



**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 2016

BRITISH REFUGEE COUNCIL

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Chief Executive's Introduction

The flow of refugees from the Middle East and North and Sub-Saharan Africa forced to leave their homes in fear of their lives showed no sign of abating in 2015/16. For many of those seeking to reach Europe, they faced a rising death toll in the Mediterranean and dire, inhumane, conditions on arrival in Greece, or at the closed borders in Central Europe or in the squalid camps in Calais and Dunkirk. Trapped between wars and conflicts in their home countries and a Europe in denial about its humanitarian and legal obligations, refugees dominated the news during the year and led to a profound change in the operating environment of the Refugee Council.

In the UK, the repeated images in the news of desperate refugees on the move, culminating in the tragic photograph of the toddler Aylan Kurdi's lifeless body washed up on a Greek beach, generated an irresistible upsurge in public and civil society concern that called for the UK to do more to help refugees both in the region and in the UK.

For the Refugee Council this shift in public mood registered first with a substantial, unsolicited, increase in donation income and subsequently with a host of opportunities to raise our profile and amplify our voice, both within and without the refugee and asylum movement. As a result, by the year end we were able to enhance our service capacity in response to growing demand, to raise our public profile and to post a substantial and welcome financial surplus for the first time in several years.

During the year we also undertook a major overhaul of our governance arrangements and strengthened the infrastructure of the organisation to ensure that we are better equipped to capitalise on the new opportunities not only for further service development, particularly in support of separated children in the UK asylum process and the provision of integration support for resettled refugees, but also for exerting positive influence on the ongoing political and public discourse on refugee protection in the UK and Europe.

We were able to give practical expression to our commitment to play a leading role in developing a confident and inclusive refugee rights movement in the UK, and we strengthened our links to and contacts with Government, both as a service partner and a senior and influential stakeholder.

By ensuring that the Refugee Council is a stable, purposeful, and high performing charity, rooted in an empathetic understanding of the immense challenges facing refugees in the UK and Europe and conscious of our reach and influence as a credible and authoritative voice on refugee matters, we were able to fulfil our mission in 2015/16, as well as making significant progress towards achieving our vision of the UK as a welcoming place of safety for people seeking refuge here from persecution and human rights abuses abroad.

That we were able to take advantage of the palpable, positive and, to date, sustained, shift in public attitudes to refugees, is thanks to the dedication, persistence and tenacity of our staff members and volunteers; to the generosity of our many charitable, individual and statutory funders and supporters; and to the direction, guidance and encouragement provided to the organisation by our doughty Board of Trustees.

Maurice Wren
29 September 2016

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

Charity number 1014576

Chief Executive

Maurice Wren

Company Secretary

Maurice Wren (29 August 2014 - 23 July 2015)

Martin Tyler (from 24 July 2015)

Executive Director of Services

Una Barry MBE

Executive Director of Income Generation

Caroline Olshewsky (Maternity leave 20 July 2015 to 11 April 2016)

Tara Griffin (Acting from 20 July 2015 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

BDO LLP

2 City Place, Beehive Ring Road,
Gatwick, West Sussex, RH6 0PA

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 2015/16:

Richard Foster (Chair)

Heather Foster (Honorary Treasurer)

Nick Whitaker (Honorary Treasurer)

Graham Abbey

Mabrouke Alloune

Sirak Hagos

Andrew Halper

Karen Kavivi Harrison

Hussein Hassan

Andrew Hine

Benjamin Hopkinson

Vaughan Jones

Aneil Jhumat

John Kerr

Anne-Marie Lawlor

Stella Maravanyika

Anne McLoughlin

Salah Mohamed

Rachael Orr

Ernest Rukangira

Rita Paulino

Jan Shaw

Lyndall Stein

Resigned 30 October 2015

Appointed 30 October 2015

Resigned 26 September 2015

Resigned 28 October 2015

Resigned 26 May 2016

Appointed 26 May 2016

Appointed 26 May 2016

Resigned 26 May 2016

Appointed 26 May 2016

Resigned 26 May 2016

Appointed 26 May 2016

Appointed 26 May 2016

Resigned 26 May 2016

Appointed 26 May 2016

Appointed 26 May 2016

Resigned 26 May 2016

Resigned 26 May 2016

Resigned 28 October 2015

Appointed 26 May 2016

Structure, Governance and Management

Structure, Governance and Management

The British Refugee Council ("the Refugee Council") is a company limited by guarantee and is registered as a charity with the Charity Commission. The Refugee Council's governing documents are its Memorandum and Articles of Association. Following a governance review undertaken in the year these Memorandum and Articles of Association were formally changed at an EGM on 23 March 2016 which removed the concept of organisational membership of the Refugee Council and to replace it with a unitary structure where the trustees are also the members of the organisation. The rationale for these changes is set out in the activities for the year section. As at 31 March 2016 there were 11 trustees who were also members who agree to contribute £1 in the event of the charity winding up.

This report covers the year to 31 March 2016.

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 skills audit for existing trustees and matches that against the desired skills and experience before undertaking new recruitments to ensure that any vacancy arising is used to enhance the capabilities of the Board. During the year as part of the governance review a major recruitment process was undertaken and eight new Board members were appointed on 26 May 2016. One third of trustees must stand down at the Board meeting immediately preceding each AGM with those standing down 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.

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 three times during the year and held one additional special session linked to the governance review. 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 which comprises the Chair, Treasurer, and one or more other Trustees with relevant experience, which met four 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 this exceeds 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 and Finance and Resources and the Head of Advocacy.

Objectives and Activities

Objectives

The objects of the Refugee Council, as defined in its 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 charity 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

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.

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

Activities

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

Children's Services

Children's Services works directly with separated children – those arriving without their family –, over 3,500 in the last year, as well as giving advice to those involved in their support. Children's Services have operated since 1994, and is the only national service of its kind. The team employs around 25 Advisers, many of whom speak the languages of the children they are working with. We receive referrals from statutory and voluntary organisations, and directly from children themselves.

We also provide a range of specialist support through our projects supporting **Trafficked Children**, and our **Age Disputes** project which helps separated children who have been wrongly age assessed as adults. Some will have been detained as adults; others will have been denied any local authority support. **Youth Development** addresses the educational and social needs of the separated children we see. Supporting them with ESOL classes in maths and English and running a busy programme of homework clubs, drama, art and music sessions, and outings. We also run a unique and highly successful Refugee Cricket Project. Children's Therapy Service provides a safe, confidential place for children to express themselves. Many children have experienced trauma, loss and separation, exploitation and dangerous journeys. We support them through 1-to-1 counselling services, doing creative work, or in group activities.

Resettlement Services

The majority of the world's refugees who are fleeing persecution, violence and conflict are unable to travel far beyond the borders of their home country. They often live in refugee camps for years; many children have lived their entire lives in such camps. One of the ways in which UNHCR seeks to assist these refugees is to offer resettlement to another country. Resettlement allows refugees the opportunity to rebuild their lives in safety and security. The UK currently takes 750 people a year under the Gateway scheme and following concerted efforts by the Refugee Council and other organisations will be taking an additional 20,000 Syrian refugees over the next 5 years.

Groups of resettled refugees are supported for 12 months by a team of staff which includes project workers, community development workers and volunteer co-ordinators. The Refugee Council works in partnership with local councils to provide a full support service including:

- orientation on arrival
- housing and tenancy support
- help finding employment
- access to health services
- volunteering opportunities
- education and ESOL
- banking services
- welfare benefits
- help accessing other mainstream services
- community development

Therapeutic Services

Therapeutic Services works with survivors of torture, trauma, violence or sexual exploitation. A recent survey of the women we were supporting indicated that 78% were survivors of sexual violence and rape; 19% were survivors of human trafficking; 15% had been tortured; and 10% had been detained after arrival in the country. Our team offers support with the following practical and emotional issues:

- Physical and psychological problems that may result from issues such as loss and separation, torture, rape and/or abuse
- Distress caused by the asylum seeking process
- Problems with accommodation or other practical matters

Our specialist services include providing one-to-one and group therapeutic sessions, a gender sensitive and culturally aware service for refugee and asylum seeking women who have survived sexual violence, telephone counselling and psychosocial and creative work groups.

Advocacy

We speak up for refugees drawing on evidence from our direct services, and make sure refugees have an influential voice in policy decisions that impact their lives.

At the Refugee Council, we are pushing for a UK asylum system that is fair, humane, and effective so that refugees can get the protection they need and rebuild their lives. We do this by:

- Influencing policies and decisions that affect refugees
- Publishing research, often based on our direct work with refugees
- Influencing parliamentarians to push for change for refugees
- Engaging our supporters in campaigns to influence decisions affecting refugees
- Giving refugees a platform to speak out on issues affecting them
- Promoting positive attitudes towards refugees
- Working in partnership with other organisations to influence policies

Our work focuses on key areas such as the expansion of safe and legal routes for people to reach the UK, preventing homelessness and destitution among new refugees, and issues facing vulnerable groups such as separated children and women.

Integration Services

The Refugee Council's Integration Service supports newly recognised refugees to make the challenging first steps towards integrating in the UK.

The Refugee Advice Project supports newly recognised refugees. The 28 day transition from being and asylum seeker to newly recognised refugee can be a time of enormous vulnerability, difficulty and stress when many face destitution and homelessness.

Through individual casework sessions, staff and volunteers in the RAP help new refugees obtain essential identification e.g. national insurance numbers, register for benefits, open bank accounts, find accommodation and access health services

The sessions include face-to-face advice, assistance in filling out forms, accompanying people to appointments, advocacy and making referrals to specialist support services and agencies – and is a key referral point to our Housing Project and Employment Project. Our **Private Rented Housing Scheme** identifies suitable landlords and provides clients with tenancy preparation and sustainment support; and **Refugees into Jobs** supports clients to secure employment with advice, guidance and familiarisation with UK job markets and systems. Integration Services also runs **Refugee Healthcare Professionals Project** to train and support refugee health professionals to re-qualify for employment in the NHS.

The Refugee Council assists a network of up to 500 **Refugee Community Organisations** (RCOs) in London, by providing information, training and consultancy on fundraising, governance and communications with the aim of strengthening their organisational structure.

Destitution

Destitution is a huge problem amongst asylum seekers, one that pushes them to the brink of our society. Asylum seekers have to wait months or years for the outcome of their asylum claim, during which they are prohibited from working and only receive minimal or no financial support. They are entitled to just £36.95 a week of cash or card support, just over £5 a day. This has to cover everything - food, toiletries, clothes etc. - as well as travel costs to get to crucial legal appointments or asylum meetings. As a result, asylum seekers are reliant on charities and their limited social networks to make ends meet.

A majority of asylum seekers who come to the Refugee Council have no access to asylum support, due to a faulty decision making process or because their asylum claims have been refused (this does not necessarily mean they can go back to their home countries). They are severely marginalised in our society, often sleeping rough and living an isolated life without knowing who to turn to.

Our Destitution Services run in partnership with the Red Cross in Dalston and The Passage in Victoria offer a safe haven where people can come to feel human again. We provide laundry and shower facilities, hot meals cooked by clients for clients, and even a barber who comes every fortnight. We aim to offer a route out of destitution through case work, housing advice, immigration advice as well as therapeutic support. Volunteers are always on hand for support, and other refugees sharing the same experience can reduce each other's isolation by socialising together. We work closely in London with the Lambeth Law Centre, Connections at St Martins in the Field and Lewisham Churches for Asylum Seekers.

In addition we also provide **Asylum Support** to a small number of people claiming asylum. This activity was carried out with Home Office funding under a grant that substantially ceased at March 2014 although there is some residual support being provided which is currently being wound down.

Strategic report

2015/16 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 The past year has seen the successful culmination of a number of campaigns including the following two.

When the Syrian refugee crisis exploded in 2013, the Government initially refused to accept any Syrian refugees for resettlement in the UK. In response, Refugee Council's Advocacy team were the first to develop and lead the campaign calling on the Government to resettle Syrian refugees. It met with success in January 2014 when the Government reversed its original decision and set up the Syrian Vulnerable Persons Resettlement (VPR) programme. Initially this was to accept only a modest number, but in September 2015 it was finally announced that the scheme would expand to 20,000 Syrian refugees by 2020 (albeit over five years) - this scheme is in place largely thanks to our Advocacy team's work. Our services teams are now working with a number of local authorities on the integration of refugees under this scheme.

In 2013 we published pioneering research, conducted in partnership with Maternity Action, which looked at the experiences of pregnant asylum seekers. Pregnant women were being moved around the country multiple times and often late in their pregnancy, separating them from their maternity care and their friends and family. This caused emotional distress and put the health of both mother and child at risk. This campaign called for dignity in pregnancy and culminated in February 2016 when the UK Government took on our recommendations and published new guidance and instructions for all staff dispersing asylum seekers, prompting vital improvements to the healthcare, well being and safety of pregnant asylum seekers and their unborn children.

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 **Children's Services**

Over the last year we have helped 3,658 unaccompanied children, a phenomenal increase of 66% from the previous year, and we expect to see this number rise again. With this increase we were asked by the Government in the summer of 2015 to open a new 24/7 arrivals service in Dover to respond to the significant increase in children. Our service offers a safe environment where walls are decorated with posters and welcoming messages from children all over the UK. New clothes and showers are provided, and support is on hand. Later, when these children are again referred to us they remember that we were there for them and made them feel safe when they first arrived. This service is a unique service working in partnership with the UK Border Force and social services focusing on safeguarding young people. The project has been visited by senior UN representatives and Children's Commissioner for England both of whom gave the service glowing feedback this past year.

My View was launched in May 2015, initially as a pilot scheme with funding from the Department of Education as a therapeutic service for separated children and has enabled the children to trust adults supporting them with their asylum case, age assessments, education and social activities. It is a very natural place for them to seek support. In addition to 1:1 therapy, our psycho-social and educational groups have proved immensely popular. These groups focus on art, photography, film-making, theatre, gardening and

other ways to creatively express emotions. These groups have been particularly successful at involving young people who initially did not want to engage in therapy. The on-going bonds forged with their peers during the groups provide children with a sense of safety and support that they may not have experienced since losing family and friends back home. This not only forms part of the healing process in itself, it also means that group therapy offers the start of a new community for children here in the UK. The project set out to provide support to 130 children. By the end of the year, 189 unaccompanied children had been supported with 1:1 and group based therapeutic support. An external evaluation found 45% of young people showed a significant increase in mental health and well-being after therapeutic intervention and a further 32% an increase. Importantly, Children's Advisers noted wider academic, social and legal integration was easier when mental health improved.

In our Age Dispute project 46 young people who had been treated as adults were accepted as children after our intervention, with a further 12 pending decision. 19 of these children had been released from detention centres. Finally we worked with 164 young people in our project supporting young people who had been trafficked.

Therapeutic Services

Our psychotherapeutic work has drawn on many psychotherapeutic disciplines to develop a unique therapeutic case service model which applies a psychosocial perspective. This model helps asylum seekers identify and tap into their resilience, coping skills and strengths and helps them deal with nightmares, flashbacks and insomnia. Many clients usually find themselves carrying on with group sessions well after the end of their 1-to-1 sessions as they also provide a longer term supportive community to help settle into their new lives.

On a practical level we provide phones, source accommodation, food, clothes, help find a lawyer, and ensure that they are safe. Not only does this often affect the outcome of their claim, we recognise that this crisis intervention reduces distress and has therapeutic value.

This year we are happy to report that the project has helped provide therapeutic support to 486 people.

Resettlement Services

We have continued our partnership work with the local councils in Sheffield and Hull where we have been helping provide integration support to 180 refugee arrivals a year for a number of years now under the Gateway Programme. However this year the programme was enlarged slightly in 2015/16 and covered 220 arrivals under the Gateway programme and a further 50 under the Syrian VPR programme. We also started work with Leeds City Council in the summer on providing integration support to 109 refugees from Afghanistan and Syria.

With the increase in the number of Syrian refugees covered under the Vulnerable Persons Relocation scheme we have provided advice to a wider range of local authorities interested in playing their part in the humanitarian response to the crisis. This has led to us working with a number of local authorities in Hertfordshire where their first arrivals occurred in March and will see a significantly expanded programme in the Yorkshire and Humber region in the course of the next year.

Integration Services

Last year the team supported 670 people in total. Of these 367 were supported through our Housing Resettlement scheme although this is one of the many areas where demand far outstrips our financial resources available to support this work. Similarly capacity has been an issue for our Asylum transitions support work, Refugee Advice Project, although we have managed to support 355 clients over the last year. Our employment and education support areas assisted 178 clients and at the end of

the year 77 had secured employment, 34 were supported into training and higher/further education and a further 12 health professionals were working with the NHS.

The increase in public awareness and support for refugees has also led to increased engagement from employers open to developing refugees' employability. During 2015/16 we have developed relationships with, among others LOLA Event Staffing who provide temporary staff to high profile hotels such as Marriott, Hilton and Harrods, ProActive Rail, who provide staffing to London Underground and train stations and the Goring hotel who have provided work placements to women who have already completed our Just Bread course.

Destitution

This year we began collaborating with The Passage daycentre in Victoria, London's largest voluntary sector resource centre for homeless and vulnerable people, which has recently undergone a major refurbishment and now has fantastic onsite services that are available to our service users, including nurses on site, immigration lawyers on site and mental health services.

This year Destitution supported 222 people with practical advice and support, pastoral care, and emergency provisions to help them rebuild their lives. We ensure clients reach the point where they no longer need us.

Health Access for Refugee Programme (HARP)

In January 2016 we took over the management of the HARP project, which is funded by the Department of Health, when the charity Northern Refugee Centre was forced to close due to financial difficulties. The project trains migrant volunteers to support newly arrived asylum seekers and refugees to help them access health and social care services. The project also trains health service staff to understand specific needs of new arrivals.

The project is a partnership with City of Sanctuary and the North of England Refugee Service (NERS) and is delivered in 6 areas, Doncaster, Leeds, Sheffield, Hull, Middlesbrough and Wakefield. Last year the project had 60 volunteers and delivered the service to 1364 refugees and asylum seekers.

Objective 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;**

Achievements The impact of austerity in limiting the capacity of Government, both central and local, to invest in the voluntary sector, has impacted directly and indirectly on the viability and sustainability of Refugee-led Community Organisations (RCO's) in the UK. These effects have been felt acutely over the past year and the attrition rate has increased.

Though we were able to maintain our commitment to supporting the development of RCO infrastructures throughout 2015/16 by continuing to assist and support them in their efforts to build their fundraising, management and governance capability and capacity, this work was limited to London based RCOs.

In order to engage a wider group of RCOs in our advocacy and influencing work, the Refugee Council Policy Network was launched at the AGM in November 2015 with the aim of providing subscribers with regular information briefings, research reports, and information about the work of the All Party Parliamentary Group on asylum and refugees. We also worked with the UNHCR in London on plans to run an annual programme of RCO consultations, with the aim of enabling RCOs to input to UNHCR priorities and for the UNHCR to gain a better understanding about the experience of refugees in the UK. Our plan is to establish this programme in the autumn of 2016.

We also proposed to a meeting of charitable trusts and foundations in October 2015 the establishment of a joint grant fund targeted at frontline, community and refugee led agencies that lack the capacity to capitalise on the change of public mood in their localities, and that are also likely to be dealing with an increase in demand for their services. This idea was picked up by a group of Trusts, and the New Beginnings Fund was set up with a fund of £525,000. We were invited to join the panel reviewing the funding recommendations made by the Community Foundations Network which is administering the grant fund, several of which related to refugee-led organisations.

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

Achievements The Refugee Council continued to play a leading role throughout 2015/16 in the development of an inclusive and vibrant refugee rights movement in the UK. This involved co-chairing, with the Home Office, the National Asylum Stakeholder Forum and the Refugee Resettlement stakeholder group; chairing the Refugee Week Partnership steering group; hosting the Detention Forum, a network of agencies working to challenge the use of detention in the UK Immigration System; establishing the Refugee Council Advocacy Network; hosting and directing the Migration NGOs Communication Project, a project facilitating the better coordination of NGO communications on migration and protection matters; and initiating the New Beginnings pooled grant fund developed to enable small, frontline, and under-resourced service providers around the country to respond to increased demand for their services and to capitalise on the positive shift in public attitudes about refugees.

We continued to coordinate a number of advocacy campaigns and lobbying initiatives, including that calling on Government to provide more proactive assistance to Syrian refugees through the establishment of safe and legal routes by which refugees can obtain protection without having to undertake hazardous journeys in the hands of people smugglers.

In addition, we hosted meetings of UK based members of the European Council on Refugees and Exiles (ECRE) this month and we continued to support our NGO peers by attending and speaking at AGMs and conferences around the country. We also recruited a dedicated Parliamentary Manager who provides a secretariat function to the APPG on asylum and refugees and ensures that we are forging strong links between Parliamentarians and the external NGO movement.

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

Achievements The Board recognised that as the Refugee Council changed it also needed to review its own governance effectiveness. During the year the Board had a number of discussions looking at this issue and how interaction with RCOs could be improved. The review noted that while on paper the previous membership model had the theoretical ability to produce a Board fully engaged with the organisation, it had not produced a Board with sufficiently diverse skills and experience to deliver effective governance of the organisation which is required from trustees in today's operating environment for charities. In addition the engagement with RCOs had very much come down to only this area of governance and did not have sufficient interaction on issues of services and advocacy where the Refugee Council has a key role to play in amplifying the messages and experience of the on-the-ground small refugee organisations.

Proposals for changes to this governance structure were first discussed at the 2015 AGM and formal changes were made at an Extraordinary General Meeting on 23 March 2016. These proposals remove the formal organisational membership structure of the Refugee Council and in future the Board will seek to appoint new trustees directly. In order to support the engagement with RCOs and other organisations working with refugees and asylum seekers, an Advocacy Network has been established to provide a

direct link between the Refugee Council's Advocacy Team and these and other organisations based on a principle of information sharing and collective working to achieve positive policy change for refugees and asylum seekers.

Between December 2015 and March 2016 a recruitment process was undertaken to recruit a number of new trustees to join the Board. This was done on the basis of an assessment of the skills and experience required for the Board and took account of a skills audit of existing trustees. Nearly 80 applications were received of an exceptional quality, over 25 interviewed, before a shortlist of eight was presented and agreed by the then current Board in May 2016.

A number of initiatives to engage and motivate staff have been undertaken, including re-establishment of working with UNISON, our recognised union, conducting a staff survey from which an action plan has been established and aligning our training programme more closely to the development opportunities identified through the staff appraisal process.

Finally the financial position of the charity has been stabilised after the turmoil of recent years as explained within the financial review below and this has provided a much firmer footing for the organisation to plan its future work and develop our service offering.

Financial review

The Trustees are pleased to report that the financial position of the Refugee Council has improved significantly over the last year, although clearly it is disheartening that this is in part due to the increasing plight of refugees in the world. Our supporters, whether individuals, trusts or foundations, have been generous in their support, enabling the organisation to expand the scale of its work in response to the demands.

Following the decline in reserves in 2014/15 of £0.9 million, the Trustees were clear that this trend had to be reversed and thus set a minimum target for a break even position in the budget for 2015/16, with the intention ideally of beginning to build unrestricted reserves back up. This was to be achieved by planned growth in our income raising and through reduction in some of the central costs that the organisation was still carrying from when we were a much larger organisation. This minimum target of break even was exceeded and unrestricted reserves increased so that they were marginally below their target level by the end of the year and expected to reach target in 2016/17.

Overall income grew by 37% from £4.6 million to £6.3 million, the first time that income has grown since the 2009/10 financial year. The principle driver of this growth was donations and gifts from individuals, which increased from £1.3 million to £2.2 million. Part of this was from the Guardian's Christmas appeal for six refugee charities, where our share was over £420,000. As the majority of this money was only received in March 2016 it was not allocated by the end of the financial year and the Trustees have set this as a designated reserve at the year end to provide transparency on use of the funding in future periods. The Trustees expect to allocate this funding to areas within the charity during the coming year, seeking to ensure that this is invested carefully to help the organisation increase its impact.

All our other individual income lines out-performed the previous year and their budgets, especially as the crisis in the Mediterranean came more to the public's attention. Regular appeals to our existing supporters increased by 46%, and we received nearly £60,000 in response to direct press advertisements as well as a large number of donations from new supporters. A fantastic number of supporters also undertook their own events in aid of the Refugee Council raising just under £100,000, compared with £15,000 in the previous year.

Legacy income rose by 30% although there were two significant legacies that provided over 60% of the income, the largest of which, valued at £135,000, had not been received by the year end but met the criteria to be accrued as income.

Income from Trusts and Foundations also increased. In response to the crisis we received an additional emergency grant from Comic Relief of £50,000 and also were the chosen charity to benefit from the Better Business Community Network annual dinner held in February 2016. During the year we worked on submitting proposals for future multi year funding applications and after the end of the financial year we have heard that most of these have been successful.

Income from charitable activities increased from £2.5 million to £3.1 million. The two main drivers for this were the expansion of our Children's Panel funded by the Home Office to include the provision of a 24/7 service at Dover and resettlement of Syrian and Afghan refugees within the Yorkshire and Humber area and within Hertfordshire. Income for both these areas will increase in 2016/17 with the full year impact and also the expansion of the Syrian refugee resettlement.

We completed the process to sublet the surplus office accommodation in our Head Office in Stratford during the year and this has helped us to cover some of the central costs. This will increase in the next year when we get the benefit of a full year of rental income.

Total expenditure increased from £5.4 million to £5.9 million with expenditure on our Children's Services and Resettlement rising in line with the increases in grant income to these areas. There was also expenditure incurred in relation to liabilities of a previous pension scheme of £412,000 which meant that expenditure on charitable activities reduced from 82% to 77% of overall expenditure. Expenditure on fundraising reduced marginally and central costs were reduced between the two periods as a result of actions taken to bring the overall finances back in balance.

Reserves

Total reserves at 31 March 2016 stood at £3.8 million of which £0.9 million was restricted for specific purposes and not available for general use.

Of the £2.9 million of unrestricted funds £1.3 million have been designated by Trustees at the year end. These designations are:

- £450,000 comprising the amount of reserves that can only be realised by disposing of tangible fixed assets
- £423,000 being the amount of funding received through the Guardian 2015 Christmas appeal – this amount is expected to be allocated in the next financial year
- £266,000 being the additional amount above that already accrued in liabilities or within restricted funds to cover the contingent liability of exiting from the Pensions Trust
- £180,000 set aside for potential future redundancies of staff funded under contracts and grants where funding terms do not allow for redundancy costs to be claimed or are limited to only statutory redundancy levels.

Free unrestricted funds at 31 March 2016 were £1.6 million, an increase of £0.5 million over the year. This increase is in line with Trustees' expectations as reserves had decreased in 2014/15 to below the agreed target level set in the reserves policy. The reserves enhance the ability of the organisation to protect the delivery of services at times of financial pressure. The target level is to maintain general unrestricted free reserves at a level over the medium term that takes account of the financial risks the charity is exposed to, and in particular, the risks around expenditures at times of variable, and sometimes reducing income levels. This target level is reviewed annually and is currently set at three months' operating expenditure for the coming year, which at 31 March 2016 equated to £1.6 million. The trustees have also had some initial discussions on the reasonableness of this three month target within the changing context of our work and funding streams. At the year end, while the position in relation to pension contingent liabilities was unresolved, the trustees did not feel that it was appropriate to formally change the target level, but expect to revisit this during 2016/17 now that the risk around pensions has been removed.

Post Balance Sheet Event

As set out in note 22, the Refugee Council has for many years had a contingent liability in relation to a defined benefit pension scheme operated by the Pensions Trust, which has had the potential to have significant financial impact on the organisation. In recent years as the size of the organisation has declined the potential impact of the liability has increased due to its size relative to the organisation's reserves. While the Refugee Council has always held designated reserves to cover this liability, with the risk of further increases, the Trustees agreed in 2015 to seek to crystallise this liability and, subject to its being affordable and on the basis of professional advice at the time, to formally settle the liability. During the 2015/16 year the Refugee Council consulted with existing staff who remained within the Pensions Trust in relation to their future pension provision, and with deferred members of the pension scheme about their pension options. Following these exercises the Refugee Council communicated to the Pensions Trust that it wished to consider crystallising the liability as at 30 September 2015. After the 2015/16 year end in May 2016 the Pensions Trust reported to the Refugee Council that the payment required to clear the liability and all future claims against the Refugee Council from the scheme was in the region of £2.2 million. After consideration at a Board meeting on 26 May 2016 attended by our professional advisers, the trustees agreed to formally withdraw from the Pensions Trust and the actuary's certificate of the employer debt was issued on 10 June 2016 with a final exit cost of £2.1m.

As the liability was only crystallised in June 2016 and the settlement occurred after the year end in July 2016 these transactions are not reflected in these accounts, other than the amount of the designated reserve has been set at a level to cover the eventual liability. As the final liability is within the amounts previously set aside this has resulted in a transfer back to unrestricted reserves.

Investment policy

The charity has opted not to pursue a policy of investing surplus funds on the equities or bonds markets and due to the short term nature of these funds 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. The last increases were one of 2.2% from 1 January 2015 covering the two year period from 1 April 2014 to 31 March 2016, and one of 1% from 1 April 2016.

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 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. All other 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 and the Chief Executive 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. The ratio of the Refugee Council's Chief Executive's salary to the median of staff salaries at March 2016 was 2.81 (2015 - 2.66) – this increase is because the median salary in the organisation has decreased in the year (£28,845 compared to £29,697) as staff numbers have increased predominantly outside of London.

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. 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 and provide the opportunity for face to face briefings 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

The charity could not deliver the range and quantity of services that we do without the support of our volunteers. Approximately 260 people volunteered to support our clients and services over the course of the year in all our services across the country. Volunteers have often come through similar experiences and are able to offer guidance and support to our clients. In addition a number of volunteers provide additional resource to the functions run at the Head Office. In recognition of the importance of volunteers to the work of the charity, we will be seeking re-accreditation to Investors in Volunteers in the coming year.

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

Plans for Future Periods

For 2016/17 we will continue to work to our five existing strategic objectives, as set out on page 5, but given the changed external environment for refugee issues, the uncertainty arising from the UK's decision to leave the European Union, the more sustainable financial footing and a new Board in place these objectives will be reviewed and refreshed during the 2016/17 year.

In the short term the goals against each strategic objective are:

- 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;
 - ◆ continue to push the Government to establish and expand existing safe and legal routes into the UK for people seeking asylum;
 - ◆ press for children whose ages are disputed to be treated as children until there is no doubt about their age;
 - ◆ advocate for policy changes to ensure that new refugees are not left homeless and destitute when their asylum support payments are terminated; and
 - ◆ provide the secretariat for the All Party Parliamentary Group on Refugees and supporting an inquiry, being undertaken by a cross party group of MPs and Peers, into the integration of refugees in the UK.
- 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 mainstreams services;
 - ◆ Seek to expand our programme of work with Syrian refugees resettled in the UK under the governments VPR scheme with a funding target of £750,000;
 - ◆ Seek a 25% increase in funding to boost the impact and reach of our Integration services; and
 - ◆ Adapt our Children's Services to cope with increasing demand and the likelihood of children being dispersed away from the South East.
- Engage with refugee community organisations (RCO's) to strengthen their involvement and the influence they exert in the shaping of the policies and practices that affect their lives;
 - ◆ Continue to develop the new Advocacy network;
 - ◆ Develop a consultative mechanism for RCOs to feed into our new governance arrangements; and
 - ◆ Seek to bring RCO's in wider sector discussions and establish funding mechanisms for them.
- Play a pivotal role in building a diverse, inclusive, influential and empowering refugee rights movement in the UK;
 - ◆ Chair Refugee Week steering group and play an active part in its range of events;
 - ◆ Co chair the National Asylum Stakeholders Forum; and
 - ◆ Seek common protection policy positions with others in the sector.
- Be a sustainable and accountable charity, committed to developing a highly motivated and high performing group of staff and volunteers.
 - ◆ Build on positive funding environment and grow fundraised income from the 2015/16 year by 10% (after allowing for one-off income in 2015/16);
 - ◆ Increase the number of projects with multi year funding agreements underpinning them;
 - ◆ Complete governance changes and ensure new Board is best placed to deliver to its full potential;
 - ◆ Retain our Investors in Volunteers accreditation; and
 - ◆ Review reserves policy in light of changed financial circumstances.

Principal Risks and Uncertainties

Risk management

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

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

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

- The drafting of a Strategic Plan and an Annual Plan and Budget approved 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 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
- Highlight the 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	Build reserves back up following depletion in 2014/15 and review appropriate future levels Seek longer term funding for grant funded projects Establish appropriate funding mixes within new operating environment
Dramatic change in government policy, especially in light of EU referendum vote in June 2016	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, fundraise for sector wide initiatives
Non compliance with legislation	Review staff induction programme Review reporting mechanism to provide Board oversight
Inability to respond to increasing demand for services in light of refugee crisis	Seek to increase management capacity to enable business development activity and establish clarity on where organisational priorities are for growth

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

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

Auditor

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

The trustees report, incorporating the strategic report, was approved and authorised for issue by the Council on 29 September 2016 and signed on its behalf by:

Richard Foster
Chair

29 September 2016

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 2016 which comprise the Statement of Financial Activities, 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).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report, which includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- 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.

Fiona Condon
Senior Statutory Auditor
for and on behalf of BDO LLP, Statutory Auditor
Gatwick, United Kingdom
2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

STATEMENT OF FINANCIAL ACTIVITIES

Including Income and Expenditure Account

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	2015/16 Total £'000	2014/15 Total £'000
Income from:					
Donations and Legacies	2 & 5	2,452	465	2,917	1,989
Charitable Activities	3 & 5	94	3,052	3,146	2,534
Other Trading Activities	4	217	-	217	63
Investments		27	1	28	22
Total Income		2,790	3,518	6,308	4,608
Expenditure on:					
Raising Funds:					
Fundraising		745	-	745	861
Premises sublet		215	-	215	26
Total Raising Funds		960	-	960	887
Charitable Activities:					
Children's Services		400	1,264	1,664	1,439
Resettlement		210	838	1,048	694
Integration		119	565	684	687
Therapeutic Services		76	223	299	391
Advocacy		333	167	500	560
Asylum Support		3	251	254	624
Destitution		5	70	75	87
Total Charitable Activities		1,146	3,378	4,524	4,482
Other: Pensions trust costs	6a	412	-	412	79
Total Expenditure	6a - d	2,518	3,378	5,896	5,448
Net Income/(Expenditure)		272	140	412	(840)
Transfers between Funds	15	(53)	53	-	-
Net movement in funds		219	193	412	(840)
Reconciliation of funds:					
Total funds brought forward		2,684	671	3,355	4,195
Total funds carried forward		2,903	864	3,767	3,355

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 2016

REGISTERED COMPANY NO: 2727514

	Notes	31 March 2016 £'000	31 March 2015 £'000
Fixed Assets:			
Tangible assets	8	450	434
Investments		4	4
Total Fixed Assets		<u>454</u>	<u>438</u>
Current assets:			
Debtors	9	1,658	651
Cash at bank and in hand	10	4,168	4,185
Total Current Assets		<u>5,826</u>	<u>4,836</u>
Creditors: Amounts falling due within one year	11	(961)	(634)
Net current assets		<u>4,865</u>	<u>5,470</u>
Total assets less current liabilities		5,319	4,640
Provision for liabilities	12	(130)	(136)
Defined benefit pension scheme liability	21	(1,422)	(1,149)
Total Net Assets		<u>3,767</u>	<u>3,355</u>
The funds of the charity			
Unrestricted funds:			
Designated funds		1,319	1,593
General Reserves		1,584	1,091
Total Unrestricted Funds		<u>2,903</u>	<u>2,684</u>
Restricted Income Funds		864	671
Total charity funds	13 - 15	<u>3,767</u>	<u>3,355</u>

These accounts, including this balance sheet and the notes on pages 23 to 42, were approved by the Board of Trustees of the British Refugee Council on 29 September 2016, and are signed on its behalf by:

Nick Whitaker FCA

Treasurer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2015/16 Total £'000	2014/15 Total £'000
Cash flows from operating activities:			
<i>Net cash provided by / (used in) operating activities</i>	(i)	<u>72</u>	<u>(135)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		28	22
Proceeds from the sale of property, plant and equipment		-	11
Purchase of property, plant and equipment		(117)	-
<i>Net cash provided by / (used in) investing activities</i>		<u>(89)</u>	<u>33</u>
<i>Change in cash and cash equivalents in the year</i>		<u>(17)</u>	<u>(102)</u>
Cash and cash equivalents at the beginning of the year		4,185	4,287
Cash and cash equivalents at the end of the year	(ii)	<u>4,168</u>	<u>4,185</u>
(i) Reconciliation of net income/(expenditure) to net cash flow from operating activities			
Net income/(expenditure) for the year		412	(840)
Adjustments for:			
Depreciation charges		101	93
Interest		(28)	(22)
(Increase)/decrease in debtors		(1,007)	1,137
Increase/(decrease) in creditors		321	(447)
Add back pensions non-cash expenditure charged		412	79
Take off pensions deficit cash paid		(139)	(135)
Net cash provided by/(used in) operating activities		<u>72</u>	<u>(135)</u>
(ii) Analysis of cash and cash equivalents			
Cash in hand		1,645	1,682
Notice deposits (less than 3 months)		2,523	2,503
Total cash and cash equivalents		<u>4,168</u>	<u>4,185</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.

The trustees consider that there are no material uncertainties about the Refugee Council's ability to continue as a going concern.

(b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS102 the restatement of comparative items was needed. Three adjustments have been identified as required.

Under the Charities SORP FRS102 income is recognised when the charity is entitled to the income, it can be reliably measured and it is probable that it will be received. Under previous regulations income was recognised when it was certain it would be received rather than probable. The impact of this is to accelerate the timing on when legacy income is recognised. It is estimated that at March 2015 a further £33,800 (March 2014: £34,112) of legacy income would have been accrued under this change with a corresponding change to debtors. There is no impact on the reported income for the 2014/15 period as the accrual at the start and end of the period are at the same level.

FRS102 requires the recognition of a liability for holiday pay representing the cost of holiday entitlement

accrued by staff but not taken at the financial year end. As the Refugee Council's holiday year runs from January to December it is common for many staff not to have taken their full first quarter's entitlement by 31 March. The estimated value of the untaken leave at March 2015 was £53,337 (March 2014 £69,673).

FRS102 requires organisations to recognise as a provision the net present value of repayments that are due in relation to deficits on multi employer defined benefit pensions schemes. As set out in note 21 the Refugee Council is a member of such a multi employer pension scheme, the Pensions Trust Growth Plan, and following the September 2011 valuation the charity, at March 2015 was required to make monthly deficit contributions over the period from April 2013 to March 2023. The net present value of these contributions was £1,205,000 at March 2014 and £1,149,000 at March 2015 and these are included as a provision in the accounts. The Refugee Council already had a designated fund to cover the full cost buy out from the scheme so the impact is to increase liabilities and decrease the designated fund by these amounts.

The reported net expenditure for 2014/15 is reduced by £72,000 by a combination of three factors as set out below.

NOTES TO THE FINANCIAL STATEMENTS

Reconciliation of net funds

	1 April 2014	31 March 2015
	£000's	£000's
Fund Balances as previously stated	5,436	4,524
Acceleration of recognition of legacy income	34	34
Recognition of holiday pay entitlement	(70)	(54)
Recognition of liability on pension scheme deficit payments	(1,205)	(1,149)
Fund Balances restated	4,195	3,355

Reconciliation of net expenditure

	2014/15
	£000's
Net expenditure as previously stated	(912)
Adjustment for recognition of legacy income	(-)
Adjustment for recognition of holiday pay	16
Removal of deficit contributions paid in the period previously treated as an expense	135
Interest expense on unwinding of discount factor in liabilities	(32)
Impact of change in assumptions in measurement of pension liability	(47)
Net expenditure restated	(840)

(c) 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**

Income 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.

(d) 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 staff count (full time equivalent) as this is deemed the most appropriate measure in how such resources are used.

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:

- Children's Services – where we provide services to separated children, children who have been trafficked and or suffered traumatic experiences;
- Resettlement – where we work in partnership with local authorities in providing high quality services to integrate refugees in England;
- Integration – where we support those with newly granted refugee status to move into mainstream support systems;
- Therapeutic Services – where we offer a holistic response to the complex needs of refugees who have suffered traumatic experiences;
- 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 but some remaining support continues and is currently being wound down;
- 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; and
- Destitution – where we provide immediate personal support to those at risk of destitution and also access to advice.

(e) 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

(f) Tangible fixed assets and depreciation

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

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

(g) Value added tax

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

(h) 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 the organisation has liabilities under a previous defined benefit scheme (see note 1j). The liability for future payments agreed to repay the deficit on this scheme are 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.

(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:

NOTES TO THE FINANCIAL STATEMENTS**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.

Redundancy Costs

Provision is made for redundancies occurring after but announced to staff before the balance sheet date. The Refugee Council has a contractual obligation to pay such future costs.

Pensions

The Refugee Council has 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) Grant making policy

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

(l) Debtors

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

(m) Creditors

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.

NOTES TO THE FINANCIAL STATEMENTS

2. Donations and legacies	Unrestricted Funds £'000	Restricted Funds £'000	2015/16 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2014/15 Total £'000
Donations and gifts from individuals	2,036	184	2,220	1,174	90	1,265
Legacies	351	-	351	268	-	268
Trust income & general grants	65	281	346	59	397	456
Total	2,452	465	2,917	1,501	487	1,989

3. Charitable activities	Unrestricted Funds £'000	Restricted Funds £'000	2015/16 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2014/15 Total £'000
Children's Services	10	1,118	1,128	13	896	909
Resettlement	4	841	845	-	529	529
Integration	4	482	486	-	419	419
Therapeutic Services	7	149	156	-	216	216
Advocacy	41	210	251	40	143	184
Asylum Support	28	252	280	28	250	277
Total	94	3,052	3,146	81	2,453	2,534

4. Other Trading Activities	Unrestricted Funds £'000	Restricted Funds £'000	2015/16 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2014/15 Total £'000
Premises sublets	213	-	213	36	-	36
Other trading activities	4	-	4	27	-	27
Total	217	-	217	63	-	63

NOTES TO THE FINANCIAL STATEMENTS

5a. Grants included within donations and legacies:			2015/16	2014/15
			£'000	£'000
Asylum Support	Home Office	Asylum Support Exit Costs	5	322
Government Grants			5	322
Children's Services	Various trusts		162	-
Destitution	Various trusts		41	-
Children's Services, Destitution & Integration	Comic Relief	Refugee Crisis Grant	50	-
Various	Other funders	Other grants	21	74
Other Trust and Statutory Grants			274	74
Total Grants included within donations and legacies			279	396
5b. Grants included within charitable activities:			2015/16	2014/15
			£'000	£'000
Children's Services	Home Office	Children's Panel	800	818
Resettlement	Sheffield City Council	Gateway Resettlement Programme	617	512
Integration	Health Education England	Building Bridges	301	318
Asylum Support	Home Office	Asylum Support Services	280	277
Children's Services	Home Office	Kent Intake Unit	127	-
Children's Services	Department for Education	My Time - Children's Therapy Service	126	-
Resettlement	Leeds City Council	Afghan Resettlement Programme	106	-
Resettlement	Leeds City Council	Syrian Resettlement Programme	76	-
Integration	London Councils	RCO Capacity building	62	63
Integration	Department of Health	Health Access for Refugees Programme	49	-
Resettlement	Sheffield City Council	Syrian Resettlement Programme	32	-
Resettlement	Stevenage Borough Council	Syrian Resettlement Programme	9	-
Government Grants			2,585	1,988
Therapeutic Services	Big Lottery Fund	Regional Refugee Care	114	119
Advocacy	Oak Foundation	Parliamentary	125	-
Therapeutic Services	Comic Relief	Powerful Womens Project	41	41
Children's Services	Comic Relief	Trafficked Boys	35	35
Children's Services	Children in Need	Trafficked Girls & Young Women	29	29
Advocacy	Open Society Foundation	Move on	26	-
Integration	Metropolitan Migration Foundation	Transition Resettlement Project	25	2
Integration	Crisis	Private Sector Housing	25	25
Integration	Trust for London	Refugee Housing (restricted grant)	17	-
Advocacy	Diana, Princess of Wales Memorial Fund through the Barrow Cadbury Trust	Migration NGO Communications Project	16	-
Advocacy	Barrow Cadbury Trust	Detention Forum	15	15
Advocacy	The Bromley Trust	Detention Forum	5	5
Advocacy	Barrow Cadbury Trust	Advocacy capacity	4	-
Therapeutic Services	Stanley Thomas Johnson Foundation	Tree of Life	-	30
Various	Others	Others	18	104
Other Trust and Statutory Grants			495	405
Total Grants included within charitable activities			3,080	2,393

Total Government grants received within donations and legacies and within charitable activities was £2,590k (2014/15: £2,310k)

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	2015/16	Unrestricted	Restricted	2014/15
	Funds £'000	Funds £'000	Total £'000	Funds £'000	Funds £'000	Total £'000
Raising Funds:						
Fundraising	745	-	745	861	-	861
Premises sublet	215	-	215	26	-	26
Total Raising Funds	960	-	960	887	-	887
Charitable Activities:						
Children's Services	400	1,264	1,664	382	1,057	1,439
Resettlement	210	838	1,048	149	545	694
Integration	119	565	684	112	575	687
Therapeutic Services	76	223	299	116	274	391
Advocacy	333	167	500	414	145	560
Asylum Support	3	251	254	5	620	624
Destitution	5	70	75	-	87	87
Total Charitable Activities	1,146	3,378	4,524	1,179	3,304	4,482
Other: Pensions Trust Costs	412	-	412	79	-	79
Total Expenditure	2,518	3,378	5,896	2,144	3,304	5,448

Other: Pension Trust Costs is the increase in provision required in respect of the Pensions Trust Growth Plan (see note 21). This increase relates to deferred members of the scheme who are now ex-employees, so this cost is not a cost of any of our current services or raising funds; and therefore is not allocated to these headings.

6b. Expenditure analysis	Staff Costs	Other Direct	Grant	Subtotal	Support Costs	Total
	£'000	Costs £'000	expenditure £'000			
2015/16 Expenditure on:	Note 7(a)		Note 6(d)	£'000	£'000	£'000
					Note 6(c)	
Raising Funds:						
Fundraising	325	280	-	605	140	745
Premises sublet	-	213	-	213	2	215
Total Raising Funds	325	493	-	818	142	960
Charitable Activities:						
Children's Services	936	316	-	1,252	412	1,664
Resettlement	544	248	-	792	256	1,048
Integration	267	152	162	581	103	684
Therapeutic Services	146	86	-	232	67	299
Advocacy	299	102	4	405	95	500
Asylum Support	3	251	-	254	-	254
Destitution	38	21	-	59	16	75
Total Charitable Activities	2,233	1,176	166	3,575	949	4,524
Other: Pensions Trust Costs		412	-	412	-	412
Support Costs (Note 6(c))	472	619	-	1,091	(1,091)	-
Total	3,030	2,700	166	5,896	-	5,896

NOTES TO THE FINANCIAL STATEMENTS

6c. Support Costs	2015/16	2014/15
	£'000	£'000
Central Premises and Business Support	459	600
Finance and Payroll	185	247
Pensions exit costs	115	-
Information & Communication Technology	64	41
Human Resources	109	143
Senior Management	60	87
Governance Costs	99	94
Total Support Costs	<u>1,091</u>	<u>1,213</u>

The above support costs are allocated based on the Full Time Equivalent staffing of the activities supported.

6d. Grant Expenditure			2015/16	2014/15
			£'000	£'000
London Metropolitan University	Building Bridges	Integration	126	148
Glowing Results	Building Bridges	Integration	19	21
North of England Refugee Service	HARP	Integration	9	-
City of Sanctuary Sheffield	HARP	Integration	8	-
Counterpoint Arts	Refugee Week	Advocacy	4	6
City of Sanctuary	Sanctuary Summit	Advocacy	-	3
North of England Refugee Service	Exit Costs	Asylum Support	-	154
Student Action on Refugees			-	1
Total Grant Expenditure			<u>166</u>	<u>333</u>

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 2015/16 or 2014/15.

NOTES TO THE FINANCIAL STATEMENTS

7a. Staff costs and employee benefits	2015/16 £'000	2014/15 £'000
Wages and salaries	2,689	2,268
Social security costs (employers National Insurance)	245	216
Employer's contribution to defined contribution pension	93	85
	<u>3,027</u>	<u>2,569</u>
Redundancy costs	3	38
Total staff costs	<u>3,030</u>	<u>2,607</u>

A termination payment of £3k was made to one staff member in line with organisational policy (2014/15: £38k total payments made to three staff).

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

	2015/16	2014/15
£60,000 - £69,999	2	1
£70,000 - £79,999	-	1
£80,000 - £89,999	1	-
Total	<u>3</u>	<u>2</u>

The remuneration of the senior executives is set in accordance with the policy set out in the Trustees Report. In 2015/16 the following posts were classified as Senior Executive and their remuneration was as follows:

		Salary	Pension contribution	Total
Chief Executive	Maurice Wren	80,973	4,055	85,028
Executive Director of Services	Una Barry MBE	62,492	2,598	65,090
Executive Director of Income Generation (to July 15)	Caroline Olshewsky	18,360	583	18,943
Acting Director of Income Generation (from July 15)	Tara Griffin	48,289	1,449	49,738
Executive Director of Finance and Resources	Martin Tyler	60,000	3,000	63,000
Total Senior Executive Remuneration		<u>270,114</u>	<u>11,685</u>	<u>281,799</u>

7b. Average Staff Numbers

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

	2015/16		2014/15	
	FTE	Headcount	FTE	Headcount
Charitable Activities:				
Children's Services	24	28	21	22
Resettlement	15	19	11	13
Integration	6	6	5	6
Therapeutic Services	4	6	5	7
Advocacy	6	6	4	5
Destitution	1	1	1	1
Total Charitable Activities	<u>56</u>	<u>66</u>	<u>47</u>	<u>54</u>
Raising Funds	8	10	10	11
Support	11	14	11	15
Total Staff Employed	<u>75</u>	<u>90</u>	<u>68</u>	<u>80</u>

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 2015</i>	461	394	232	1,087
Additions	117	-	-	117
At end of the year - 31st March 2016	<u>578</u>	<u>394</u>	<u>232</u>	<u>1,204</u>
Depreciation and impairments				
<i>At beginning of the year - 1st April 2015</i>	133	394	126	653
Depreciation	54	-	47	101
At end of the year - 31st March 2016	<u>187</u>	<u>394</u>	<u>173</u>	<u>754</u>
<i>Net book value at beginning of the year</i>	328	-	106	434
Net book value at end of the year	<u>391</u>	<u>-</u>	<u>59</u>	<u>450</u>
9. Debtors			31 March	31 March
			2016	2015
			£'000	£'000
Accrued income			1,286	421
Prepayments			168	152
Trade Debtors			152	62
Other debtors			52	16
Total Debtors			<u>1,658</u>	<u>651</u>
10. Cash at bank and in hand			31 March	31 March
			2016	2015
			£'000	£'000
Cash on short term deposit			2,523	2,503
Cash at bank and in hand			1,645	1,682
Total Cash at bank and in hand			<u>4,168</u>	<u>4,185</u>

NOTES TO THE FINANCIAL STATEMENTS

11. Creditors: Amounts falling due within one year	31 March 2016 £'000	31 March 2015 £'000
Trade creditors	116	166
Other creditors	341	204
Taxation and social security	-	12
Accruals	137	131
Deferred income (i)	367	121
Total Creditors falling due within one year	<u>961</u>	<u>634</u>

Deferred income includes funding received in advance of funding conditions being met, and contract payments received in advance. It is deferred until recognition criteria are met.

(i) Movement on Deferred Income	2015/16 £'000	2014/15 £'000
Deferred income at 1 April	121	90
Income released from the previous year	(121)	(90)
Funding received and deferred	367	121
Deferred income at 31 March	<u>367</u>	<u>121</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	2015/16 £'000	2014/15 £'000
Provided at 1 April and 31 March	<u>130</u>	<u>130</u>
Redundancy and other staffing provisions	2015/16 £'000	2014/15 £'000
Provided at 1 April	6	108
Amounts released and utilised in the year	(6)	(102)
Provided at 31 March	<u>-</u>	<u>6</u>

NOTES TO THE FINANCIAL STATEMENTS

13. Movement on Funds Summary	Unrestricted Funds £'000	Restricted Funds £'000	2015/16 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2014/15 Total £'000
Balance at 1st April	2,684	671	3,355	3,415	780	4,195
Income	2,790	3,518	6,308	1,666	2,942	4,608
Expenditure	(2,518)	(3,378)	(5,896)	(2,144)	(3,304)	(5,448)
Net Income / (Expenditure)	272	140	412	(478)	(362)	(840)
Transfers	(53)	53	-	(253)	253	-
Net Movements in funds	219	193	412	(731)	(109)	(840)
Balance at 31st March	2,903	864	3,767	2,684	671	3,355

14. Funds assets and liabilities	Unrestricted Funds £'000	Restricted Funds £'000	2015/16 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2014/15 Total £'000
Fixed Assets & Investments	454	-	454	438	-	438
Debtors	740	918	1,658	312	339	651
Cash at bank and in hand	3,693	475	4,168	3,650	536	4,185
Total Assets	4,887	1,393	6,280	4,400	875	5,274
Creditors	(432)	(529)	(961)	(450)	(184)	(634)
Provision for liabilities	(130)	-	(130)	(116)	(20)	(136)
Pension scheme liability	(1,422)	-	(1,422)	(1,149)	-	(1,149)
Liabilities	(1,984)	(529)	(2,513)	(1,715)	(204)	(1,919)
Net Assets and Funds Total	2,903	864	3,767	2,684	671	3,355

NOTES TO THE FINANCIAL STATEMENTS

15. Funds Details

15a. Unrestricted Funds	Balance at 1 April 2015 £'000	Income £'000	Expenditure £'000	Net I&E before Transfers £'000	Transfers £'000	Balance at 31 March 2016 £'000
General Fund	1,091	2,790	(2,106)	684	(191)	1,584
Pension Fund (i)	979	-	(412)	(412)	(301)	266
Fixed Asset Reserve (ii)	434	-	-	-	16	450
Redundancy Fund (iii)	180	-	-	-	-	180
Guardian Appeal (iv)	0	-	-	-	423	423
Designated Funds	1,593	0	(412)	(412)	138	1,319
Total Unrestricted Funds	2,684	2,790	(2,518)	272	(53)	2,903

(i) The Pension Fund is to cover any contingent liability on the charity's pension arrangement. The Trustees agreed to build up this fund and 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. At 31st March 2016 the charity also holds £359k towards this liability in restricted funds, and has recognised a liability of £1,422k on the balance sheet.

As covered in the Trustees' report the charity has exited from the scheme after year end. The £266k balance held at 31 March 2016, added to the balance sheet liability and the restricted fund balance, totals £2,047k which is the net sum required to finalise the exit from the scheme and the associated costs. The balance of brought forward funds after the 2015/16 charges has been transferred to the General Fund.

(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 transfer into this fund is the net of new assets purchased in year less depreciation charged for these assets.

(iii) The Redundancy Fund has been created to safeguard against the risk of any redundancies arising in the future not covered in full by project funding.

(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 and will be used in the coming year to help the organisation increase its impact.

15b. Restricted Funds:	Balance at 1 April 2015 £'000	Income £'000	Expenditure £'000	Net I&E before Transfers £'000	Transfers £'000	Balance at 31 March 2016 £'000
(i) Pensions fund	359	-	-	-	-	359
(ii) John Frank Fund	112	1	(1)	-	-	112
(iii) Children's Panel	14	800	(781)	19	-	33
(iv) Children's Kent Intake Unit	-	127	(127)	-	-	-
(v) Children's Therapy Service	-	126	(126)	-	-	-
(vi) Other Children's Services	-	398	(230)	168	-	168
(vii) Gateway Resettlement	-	617	(617)	-	-	-
(viii) BLF Regional Refugee Care	28	114	(122)	(8)	-	20

(ix) Asylum Support Services	1	252	(252)	-	-	1
(x) Building Bridges	10	301	(294)	7	-	17
(xi) Resettlement - Syrian	-	108	(108)	-	-	-
(xii) Resettlement - Afghan	-	106	(103)	3	-	3
Other	147	568	(617)	(49)	53	151
Total Restricted Funds	671	3,518	(3,378)	140	53	864

(i) This restricted funding is against that part of the Pensions Trust liability arising from previous Home Office service delivery contract staffing.

(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 funded by the Home Office.

(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 Children's Therapy Service, funded in 2015/16 by the department of Education, provides individual and group therapy to refugee children.

(vi) Other Children's services include support to trafficked young boys and girls, assistance to age disputed children, and youth development and activities.

(vii) The Gateway resettlement projects help 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) Asylum support – the organisation provides support to individuals through the asylum process. This was principally delivered through Home Office funding and substantially ended at March 2014 but some remaining support continues and is currently being wound down.

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

(xi) The Refugee Council helps with the integration support to refugees resettled into the UK under the Vulnerable Persons Resettlement Scheme, operating in 2015/16 in Yorkshire and Humberside and in Hertfordshire.

(xii) The Refugee Council also helped with the integration support to Afghan interpreters resettled into the UK following their work with forces in Afghanistan.

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:

	2015/16	2014/15
	£'000	£'000
Total expenses	2	2
	2015/16	2014/15
Number of trustees claiming expenses	8	9

17. Related parties

On 2 December 2014 the Refugee Council made an unsecured loan to the North of England Refugee Services (NERS) of £25,000 as an advance against sums NERS was due to receive from the Home Office. Ben Hopkinson, a Trustee of the Refugee Council, is also a trustee of NERS. The decision to make the loan to NERS was agreed in principle by the Board on 8 May 2014 and Ben Hopkinson, declared a conflict of interest in the decision and took no part in that discussion and decision. The final approval for the loan was made by the Chair and Treasurer, in accordance with the delegated authority granted in original decision by the Board. As at 31 March 2015 £5,783 remained outstanding on the loan which was subsequently repaid on 14 May 2015.

18. Fees payable to auditor

	2015/16	2014/15
	£'000	£'000
Statutory audit fee	16	12
Tax advisory services	3	-
Total	19	12

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

	2015/16	2014/15
	£'000	£'000
Operating lease expenditure	342	327

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 2016 £'000	31 March 2015 £'000
Within one year	309	286
Between two and five years	1,033	1,069
Over five years	256	506
Total future minimum lease payments	<u>1,598</u>	<u>1,861</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 2016 £'000	31 March 2015 £'000
Within one year	153	94
Between two and five years	610	610
Over five years	154	305
Total future minimum lease payments	<u>917</u>	<u>1,009</u>

20. Section 37 Statement

Grant aid of £62,342 was received in 2015/16 from London Councils (2014/15: £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	43	43
Beneficiary costs	6	5
Other costs	13	14
Total costs	<u>62</u>	<u>62</u>

NOTES TO THE FINANCIAL STATEMENTS

21. The Pensions Trust – The Growth Plan

The Refugee Council participates in The Pensions Trust Growth Plan scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for us to obtain sufficient information to enable us to account for the scheme as a defined benefit scheme. Therefore we account for the scheme 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 scheme is classified as a 'last-man standing arrangement'. Therefore the Refugee Council is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2011. This valuation showed assets of £780m, liabilities of £928m and a deficit of £148m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2013 to 31 March 2023	£13.9m per annum
	(payable monthly and increasing by 3% each on 1st April)

Subsequently a full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:	£12.9m per annum
	(payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum
	(payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer 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 present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS

The amounts recognised by the Refugee Council in these accounts in respect of its deficit funding arrangement are as follows:

Present values of provision	31 March 2016	31 March 2015	31 March 2014
	£'000	£'000	£'000
Present value of provision	1,423	1,149	1,205
Reconciliation of opening and closing provisions			
		2015/16	2014/15
		£'000	£'000
Provision at start of period		1,149	1,205
Unwinding of the discount factor (interest expense)		19	32
Deficit contribution paid		(139)	(135)
Remeasurements - impact of any change in assumptions		(22)	47
Remeasurements - amendments to the contribution schedule		415	-
Net movement in the year		<u>273</u>	<u>(56)</u>
Provision at end of period		<u>1,422</u>	<u>1,149</u>
Income and Expenditure Impact			
		2015/16	2014/15
		£'000	£'000
Interest expense		19	32
Remeasurements – impact of any change in assumptions		(22)	47
Remeasurements – amendments to the contribution schedule		415	-
Assumptions			
	31 March 2016	31 March 2015	31 March 2014
	% per annum	% per annum	% per annum
Rate of discount	2.07	1.74	2.82

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

22. Contingent liability and Post Balance Sheet Event - Pensions Trust

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. The Refugee Council has therefore always had a contingent liability that might arise if the organisation was to withdraw from the scheme of the difference between the exit buy out costs and the deficit on the actuarial basis. The Trustees have 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 Trustees have for some time been 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 our 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, after the end of the financial year, on 10 June 2016 and the total final employer debt was just under £2.1 million. Taking into account monthly deficit repayments made subsequent to 30 September 2015 the final exit cost was £599,000 higher than the actuarial liability included in these accounts. Restricted reserves of £359,000 and a designated reserve of £266,000 are held at 31 March 2016 to cover this additional liability and the professional costs of completing the process in 2016/17.