of 1%. Benefits received by executive staff are in line with those available to all staff.

The Board is directly responsible for the annual setting of the salary level of the Chief Executive, who in turn has delegated responsibility for other executive staff. Every two years the Board will review the level of executive salaries based on benchmarking data, to ensure that salaries are still comparable to the median level of similar sized charities. Such an exercise was undertaken at March 2017 and the Board agreed that there was no requirement to adjust the salary of the Chief Executive other than the cost of living increase.

The ratio of the Refugee Council Chief Executive's salary to the median of staff salaries at March 2017 was 2.99 (2016 - 2.81) – this increase is because the median salary in the organisation has decreased in the year (£27,378 compared to £28,845) as staff numbers have increased predominantly outside of London, where salaries do not receive London Weighting.

Employees

The charity recognises the importance and commitment of its staff in the delivery of our plans and activities. Employees are kept up to date on matters affecting the charity through regular staff briefings and email updates, and staff have been actively engaged in the development of the new strategic direction through focus group sessions and online questionnaires. With staff spread over a number of offices, the Senior Management Team seek to ensure that they visit all the offices on a regular basis to provide organisational updates and for staff to raise questions. We formally recognise the trade union Unison, and meet with union representatives quarterly in order to consult on issues affecting employees' interests.

Volunteers

Volunteers are critical to the work we are able to achieve and their support makes the impact that we have so much greater. We have over 300 volunteers doing a wide range of activities. This year we have put resources into supporting volunteers and improving our support of them alongside our work to renew our external accreditation, the Investing in Volunteers Award.

Each year Brian Marsh, chair of the Marsh Christian Trust, sponsors awards for volunteering. We held several volunteer celebrations in the year and gave out five Marsh Awards for the best volunteer ideas and an award for the Volunteer of the Year.

Volunteers are happy to share their experiences via the Refugee Council blog site. An English teacher, describing a day as a volunteer with young people, writes "I sit in the warmth of the train and stare at people round me and think, I bet you have not spent a day doing anything as important as I have been doing'. In fact I have not been doing anything important, but I have learnt something important which has come directly from those extraordinary young people that I have been in contact with".

The Trustees give a big thank you to all the very talented volunteers who work to support and help us improve the lives of refugees.

Statement of Trustees' responsibilities

The Trustees are responsible in accordance with applicable law and regulations for preparing the Annual Report of the Trustees and the Strategic Report, as well as the financial statements.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy the financial position of the charity at any time, 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.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein. The maintenance and integrity of the charity's website is the responsibility of the trustees.

Provision of information to auditor

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 auditor; and
- the trustee has taken all the steps that he or she could reasonably be expected to have taken as a trustee in order to make himself or herself aware of any relevant audit information, and has established that this information has not been withheld from the auditor.

Auditor

A resolution to re-appoint Kingston Smith LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

This Trustees' Report, incorporating the Strategic Report, was approved and authorised for issuance by the Council on 28 September 2017 and signed on its behalf by:

Andrew Halper
Chair

28 September 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITISH REFUGEE COUNCIL

We have audited the financial statements of British Refugee Council for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 19 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

.....
Andrew Stickland (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Date:

Devonshire House
60 Goswell Road
London
EC1M 7AD

STATEMENT OF FINANCIAL ACTIVITIES

Including Income and Expenditure Account

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	2016/17 Total £'000	2015/16 Total £'000
Income from:					
Donations and Legacies	2 & 5	2,818	2,048	4,866	2,917
Charitable Activities	3 & 5	219	4,092	4,311	3,146
Other Trading Activities	4	263	-	263	217
Investments		16	1	17	28
Total Income		3,316	6,141	9,457	6,308
Expenditure on:					
Raising Funds:					
Fundraising		891	-	891	779
Premises sublet		257	-	257	215
Total Raising Funds		1,148	-	1,148	994
Charitable Activities:					
Resettlement		32	1,880	1,912	1,020
Children's Services		183	1,682	1,865	1,613
Integration		26	743	769	707
Advocacy		398	123	521	520
Therapeutic Services		29	378	407	299
Destitution		2	80	82	76
Asylum Support		2	41	43	255
Subtotal		672	4,927	5,599	4,490
Pensions trust costs	6a	258	359	617	412
Total Charitable Activities		930	5,286	6,216	4,902
Total Expenditure	6a - d	2,078	5,286	7,364	5,896
Net Income/(Expenditure)		1,238	855	2,093	412
Transfers between Funds	15	(324)	324	-	-
Net movement in funds		914	1,179	2,093	412
Reconciliation of funds:					
Total funds brought forward		2,903	864	3,767	3,355
Total funds carried forward		3,817	2,043	5,860	3,767

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.

The accompanying notes form an integral part of this Statement of Financial Activities.

BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2017

REGISTERED COMPANY NO: 2727514

	Notes	31 March 2017 £'000	31 March 2016 £'000
Fixed Assets:			
Tangible assets	8	338	450
Investments		<u>4</u>	<u>4</u>
Total Fixed Assets		<u>342</u>	<u>454</u>
Current assets:			
Debtors	9	2,078	1,658
Cash at bank and in hand	10	<u>4,310</u>	<u>4,168</u>
Total Current Assets		<u>6,388</u>	<u>5,826</u>
Creditors: Amounts falling due within one year	11	<u>(740)</u>	<u>(961)</u>
Net current assets		<u>5,648</u>	<u>4,865</u>
Total assets less current liabilities		5,990	5,319
Provision for liabilities	12	(130)	(130)
Defined benefit pension scheme liability	21	-	(1,422)
Total Net Assets		<u>5,860</u>	<u>3,767</u>
The funds of the charity			
Unrestricted funds:			
Designated funds		1,145	1,319
General Reserves		<u>2,672</u>	<u>1,584</u>
Total Unrestricted Funds		3,817	2,903
Restricted Income Funds		2,043	864
Total charity funds	13 - 15	<u>5,860</u>	<u>3,767</u>

These accounts, including this balance sheet and the notes on pages 25 to 43, were approved by the Board of Trustees of the British Refugee Council on 28 September 2017, and are signed on its behalf by:

Nick Whitaker FCA

Treasurer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2016/17 Total £'000	2015/16 Total £'000
Cash flows from operating activities:			
<i>Net cash provided by / (used in) operating activities</i>	(i)	<u>125</u>	<u>72</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		17	28
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		-	(117)
<i>Net cash provided by / (used in) investing activities</i>		<u>17</u>	<u>(89)</u>
<i>Change in cash and cash equivalents in the year</i>		<u>142</u>	<u>(17)</u>
Cash and cash equivalents at the beginning of the year		4,168	4,185
Cash and cash equivalents at the end of the year	(ii)	<u>4,310</u>	<u>4,168</u>
(i) Reconciliation of net income/(expenditure) to net cash flow from operating activities			
Net income/(expenditure) for the year		2,093	412
Adjustments for:			
Depreciation charges		112	101
Interest		(17)	(28)
(Increase)/decrease in debtors		(420)	(1,007)
Increase/(decrease) in creditors		(221)	321
Add back non-cash Pension Trust costs charged to SOFA		617	412
Less cash paid in respect of Pensions Trust liability		(2,039)	(139)
Net cash provided by/(used in) operating activities		<u>125</u>	<u>72</u>
(ii) Analysis of cash and cash equivalents			
Cash in hand		2,677	1,645
Notice deposits (less than 3 months)		1,633	2,523
Total cash and cash equivalents		<u>4,310</u>	<u>4,168</u>

NOTES TO THE FINANCIAL STATEMENTS**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 preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2015) – (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

The Refugee Council constitutes a public benefit entity as defined by FRS 102.

Following a review of current reserve levels, budgets for the coming financial year, and taking into account current and forecast levels of cash, the trustees consider that there are no material uncertainties about the Refugee Council's ability to continue as a going concern.

The functional currency of the charity is pound sterling.

(b) Income

Income is recognised in these accounts where there is entitlement to the income, where it is probable that the income will be received, and where the amount can be measured reliably. Income received in advance of these criteria being met is deferred as a liability.

Income from Donations and Legacies

Donations and legacies includes donations and gifts, legacies, and all other income that is in substance a gift made on a voluntary basis. It also includes grants of a general nature provided by government and charitable foundations which are not conditional on delivery of certain levels or volumes of a service. The donation may be made towards the general aims of the Refugee Council (unrestricted), or towards a specific service or aim (restricted). Donations are recognised on receipt of the donation, or if earlier, at the point where there is a written obligation for a donor to pay a specified donation. Legacies are recognised at the point of probate being granted and on receipt of a reliable estimate of the estate value.

Income from Charitable Activities

Income from charitable activities includes income earned from the supply of services under contractual arrangements, and from grants that specify the provision of a particular charitable service.

Income under contractual arrangements is recognised when the income falls due under the terms of the contract.

Income from grants that are subject to performance or other conditions are recognised when the conditions are deemed met. Where a grant agreement states that funding is conditional on eligible expenditure having been made, such as our provision of the Gateway Resettlement service, our entitlement to income matches expenditure incurred and so we recognise income when eligible expenditure is made. Where a performance related grant is given for charitable activity to be performed over a specified period of time, the entitlement arises and the income is recognised for the period of activity for which it is awarded. For example multi-year grants approved on the basis of annual budgets are recognised over the life of the multi-year charitable activity in line with the approved annual budgets.

NOTES TO THE FINANCIAL STATEMENTS**Income from Other Trading Activities**

Comprises primarily rental income received on our sublets of surplus head office space. Rental income is recognised on a straight line basis over the term of the sublets.

(c) Expenditure

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 central operational overheads such as Finance, Human Resources, Information Technology, and Office Services incurred in provision of services and the costs of governing the organisation. Support costs are allocated to activities on the basis of a percent on top of the expenditure supported as this is deemed the most appropriate measure of how such resources are used.

In prior years support costs were allocated on the basis of staff count (full time equivalent). As the majority of the Refugee Council's expenditure is on staffing both allocation methods give a similar outcome however the change to the percent method was made as this is deemed to capture more fully the drivers of support service costs.

The prior year figures affected by this change have been restated in these accounts. There is no overall change in prior year figures for total Income, Expenditure, Unrestricted or Restricted Funds, or any balance sheet item.

Expenditure on raising funds are those costs incurred in attracting donations and legacies.

Charitable activities include grants payable and expenditure associated with the provision of service to the beneficiaries and stakeholders of the charity, and covers both direct cost and allocated support cost relating to these activities. Grants payable are accounted for when the directors have created 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.

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

- Resettlement – where we work in partnership with local authorities in providing high quality services to integrate refugees in England;
- Children's Services – where we provide services to separated children, children who have been trafficked and or suffered traumatic experiences;
- Integration – where we support those with newly granted refugee status to move into mainstream support systems;
- Advocacy – where we promote the rights of refugees and to ensure that UK immigration legislation and European directives are responded to in a co-ordinated manner, including the use of research, public campaigns, policy influencing, parliamentary lobbying and media work;
- Therapeutic Services – where we offer a holistic response to the complex needs of refugees who have suffered traumatic experiences;
- Destitution – where we provide immediate personal support to those at risk of destitution and also access to advice; and
- Asylum support – where we provide support to individuals through the asylum process. This was principally delivered through Home Office funding and substantially ended at March 2014, with the final elements wound down during 2016/17.

NOTES TO THE FINANCIAL STATEMENTS

(d) Fund accounting

The charity maintains various types of funds as follows:

Unrestricted funds

General unrestricted funds represent funds which are expendable at the discretion of the Trustees in the furtherance of the objects of the charity.

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.

The current status of designated and general funds is disclosed in note 15a.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors. The aim and use of key restricted funds are set out in note 15b to the financial statements.

Transfers

Transfers in certain situations may be made between categories of funds. Funds may be transferred between Unrestricted and Designated funds at the discretion of the Board of Trustees to set aside resources for a particular purpose. Where expenditure against a restricted project exceeds the restricted funding available from donors in the year, funding is transferred from unrestricted funds to meet the excess cost.

(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 from date of purchase or lease period
Computer equipment	3 years
Motor vehicles, furniture, fixtures and equipment	5 years

(f) Value added tax

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

NOTES TO THE FINANCIAL STATEMENTS**(g) Pensions**

The organisation operates a defined contribution pension scheme for employees 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. In addition up until 31 March 2016 the organisation had liabilities under a previous defined benefit scheme (see note 1j). The liability for future payments agreed to repay the deficit on this scheme were recognised in the accounts and any changes in the liability recognised in the SOFA. As this is a multi employer scheme, assets and liabilities of the scheme are not included in the accounts as they cannot be separately identified. In 2016/17 the Refugee Council exited from this scheme, with the cost of exit in excess of provision made recognised in the SOFA. See Note 21.

(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.

Pensions

The Refugee Council had at 31 March 2016 obligations arising from a previous pension scheme to make additional monthly contributions to the Pensions Trust Growth Fund, which is classed as a defined benefit scheme, until September 2025 in relation to the deficit at September 2011. The provision is discounted to the present value on the basis of AA corporate bond yields.

(k) Critical accounting estimates and areas of judgement

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

(l) Other financial instruments**i. Cash and cash equivalents**

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

ii. Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their at transaction price.

NOTES TO THE FINANCIAL STATEMENTS

2. Donations and legacies	Unrestricted Funds £'000	Restricted Funds £'000	2016/17 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2015/16 Total £'000
Donations and gifts from individuals	2,001	282	2,283	2,036	184	2,220
Legacies	714	-	714	351	-	351
Trust income & general grants	103	1,766	1,869	65	281	346
Total	2,818	2,048	4,866	2,452	465	2,917

3. Charitable activities	Unrestricted Funds £'000	Restricted Funds £'000	2016/17 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2015/16 Total £'000
Resettlement	5	1,944	1,949	4	841	845
Children's Services	166	1,273	1,439	10	1,118	1,128
Integration	5	556	561	4	482	486
Advocacy	33	60	93	41	210	251
Therapeutic Services	5	218	223	7	149	156
Asylum Support	5	41	46	28	252	280
Total	219	4,092	4,311	94	3,052	3,146

4. Other Trading Activities	Unrestricted Funds £'000	Restricted Funds £'000	2016/17 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2015/16 Total £'000
Premises sublets	263	-	263	213	-	213
Other trading activities	-	-	-	4	-	4
Total	263	-	263	217	-	217

NOTES TO THE FINANCIAL STATEMENTS

5a. Grants included within donations and legacies:

Activity	Funder	Grant For	2016/17 £'000	2015/16 £'000
Asylum Support	Home Office	Asylum Support Exit Costs	-	5
Government Grants			-	5
Resettlement	Goldman Sachs Gives	Syrian Grant Fund	1,500	-
Children's Services	Various trusts	Various Children's Projects	104	162
Integration	Various trusts	Employment and Refugee Advice Project	70	-
Destitution	Various trusts	Destitution	35	41
Therapeutic Services	Various trusts	Adults Therapeutic Services	32	-
Children's Services, Destitution & Integration	Comic Relief	Refugee Crisis Grant	-	50
Various	Other funders	Other grants	14	21
Other Trust and Statutory Grants			1,755	274
Total Grants included within donations and legacies			1,755	279

5b. Grants included within charitable activities:

Activity	Funder	Grant For	2016/17 £'000	2015/16 £'000
Children's Services	Home Office	Children's Panel	905	800
Resettlement	Leeds City Council	Yorkshire & Humberside Syrian Vulnerable Persons Resettlement Scheme	750	-
Resettlement	Sheffield City Council	Gateway Resettlement Programme	712	617
Integration	Health Education England	Building Bridges	291	301
Children's Services	Home Office	Kent Intake Unit	258	127
Resettlement	Various Hertfordshire Councils	Hertfordshire Syrian Vulnerable Persons Resettlement Scheme	204	9
Resettlement	Leeds City Council	Leeds Syrian Vulnerable Persons Resettlement Scheme	171	76
Integration	Department of Health	Health Access for Refugees Programme	122	49
Therapeutic Services	Big Lottery Fund	Regional Refugee Care	98	114
Resettlement	Sheffield City Council	Sheffield Syrian Vulnerable Persons Resettlement Scheme	65	32
Integration	London Councils	Refugee Community Organisation Capacity Building	62	62
Asylum Support	Home Office	Asylum Support Services	46	280
Therapeutic Services	Home Office	Epione - Home Office referrals pilot scheme	44	-
Resettlement	Leeds City Council	Afghan Resettlement Programme	28	106
Children's Services	Department for Education	My View - Children's Therapy Service	8	126
Government Grants			3,764	2,699
Children's Services	Comic Relief	Age Disputes	47	-
Children's Services	Children in Need	Youth Development	41	-
Therapeutic Services	City Bridge	Improving Londoners' Mental Health	30	-
Therapeutic Services	Comic Relief	Safer Refugee Women	29	-
Advocacy	Open Society Foundation	Move on	-	26
Integration	Metropolitan Migration Foundation	Transition Resettlement Project	29	25
Integration	Crisis	Private Sector Housing	20	25
Integration	Trust for London	Refugee Housing	20	17
Therapeutic Services	Comic Relief	Powerful Womens Project	18	41
Advocacy	Diana, Princess of Wales Memorial Fund through the Barrow Cadbury Trust	Migration NGO Communications Project	15	16
Advocacy	Barrow Cadbury Trust	Detention Forum	15	15
Resettlement	World Jewish Relief	Regional Employment Programme	14	-
Advocacy	The Bromley Trust	Detention Forum	5	5
Advocacy	Barrow Cadbury Trust	Advocacy capacity	5	4
Children's Services	Comic Relief	Trafficked Boys	3	35
Advocacy	Oak Foundation	Parliamentary	-	125
Children's Services	Children in Need	Trafficked Girls & Young Women	-	29
Various	Others	Others	41	18
Other Trust and Statutory Grants			332	381
Total Grants included within charitable activities			4,096	3,080

Total Government grants received within donations and legacies and within charitable activities was £3,764k (2015/16: £2,704k)

There are no unfulfilled conditions and other contingencies attaching to government or other grants that have been recognised in income. There has not been any other forms of government assistance from which we have directly benefitted.

NOTES TO THE FINANCIAL STATEMENTS

6a. Expenditure comparitors	Unrestricted	Restricted	2016/17	Unrestricted	Restricted	2015/16
	Funds	Funds	Total	Funds	Funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Raising Funds:						
Fundraising	891	-	891	779	-	779
Premises sublet	257	-	257	215	-	215
Total Raising Funds	1,148	-	1,148	994	-	994
Charitable Activities:						
Resettlement	32	1,880	1,912	182	838	1,020
Children's Services	183	1,682	1,865	349	1,264	1,613
Integration	26	743	769	142	565	707
Advocacy	398	123	521	353	167	520
Therapeutic Services	29	378	407	76	223	299
Destitution	2	80	82	6	70	76
Asylum Support	2	41	43	4	251	255
Subtotal	672	4,927	5,599	1,112	3,378	4,490
Pensions Trust Costs	258	359	617	412	-	412
Total Charitable Activities	930	5,286	6,216	1,524	3,378	4,902
Total Expenditure	2,078	5,286	7,364	2,518	3,378	5,896

Pension Trust Costs are costs in relation to the Pensions Trust Growth Plan liability (see note 21). The costs relate to deferred members of the scheme who are now ex-employees, so the cost effectively relates to the charitable activities of the organisation in the past.

6b. Expenditure analysis	Staff Costs	Other Direct	Grant	Subtotal	Support Costs	Total
	£'000	Costs	expenditure			
2016/17 Expenditure on:	Note 7(a)	£'000	£'000	£'000	£'000	£'000
			Note 6(d)		Note 6(c)	
Raising Funds:						
Fundraising	402	368	-	770	121	891
Premises sublet	5	251	-	256	1	257
Total Raising Funds	407	619	-	1,026	122	1,148
Charitable Activities:						
Resettlement	1,192	451	-	1,643	269	1,912
Children's Services	1,150	380	83	1,613	252	1,865
Integration	333	183	175	691	78	769
Advocacy	315	133	14	462	59	521
Therapeutic Services	239	116	-	355	52	407
Destitution	41	30	-	71	11	82
Asylum Support	1	42	-	43	-	43
Subtotal	3,271	1,335	272	4,878	721	5,599
Pensions Trust Costs	-	617	-	617	-	617
Total Charitable Activities	3,271	1,952	272	5,495	721	6,216
Support Costs (Note 6(c))	517	326	-	843	(843)	-
Total	4,195	2,897	272	7,364	-	7,364

NOTES TO THE FINANCIAL STATEMENTS

6c. Support Costs	2016/17	2015/16
	£'000	£'000
Central Premises and Business Support	345	459
Finance and Payroll	185	185
Pensions exit costs	12	115
Information & Communication Technology	88	64
Human Resources	125	109
Senior Management	33	60
Governance Costs	55	99
Total Support Costs	843	1,091

The above support costs are allocated pro-rata to the expenditure of activities supported (see Note 1c.)

6d. Grant Expenditure

Grantee	For	Activity	2016/17	2015/16
			£'000	£'000
London Metropolitan University	Building Bridges	Integration	126	126
ECPAT	Trafficking Training	Childrens	83	-
Glowing Results	Building Bridges	Integration	24	19
North of England Refugee Service	HARP	Integration	15	9
Counterpoint Arts	Refugee Week	Advocacy	11	4
City of Sanctuary Sheffield	HARP	Integration	10	8
Solidarity with Refugees	Refugees Welcome March	Advocacy	2	-
Total Grant Expenditure			271	166

Support costs are incidental to the costs of making grants and so there are no support costs allocated to the above grants in the current or prior year.

There were no grants made to individuals in 2016/17 or 2015/16.

7a. Staff costs and employee benefits	2016/17	2015/16
	£'000	£'000
Wages and salaries	3,735	2,689
Social security costs (employers National Insurance)	336	245
Employer's contribution to defined contribution pension	124	93
	<u>4,195</u>	<u>3,027</u>
Redundancy costs	-	3
Total staff costs	4,195	3,030

No redundancy or termination payments were made in 2016/17 (2015/16: 1 termination payment of £3k was made to one staff member).

NOTES TO THE FINANCIAL STATEMENTS

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

	2016/17	2015/16
£60,000 - £69,999	2	2
£80,000 - £89,999	1	1
Total	3	3

The remuneration of the senior executives is set in accordance with the policy set out in the Trustees Report. In 2016/17 the below posts were classified as Senior Executive. The actual remuneration (including amounts paid in respect of employer's National Insurance and Pension contributions) paid for the individuals who were in post during the year is shown below, and the names of the post holders can be found on p44.

As some individuals were part time or only in post for part of the year, the Full Time Equivalent (FTE) full year salary on which their remuneration is based for the current year is also shown for comparison.

	FTE Salary for Post £	Actual Salary paid £	Employer's NI paid £	Employer's Pension paid £	Total Remuneration £	Total Remuneration £
	2016/17	2016/17	2016/17	2016/17	2016/17	2015/16
Chief Executive	81,783	81,783	10,167	4,089	96,039	95,083
ED Services	63,872	61,408	7,355	3,070	71,833	72,594
ED Advocacy (from 1st October)	61,812	30,906	3,705	1,545	36,157	0
Acting Director of Income Generation (to 11th April)	52,768	1,648	145	38	1,831	44,483
ED of Income Generation (from 11th April)	61,812	48,182	5,568	1,488	55,238	21,250
ED Finance and Resources	61,812	61,812	7,411	3,091	72,313	70,161
Total Senior Executive Remuneration		285,739	34,350	13,321	333,411	303,571

7b. Average Staff Numbers

The average full time equivalent (FTE) and count of employees within the year was as follows:

	2016/17		2015/16	
	FTE	Headcount	FTE	Headcount
Charitable Activities:				
Resettlement	32	37	15	19
Children's Services	33	36	24	28
Integration	8	10	6	6
Advocacy	6	7	6	6
Therapeutic Services	5	8	4	6
Destitution	1	1	1	1
Total Charitable Activities	85	99	56	66
Raising Funds	12	13	8	10
Support	12	16	11	14
Total Staff Employed	109	128	75	90

NOTES TO THE FINANCIAL STATEMENTS

8. Tangible Fixed Assets	Leasehold property improvement	Computer equipment	Furniture, fixtures and equipment	Total
	£'000	£'000	£'000	£'000
Cost				
<i>At beginning of the year - 1st April 2016</i>	578	394	232	1,204
<i>At end of the year - 31st March 2017</i>	<u>578</u>	<u>394</u>	<u>232</u>	<u>1,204</u>
Depreciation and impairments				
<i>At beginning of the year - 1st April 2016</i>	187	394	173	754
Depreciation	65	-	47	112
<i>At end of the year - 31st March 2017</i>	<u>252</u>	<u>394</u>	<u>220</u>	<u>866</u>
<i>Net book value at beginning of the year</i>	391	-	59	450
Net book value at end of the year	<u>326</u>	<u>-</u>	<u>12</u>	<u>338</u>

9. Debtors	31 March 2017 £'000	31 March 2016 £'000
Accrued income	1,777	1,286
Prepayments	135	168
Trade Debtors	147	152
Other debtors	19	52
Total Debtors	<u>2,078</u>	<u>1,658</u>

Trade and other debtors are recognised at the settlement value due, net of any discounts offered or impairment provision.

10. Cash at bank and in hand	31 March 2017 £'000	31 March 2016 £'000
Cash on short term deposit	1,633	2,523
Cash at bank and in hand	2,677	1,645
Total Cash at bank and in hand	<u>4,310</u>	<u>4,168</u>

NOTES TO THE FINANCIAL STATEMENTS

11. Creditors: Amounts falling due within one year	31 March 2017 £'000	31 March 2016 £'000
Trade creditors	148	116
Other creditors	348	341
Taxation and social security	11	-
Accruals	137	137
Deferred income (i)	96	367
Total Creditors falling due within one year	<u>740</u>	<u>961</u>

Creditors are recognized where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due can be measured or estimated reliably.

Deferred income includes funding received in advance of funding conditions being met, and contract payments received in advance.

(i) Movement on Deferred Income	2016/17 £'000	2015/16 £'000
Deferred income at 1 April	367	121
Income released from the previous year	(367)	(121)
Funding received and deferred	96	367
Deferred income at 31 March	<u>96</u>	<u>367</u>

12. Provisions

Dilapidations provisions result from constructive obligations arising under leaseholder agreements.

Redundancy provisions arise for redundancies occurring after but announced to staff before the balance sheet date. Other staffing provisions are made when there is present obligation to meet a liability of uncertain timing or value.

Dilapidations Provisions	2016/17 £'000	2015/16 £'000
Provided at 1 April and 31 March	<u>130</u>	<u>130</u>
Redundancy and other staffing provisions	2016/17 £'000	2015/16 £'000
Provided at 1 April	-	6
Amounts released and utilised in the year	-	(6)
Provided at 31 March	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

13. Movement on Funds Summary	Unrestricted Funds £'000	Restricted Funds £'000	2016/17 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2015/16 Total £'000
Balance at 1st April	2,903	864	3,767	2,684	671	3,355
Income	3,316	6,141	9,457	2,790	3,518	6,308
Expenditure	(2,078)	(5,286)	(7,364)	(2,518)	(3,378)	(5,896)
Net Income / (Expenditure)	1,238	855	2,093	272	140	412
Transfers	(324)	324	-	(53)	53	-
Net Movements in funds	914	1,179	2,093	219	193	412
Balance at 31st March	3,817	2,043	5,860	2,903	864	3,767

14. Funds assets and liabilities	Unrestricted Funds £'000	Restricted Funds £'000	2016/17 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2015/16 Total £'000
Fixed Assets & Investments	342	-	342	454	-	454
Debtors	1,095	983	2,078	740	918	1,658
Cash at bank and in hand	2,912	1,398	4,310	3,693	475	4,168
Total Assets	4,349	2,381	6,730	4,887	1,393	6,280
Creditors	(402)	(338)	(740)	(432)	(529)	(961)
Provision for liabilities	(130)	-	(130)	(130)	-	(130)
Pension scheme liability	-	-	-	(1,422)	-	(1,422)
Liabilities	(532)	(338)	(870)	(1,984)	(529)	(2,513)
Net Assets and Funds Total	3,817	2,043	5,860	2,903	864	3,767

NOTES TO THE FINANCIAL STATEMENTS

15. Funds Details

15a. Unrestricted Funds	Balance at 1 April 2016 £'000	Income £'000	Expenditure £'000	Net I&E before Transfers £'000	Transfers £'000	Balance at 31 March 2017 £'000
General Fund	1,584	3,316	(1,696)	1,620	(532)	2,672
Designated Funds:						
Pension Fund (i)	266	-	(270)	(270)	4	-
Fixed Asset Reserve (ii)	450	-	(112)	(112)	-	338
Redundancy Fund (iii)	180	-	-	-	(180)	-
Guardian Appeal (iv)	423	-	-	-	(163)	260
Investment Fund (v)	0	-	-	-	547	547
Total Designated Funds	1,319	0	(382)	(382)	208	1,145
Total Unrestricted Funds	2,903	3,316	(2,078)	1,238	(324)	3,817

(i) The Pension Fund was created to cover any contingent liability on the charity's pension arrangement. Transfers into the fund from the General Fund were made over previous years to match the estimated liability on the scheme on a buy-out basis. During 2016/17 the Refugee Council exited from the scheme thus triggering the liability; with the excess of the buy-out basis cost over the actuarial liability recognised on the balance sheet met from the release of this fund and the balance held within restricted funds (see below, 15b. (i)).

(ii) The Fixed Asset Reserve represents unrestricted funds invested in tangible fixed assets for use by the charity, which are not available for other purposes. The expenditure charged to this reserve is equal to the depreciation charged for these assets in the year.

(iii) The Redundancy Fund was created to safeguard against the risk of any redundancies arising in the future not covered in full by project funding. As part of the review of the reserves policy, trustees have redirected this balance into our General Fund, and included the associated risk in the overall calculation of reserves range. The transfers out of £180k accounts for this decision.

(iv) The Refugee Council was one of the named beneficiary charities from the Guardian Christmas 2015 charity appeal. This funding was received at the end of 2015/16, to be used in the years 2016/17 - 2018/19 to help the charity increase its impact. The transfer out represents the funding of Guardian funded activity in 2016/17.

(v) As part of the trustees' review on reserves it was identified that one-off funding was required for investment in certain areas of the charity, including investment in our website and communication with our donors, investment in the facilities in which we provide our services to clients, and in the strategic development of the charity. The transfer of £547k into this designated fund is the amount of resources agreed by trustees to be put aside for these purposes.

The net £324k (2015/16: £53k) transfer out of unrestricted and into restricted funds represents our use of unrestricted resources to part fund restricted charitable expenditure. For the most part this is in the case where we have planned for an activity to be funded from a mix of unrestricted and restricted income, but can also arise where funder rules preclude their funding of the full cost of the activity.

15b. Restricted Funds:	Balance at 1 April 2016 £'000	Income £'000	Expenditure £'000	Net I&E before Transfers £'000	Transfers £'000	Balance at 31 March 2017 £'000
(i) Pensions fund	359	-	(359)	(359)	-	-
(ii) John Frank Fund	112	1	(3)	(2)	-	110
(iii) Children's Panel	33	955	(978)	(23)	15	25
(iv) Children's Kent Intake Unit	-	264	(264)	-	-	-
(v) HARP - HSCVF	4	122	(126)	(4)	-	-

(vi) Other Children's Services	168	361	(436)	(75)	-	93
(vii) Gateway Resettlement	-	712	(668)	44	22	66
(viii) BLF Regional Refugee Care	20	98	(141)	(43)	23	-
(ix) Building Bridges	17	290	(293)	(3)	-	14
(x) Syrian Resettlement - Y&H	-	986	(985)	1	25	26
(xi) Syrian Resettlement - Hertfordshire	3	204	(181)	23	-	26
(xii) Syrian Grant Fund	-	1,500	-	1,500	-	1,500
(xiii) Employment Programme (WJR)	-	14	(14)	-	5	5
(xiv) Other	148	634	(838)	(204)	234	178
Total Restricted Funds	864	6,141	(5,286)	855	324	2,043

(i) This restricted funding is against that part of the Pensions Trust liability arising from previous Home Office funded service delivery contracts' staffing. During 2016/17 the Refugee Council triggered the exit from the scheme and this fund has therefore been released as part of the funding of the exit.

(ii) 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.

(iii) The Children's Panel works mainly with unaccompanied children. The Panel provides access to education, training, health care and legal advice. This activity is substantially funded by the Home Office, the transfer in represents an allocation of Guardian designated funds to the activity (see 15a. (iv)).

(iv) The Kent Intake Unit was set up in Dover to work with the increased numbers of unaccompanied children arriving at the port, providing initial assistance and linking them with services.

(v) The Health Access for Refugees Project (HARP) is funded by the Health and Social Care Volunteering Fund, and works via a volunteer befriending model to help Refugees across Yorkshire & Humberside access health services.

(vi) Other Children's services include support to trafficked young boys and girls, assistance to age disputed children, and youth development and activities including our Refugee Cricket Project. The income is from a variety of individual and institutional donors.

(vii) The Gateway resettlement projects provide integration support to refugees resettled through the Gateway programme in the Yorkshire & Humberside region.

(viii) The Big Lottery Fund Grant funds the Regional Refugee Care Project, which assists refugees and asylum-seekers over 18 presenting with mental health needs in Birmingham, Leeds and Luton. The project offers asylum seekers and refugees access to therapeutic support to improve their psychological wellbeing and enhance their integration.

(ix) Building Bridges helps refugee doctors and other health professionals qualify for working in the NHS.

(x) and (xi) The Refugee Council helps with the integration support to refugees resettled into the UK under the Vulnerable Persons Resettlement Scheme, operating in Yorkshire and Humberside and in Hertfordshire.

(xii) Goldman Sachs Gives have provided grant support to set up the Syrian Refugees Fund, a fund which will make small grants to Syrian households resettled to the UK through the Vulnerable Persons Resettlement Scheme, towards education and employment aims.

(xiii) World Jewish Relief have provided funding for us to deliver the Regional Employment programme, which will help Syrian Refugees in Leeds and Sheffield progress towards employment.

(xiv) Other restricted funds represent a large number of smaller streams of income or balances (each individual income stream or balance below £100k), restricted to a range of our specialist service and advocacy projects. Many of these activities are planned to be funded by a mix of restricted and unrestricted income, with the transfer in representing the allocation of unrestricted funds against these activities.

NOTES TO THE FINANCIAL STATEMENTS

16. Trustees Expenses

None of the Trustees of the Charity received any remuneration during the current or prior year.

Travel and subsistence expenses were incurred by trustees in the course of carrying out their duties, and re-imbursed as below:

	2016/17	2015/16
	£'000	£'000
Total expenses	2	2
	2016/17	2015/16
Number of trustees claiming expenses	8	8

17. Related parties

The Refugee Council Trustee Salah Mohamed is also the Chief Executive of the Welsh Refugee Council (WRC). WRC uses the 'Joint Client Database' (JCDB) client database which is hosted and administered by the Refugee Council, and pays a contribution to the Refugee Council towards the running costs of the system. The contribution levels are set each year by reference to the cost of the system and in proportion to the users of the JCDB by each participating partner body. In 2016/17 there was income from WRC totalling £8k towards the JCDB, of which £4k was outstanding at 31 March 2017. (2015/16: £9k income, £4k outstanding at 31 March 2016.)

18. Fees payable to auditor

	2016/17	2015/16
	£'000	£'000
Statutory audit fee	14	16
Tax advisory services (see below)	-	3
Total	<u>14</u>	<u>19</u>

In 2015/16 the Refugee Council paid £3k to BDO LLP who were our appointed auditors for the 2015/16 financial year for tax advisory services. In 2016/17 the Refugee Council paid BDO LLP £16k for tax advisory services, however this cost is not included above as BDO LLP are not the appointed auditors for the 2016/17 financial year's accounts.

19. Operating leases**19a. Expenditure under operating leases**

	2016/17	2015/16
	£'000	£'000
Operating lease expenditure	347	342

NOTES TO THE FINANCIAL STATEMENTS

19b. Expenditure commitments under operating leases

The Refugee Council is committed to paying the following amounts in respect of non-cancellable operating leases for each of the following periods following the balance sheet date:

	31 March 2017 £'000	31 March 2016 £'000
Within one year	386	309
Between two and five years	1,386	1,033
Over five years	31	256
Total future minimum lease payments	<u>1,803</u>	<u>1,598</u>

19c. Operating lease income

The Refugee Council has two sublets for rental of surplus head office space, the terms and amounts of the leases exactly match that of the head lease.

Future payments receivable under these non-cancellable operating leases for each of the following periods following the balance sheet date are:

	31 March 2017 £'000	31 March 2016 £'000
Within one year	219	94
Between two and five years	878	610
Over five years	2	305
Total future minimum lease payments	<u>1,099</u>	<u>1,009</u>

20. Section 37 Statement

Grant aid of £62,342 was received in 2016/17 from London Councils (2015/16: £62,342) for the Supporting & Strengthening the Impact of London's Refugee Community Organisations ('Supporting RCOs') under Priority 4, Strand 4.1. The following table illustrates what the money was awarded for and that it has been used for these purposes.

	Awarded £'000	Spent £'000
Staff costs	44	44
Beneficiary costs	6	5
Other costs	12	13
Total costs	<u>62</u>	<u>62</u>

NOTES TO THE FINANCIAL STATEMENTS

21. The Pensions Trust – The Growth Plan

The Refugee Council participated in The Pensions Trust Growth Plan scheme, a multi-employer defined benefit scheme in the UK. Not being possible to obtain sufficient information to account for the scheme as a defined benefit scheme, the Refugee Council accounted for this as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The Trustee of the scheme requested all employers to make additional contributions to the scheme to eliminate a funding shortfall as part of a deficit recovery plan in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where a company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The unwinding of the discount rate is recognised as a finance cost.

The amounts recognised by the Refugee Council in 2015/16 accounts in respect of the deficit funding arrangement, and the costs charged to the Income and Expenditure account, were as follows:

Reconciliation of opening and closing provisions	2015/16
	£'000
Provision at 1st April 2015	1,149
Unwinding of the discount factor (interest expense)	19
Remeasurements - impact of any change in assumptions	(22)
Remeasurements - amendments to the contribution schedule	415
Cost charged to the SOFA and Income and Expenditure account	412
Deficit contribution paid to Pensions Trust	(139)
Net increase in provision in the year	273
Provision at 31st March 2016	1,422

As a multi-employer "last man standing" scheme any participating employer in the Pensions Trust Growth Plan scheme is legally liable for its share of the scheme deficit in the event of exiting from the scheme. This share of the deficit on this exit basis is calculated on the cost in the insurance market to buy out the employer's liabilities and is higher than the actuarial basis used to calculate the liabilities in the accounts under FRS102 as shown above. The Refugee Council therefore always had a contingent liability that would arise if the organisation was to withdraw from the scheme of the difference between the exit buy out costs and the provision recognised on the actuarial basis. The Trustees held a prudent line for many years and held restricted and designated reserves adequate to cover this contingent liability.

NOTES TO THE FINANCIAL STATEMENTS

The amounts provided in the Refugee Council's 2015/16 accounts in total against actual and contingent Pensions Trust Liabilities were as follows:

	£'000
Provision calculated under FRS102	1,422
Amounts held in Restricted Funds	359
Amounts held in Designated Funds	266
Total Funds held	<u>625</u>
Total set aside in respect of Pensions Trust contingent liability	<u>2,047</u>

The Trustees were for some time concerned over the size of this contingent liability, its volatility and its potential impact on the financial viability of the Refugee Council. In late 2014 the Trustees authorised the start of an exercise whereby deferred members were asked to engage with the possibility of transferring their benefits out of the Pensions Trust scheme into a suitable alternative, and the small number of current staff members still contributing to the Pensions Trust scheme about transferring to an alternative scheme. This exercise completed in late 2015 and the Trustees notified the Pensions Trust of our intention to formally exit the Pensions Trust as at 30 September 2015 and thereby crystallise the contingent liability.

The formal certification of the debt was made on 10 June 2016 and the total final employer debt was £2,091k. Taking into account monthly deficit repayments made subsequent to 30 September 2015, and adding on the professional fees due to Pensions Trust, payment of £2,015k was made to the Pensions Trust during 2016/17 which fully settles this liability.

The final transactions as recognised in our 2016/17 accounts are as follows:

	2016/17
	£'000
Deficit contribution paid to the Pensions Trust	24
Final Debt Certificate at 30 Sept 2015	2,091
Deficit payments made post 30 Sept 2015 taken into account	(94)
Pensions Trust Fees	18
Exit payment to the Pensions Trust	<u>2,015</u>
Total paid to the Pensions Trust in 2016/17	<u>2,039</u>
less: release of balance sheet liability	(1,422)
Pensions costs charged to the SOFA and Income and Expenditure account	<u>617</u>
Other consultancy costs incurred on exit	12
Total net cost to Income and Expenditure Account	<u>629</u>

Funded by:

Amounts held in Restricted Funds	359
Amounts held in Designated Funds	266
Balance from General Unrestricted Funds	4
	<u>629</u>

Reference and Administrative Details of the Charity, its Trustees and Advisors

Charity number 1014576

Chief Executive

Maurice Wren

Company Secretary

Martin Tyler

Executive Director of Services

Una Barry MBE

Executive Director of Advocacy

Lisa Doyle (from 1 October 2016)

Executive Director of Income Generation

Caroline Olszewsky (from 11 April 2016)

Tara Griffin (Acting Director to 11 April 2016)

Executive Director of Finance and Resources

Martin Tyler

Principle and Registered Office

PO Box 68614
Gredley House
1-11 Broadway
LONDON E15 9DQ

Company number 2727514

Auditor

Kingston Smith LLP
Devonshire House
60 Goswell Street
London
EC1M 7AD

Bankers

National Westminster Bank plc
Piccadilly & New Bond Street
63 Piccadilly
London
W1J 0AJ

Solicitors

Stone King LLP
Boundary House
91 Charterhouse Street
London EC1M 6HR

Pension Advisers

Spence & Partners
22 Great Victoria Street
Belfast BT2 7BA

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 at the date the report was signed or served during the year 2016/17:

Richard Foster (Chair)	Resigned 24 November 2016	
Andrew Halper (Chair – from 24 November 2016)	Appointed 26 May 2016	
Nick Whitaker (Honorary Treasurer)		
Sirak Hagos	Resigned 26 May 2016	
Karen Kavivi Harrison	Appointed 26 May 2016	Resigned 10 July 2017
Hussein Hassan	Resigned 26 May 2016	
Andrew Hine	Appointed 26 May 2016	
Benjamin Hopkinson	Resigned 26 May 2016	
Vaughan Jones		
Aneil Jhumat	Appointed 26 May 2016	
John Kerr	Appointed 26 May 2016	
Anne-Marie Lawlor	Resigned 8 June 2017	
Stella Maravanyika	Resigned 26 May 2016	
Anne McLoughlin	Appointed 26 May 2016	
Salah Mohamed		
Rachael Orr	Appointed 26 May 2016	
Ernest Rukangira	Resigned 26 May 2016	
Rita Paulino	Resigned 26 May 2016	
Lyndall Stein	Appointed 26 May 2016	