



**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 2019

BRITISH REFUGEE COUNCIL

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Chief Executive's Introduction

Blaming Brexit for the seeming inability of Government to sustain a meaningful domestic policy agenda has become a commonplace in the UK today. Brexit alone, though, does not account for the Home Office's foot dragging over the long overdue reform of the UK's chronically dysfunctional asylum system it has been promising since 2017. A far more significant factor is the paralysis triggered within the Home Office by the 2018 exposure of the Windrush scandal.

Recent leaks from the Government's 'Windrush - Lessons Learned' review reveal a disturbing picture of a Department in denial about the dire human consequences of its hostile environment policies and resistant to the urgent need to challenge and uproot a regressive culture that also continues to blight the UK asylum system. Though there are senior officials whose experience of the successful Syrian Resettlement programme has convinced them that the Home Office's treatment of those who make in-country protection claims must improve, many others remain resistant to change. Frustratingly, in the absence of the kind of proactive political leadership that has been a defining feature of the resettlement programme, the latter group continues to prevail.

The rapid turnover of Home Secretaries and Immigration Ministers in recent years has not helped, but any hopes that the UK Government's decisions in 2018/19 to sign the UN's Global Compact on Refugees and to greenlight a substantial post-2020 resettlement programme might signal a positive change of direction are yet to be realised. Perhaps the fact that public support for refugee protection in the UK remains high may yet help to persuade Ministers that acting boldly on asylum system reform will not cost them politically, but in the meantime, we have continued to campaign vigorously for an asylum system rooted in a culture of respect and dignity.

Our credibility and authority as a leading and influential advocate of asylum and refugee reform continued to rest in the wealth of information, insight and experience generated daily by the transformative services we provide to people at all stages of the UK asylum and refugee journey. We know why the current system fails so many and we know what must change to put it right. We also know that, acting alone, we will struggle to achieve the changes we need. This is why we continued to invest heavily in collaboration throughout 2018/19, with our peer NGOs, our allies in Parliament, our civil society partners and with the many refugee-led organisations up and down the country that play a unique, though usually unsung, role in supporting inclusion, participation and integration in their communities.

To ensure that we remain both a high impact service provider and an influential advocate of asylum and refugee rights, we need the organisation to provide a stable and supportive human and physical infrastructure and it is deeply satisfying to report that once again, we achieved that throughout the year. That we were able to sustain our investment in premises, facilities and the support we provide to all our people, is thanks to the continuing success of our fundraising in 2018/19 and, as ever, to the direction, oversight and advice willingly provided by our Board of Trustees.

Though the year was a difficult one, both financially and politically, we prospered, in every sense, by working together as a strong team, so it was particularly heartening for us all when our 2018 staff survey recorded consistently high levels of satisfaction with, and pride in, the organisation. It is this esprit de corps that continues to make the Refugee Council a very special organisation and one that can look forward with confidence whatever the challenges ahead.

Maurice Wren
19 September 2019

Strategic Report

Objectives and Activities

Objectives

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

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

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

Our Mission

To be a tenacious, resourceful and effective champion of refugee rights, transforming refugees' lives, holding governments to account and changing public attitudes for the better.

Our Vision

The UK will be a country that respects the dignity of everyone who seeks protection, regardless of the outcome of their claims, and ensures that those granted asylum are supported to live safe and fulfilling lives.

Our Values

- Empathy and respect drive everything we do, both inside and outside the organisation
- We focus on the humanity and dignity of the people we help, not their nationality or immigration status
- We believe that cooperation and collaboration are essential to achieving meaningful change
- We are resolute and creative in the promotion and defence of refugee rights
- We believe that transparency and openness are the keys to accountability

Our strategic goals for 2021 are

Goal 1:

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

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

Goal 2:

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

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

Goal 3:

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

- We will increase public awareness of and support for our advocacy work by growing the number of our active supporters and the number of people with whom we engage digitally and via other channels;
- We will monitor shifts in public attitudes towards refugees to inform our supporter engagement strategies;
- Our Advocacy Network will be joined by individual subscribers, small grass-roots organisations, faith groups and NGOs, raising awareness of and widening participation in conversations about the big issues affecting refugees in the UK.

Goal 4:

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

- Through our Advocacy Network, we will be in regular, two way, contact and dialogue with refugee and community-led groups across the UK, sharing information about changes that affect them and supporting them to influence policy decisions that affect their members;
- We will ensure that our priorities reflect refugees' concerns and interests by engaging with Refugee Community Organisations (RCOs) across the UK, including through an annual consultation process and by systematically analysing our service user feedback.

Goal 5:

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

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

Activities

The Refugee Council undertakes its work through the following six main areas of activities, which are the main classifications used throughout our financial accounts:

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

Impact

Each of these activities helps to create some or all of the below impacts for our clients:

- Improved ability to make informed choices
- Increased social inclusion
- Improved physical and mental wellbeing
- Improved economic and financial wellbeing
- Improved accommodation and safety

2018/19 Achievements and performance against strategic goals

Goal 1 **To change for the better the way refugees are welcomed and treated in the UK**

Achievements In July 2018, jointly with Asylum Support Appeals Project, we published 'Women seeking asylum: safe from violence in the UK?' which is ground-breaking research that looked at the extent that women in the asylum system are at risk or experience violence. This led to further conversations with the Home Office on revised domestic abuse guidance that was published in July 2019, that facilitates access to refuge spaces for women in the asylum system. The research findings were also used as the basis of our submission to the Home Affairs Committee's inquiry into domestic abuse, our consultation response to the Domestic Violence and Abuse Bill. In February 2019 we used the findings to brief Committee members at the UK examination on the UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW).

In September we published research we had conducted with UNHCR and Scottish Refugee Council on the experiences of newly granted Eritrean refugees. The report highlighted many issues including issues of refugee family reunion and securing housing following move-on period. We organised a parliamentary event about the research in November which brought together Parliamentarians and members of the Eritrean community, and we also participate in a meeting with the Immigration Minister to discuss the findings.

The passage of the Private Members Bill on Refugee Family Reunion stalled in Parliament, but we have continued to raise the issue with parliamentarians and the Home Office, for example, through a back bench business debate on Refugee Family Reunion, having it as a key issue on the agenda at the Sanctuary in Parliament event and briefing MPs on the Immigration White Paper

In December, there was much media and political attention on people arriving in the UK in boats via the English Channel. We responded in the media to counter incorrect statements around obligations on people seeking asylum in these circumstances, and subsequently gave oral evidence to the Home Affairs Committee on the issue.

Goal 2 **To increase the number of refugees who access our specialist, transformative, services**

Achievements ***In 2018/19 we provided services to 8,527 unique refugees and asylum seekers.*** In last year's trustees report we had planned for an increase in overall clients supported in 2018/19 compared to 2017/18. We did not reach that target, in main due to the Health Access for Refugees Project (HARP) 1 project closing for the first half of 2018/19; however with funding secured for a HARP 2 project and our New Roots project both of which started mid 2018/19, we started seeing a substantial increase in new clients supported from the mid year point. To illustrate this, 1,044 new clients were seen by our services in Quarter 1 of 2018/19, which by Quarter 4 had increased to 1,708.

In addition to the numbers accessing our services, we also provided small grants to 992 Syrian refugees with the funding received in from Goldman Sachs Gives.

Key achievements of our four service delivery pillars were:

Resettlement: A tiny number of the 6.3 million refugees who have fled the fighting in Syria are brought to the UK under the Government's Syrian Vulnerable Persons Resettlement Scheme (VPRS). The Government also runs the Gateway programme in which a small number of refugees from other countries are selected for resettlement in

the UK from refugee camps by the United Nations High Commissioner for Refugees. Under these programmes we provided support to resettled refugees across Yorkshire and Humberside, Hertfordshire, and in Bassetlaw.

To support these vulnerable groups, we work in partnership with local councils to provide a full support service for at least 12 months, including taking them to their new home; and personalised support for access to the job market, education and training, healthcare and other mainstream services. We then provide ongoing support for a further 4 years where needed.

Our resettlement teams in Yorkshire and Humberside were deeply involved in preparing for and delivering the Annual Tripartite Consultations on Resettlement Working Group in Sheffield in March. Having pressed to have a high level of refugee engagement, we convened a very successful refugee advisory group that helped shaped the Sheffield programme and that opened and closed the event. We hope to continue supporting this group.

Last year we provided support to 1,806 people resettled to the UK.

Children's Services: For 25 years we have been the Government's designated, independent referral point for all unaccompanied children arriving in the UK, the only national service of its kind. Through this we make sure children understand the asylum process, are able to access their rights to foster care, education and legal aid during their asylum claim.

Thanks to voluntary funding we also provide a range of wrap around services including a unique model of therapeutic counselling, based in London, Luton, Leeds and Birmingham; support for victims of trafficking to keep them safe from further exploitation; an age disputes project; and a space for children to simply be children again through educational and social sessions, excursions and residential trips. We also run a cricket project for those who still need support as they reach 18 and beyond and enjoy sport. We also successfully completed the two year partnership with the Red Cross and Uprising called Surviving to Thriving, our part delivering My View therapeutic services. The project finished with over 600 young people being supported. We have committed to continuing this very important life-line to the children who need it.

Last year we supported 3,816 children.

Integration services: These services primarily support newly recognised adult refugees who have arrived in the UK outside of formal resettlement programmes. Due to Government policy these people face disproportionate levels of destitution and homelessness and so we provide vital crisis and early intervention advice services to ensure they can access their entitlements to welfare.

In 2018/19 we successfully bid for AMIF funding to deliver our New Roots integration programme in London, Hull and Leeds from October 2018 for two years, delivering the programme in partnership with other agencies in Yorkshire and Humberside. This programme will also look at best practice and an 'outcomes star' to help refugees monitor their progress.

We continued our partnership with Starbucks to support refugees to become Baristas. We continued to run our advice project in Barnsley for refugees and asylum seekers. Our first Health Access for Refugees Project 1 (HARP) closed in 2017/18, but we were able to secure funding for the HARP 2 model where refugees and asylum seekers are supported to access health services across Yorkshire, which started in September.

Our Building Bridges project which retrains refugees with health professional backgrounds to secure work in the NHS was featured at a seminar convened by the British Medical Association with the aim of making the case for securing more mainstream health service funding for this route to refugee health professional

recruitment. The cost of training a refugee doctor to work in the NHS is, at most, 10% of the cost of training a doctor from scratch in the UK.

Last year these services supported 1,992 people.

Therapeutic Services: For 18 years we have been providing specialist and culturally sensitive therapeutic support to adults and children. Our approach is to create awareness that our clients are not victims but survivors of adversity. We familiarise people with mental health, a concept alien in many non-western cultures, help them learn how to articulate and disclose needs to professionals, and provide psycho-education sessions introducing key techniques such as mindfulness to better manage anxiety and distress.

One of our primary objectives over the past year has been to get the issue of mental health and well-being of refugees and asylum seekers squarely onto the agenda of mainstream health service providers and institutions, including Clinical Commissioning Groups, NHS England and Public Health England. We are now working with a number of Clinical Commissioning Groups to deliver therapeutic services to refugees. In our destitution service we continue to support around 200 destitute asylum seekers with some very basic needs such as food, clothing and psychosocial activities, as well as case work to support their claims to asylum.

Last year we provided one-to-one counselling and group support to 913 adults and children.

The Goldman Sachs Gives funded Syrian grant fund came to an end with over £1m of grants made to Syrian refugees. This sum funded a total of 2,077 grants since the fund opened in 2017/18, grants which enabled people to set up their own businesses, attend University, access employment training and English language courses; all steps towards being able to live with dignity and independence in the UK.

Training

We have developed best practice and upskilling external people through external training, meetings and forums, and attending conferences. External training is provided to organisations, local authorities and groups of individuals such as foster carers on a range of specialist subjects by our staff. This has been a successful strategy, and our training programmes have trained over 1,500 people.

Goal 3 To galvanise public support for refugees and be instrumental in creating a powerful, popular, movement for change

Achievements As part of our campaign to improve Refugee Family Reunion, we have been working with partner organisations to petition the Home Secretary to change the rules.

We are an active member of the Lift the Ban coalition which is campaigning to re-introduce the right to work for people seeking asylum. This coalition is growing and the campaign is gaining much attention across the country with a variety of civil society groups getting involved to increase the pressure on Government to change the rules.

We appointed a Campaigns Manager to lead our public-facing campaigning work which has brought new capacity and expertise to help us to engage supporters more effectively.

The Advocacy Network has nearly 700 members and we have developed connections with colleagues in all four nations.

Goal 4 To be a credible and trusted authority on the needs and aspirations of refugees in the UK

Achievements In October 2018 we published 'A bridge to life in the UK', our research into the experiences of Refugee-led Community Organisations (RCOs) in England. This research examined the role RCOs play in integration, the barriers they face and the support they need to thrive. The research has been received well by RCOs, funders and other stakeholders, and is key evidence to support funding applications and support arguments for greater refugee involvement in advocacy work.

We secured a development grant from City Bridge Trust to explore the feasibility of establishing a London RCO Advocacy Forum. The evidence collected as part of this grant informed a successful application for three years funding for the Forum, which will commence in May 2019.

We were delighted to be appointed as the NGO Focal Point for the Annual Tripartite Consultations on Resettlement, alongside the UK Government and UNHCR. This involved co-organising two events during the year, one of which we held in Sheffield in March. We have been key in establishing a Refugee Advisory Group of 14 people who supported the planning and delivery of the event, and were active participants. This event was attended by delegates from over 20 countries who discussed the integration of resettled refugees and shared learning.

Objective 5 To be an independent, accountable, value-led and sustainable organisation

Achievements Refugee Council is reliant on voluntary donations and without the support of our donors we simply couldn't carry out much of our work. In recent years we have seen a decline in the number of new donors supporting Refugee Council so in 2018/19 we explored new ways of raising much-needed funds and have developed a programme to test new ways of recruiting donors across a range of on and offline channels which will be rolled out in 2019/20. Despite the drop in donor numbers, income from individual giving remained steady thanks to the generosity of our existing donors.

Income from major donors was exceptional this year with donations of almost £1.5 million (including gift aid) made against a target of £320,000. This includes a donation of £1 million from a long-time supporter. We also received multi-year grants of £1.66 million from trusts and foundations which exceeded the target of £1.2 million.

2018/19 also saw the development of a much needed new website. The site is mobile first and is structured so that it is easy to navigate. It is designed so that people seeking advice and support are able to find the services they need and can contact the appropriate team.

Several major projects focussing on increasing support to our staff and volunteers, to enable them to better support our beneficiaries, took place in 2018/19.

We introduced an employee group support programme for front line staff to ensure they have the tools, abilities and support to handle their challenging work. This support programme is in the form of group supervisions with an external expert, where both staff and managers are supported to talk about the difficult and sometimes distressing things our beneficiaries share with them in the course of our work.

We established a cross organisational Equality and Diversity group to consider actions to take to improve our diversity and produce diversity statistics to monitor progress.

We opened the doors to three major new offices in the year, in Croydon, Stratford and Birmingham. Each of these were fit out with working space tailored to the needs of our clients and services; and the substantial benefits this improved space is providing to our staff and volunteers is a major factor in the quality of support our services are able to provide.

Finally, it is worth noting that we conducted an organisational wide staff survey which returned some extremely encouraging results. Highlights of the survey include the statistics that 94% of our staff believe that the Refugee Council delivers a high quality service to its clients, 98% of respondents are proud to work for the organisation, 94% feel that people in their team work together to get the job done, and 90% feel we have strong values which are put into practice.

All areas surveyed compared favourably to benchmarked charities, and our scores for provision of service, leadership, and employee engagement were high in the statistical upper quartile compared to our benchmark charities.

There were of course also some areas identified where improvements are required, including concerns raised on workloads and levels of stress felt by our staff group. We have agreed and implemented an action plan to address these concerns and expect to see improvements once these actions are put in place.

Plans for 2019/20

Goal 1:

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

- We will achieve improvements to refugee family reunion rules, and improve policy and practice on integration;
- We will continue engagement with the Home Office to secure reform of the asylum system;
- We will work with peer NGOs, Government departments, Local Authorities, and charitable and civil society organisations to improve the services available to refugees in the UK and the policies and practices that affect their lives;
- We will ensure that all Refugee Council services collect relevant and accurate data on outcomes, trends and emerging issues, to be used to inform advocacy work and service development.

Goal 2:

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

- We plan to see a total of 9,842 clients in our services – an increase of 15% from 2018/19;
- We will report on new work secured above budget;
- We will continue to develop best practice through the provision of external training, organising or participating in specialist meetings and forums, and attending conferences;
- We will pursue systemic change for access to appropriate mental health support for clients through statutory agencies and through a strategic bid for funding to the Lottery;
- We will complete the transition to a new client data base;
- We will improve on ways to give clients participation and voice through Harp 2 and Outcomes Star;
- Run one client/staff/volunteer consultation process through Building Capabilities fund.

Goal 3:

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

- We will undertake activities to support the coalition campaigns relating to refugee family reunion (Families Together) and the right to work for people seeking asylum (Lift the Ban);
- We will deliver our own public facing campaign focusing on the 28 day move on period for newly recognised refugees;
- We will implement a programme of communication with Refugee Council supporters to keep them up to date with our advocacy and campaigning work, to increase their engagement in campaigning activities;
- We will use Refugee Week 2019 as an opportunity to build support and awareness of refugee issues through delivering a series of our own events and contributing to those organised by others.

Goal 4:

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

- We will publish at least two pieces of research on our key policy priority areas to present evidence of the impact of policies on refugees and people seeking asylum;
- We will co-design and launch a London RCO Advocacy Forum to connect refugees directly with policy and decision makers;
- We will continue to engage with the Refugee Advisory Group established to support the design and delivery of the Annual Tripartite Consultations on Resettlement meetings in Sheffield and Geneva.
- We will work with the UNHCR and the Home Office to develop and implement a National Refugee Consultation process.

Goal 5:

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

- We will increase the number of people making donations. By the end of 2019/20 we will have recruited 1,000 cash donors and 783 committed givers. We will do this by testing new ways of recruiting donors;
- We will build on the support offered to our staff and volunteers to better allow them to support our beneficiaries. We will deliver on actions agreed following the 2018 staff and volunteer surveys.

Principal Risks and Uncertainties

Risk management

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

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

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

- The adoption of a Strategic Plan and an Annual Plan and Budget by the Board of Trustees;
- Regular review of financial and operational results by the Senior Management Team, Resources Committee and the Board of Trustees against these plans;
- 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.

Trustees review risk both using a traditional risk register approach on specific risks, and also through regular reporting on risks that threaten the success of our strategic and operational goals. The review includes looking at existing controls and plans for mitigation, and further required actions and improvements.

Through this review the following risks were identified as the highest category risks for the Refugee Council.

Risk	Mitigation Actions
The Financial impact from Brexit, which may affect income from government grants, trust and foundations, and individual giving.	Maintain free reserve range and levels to provide a cushion for managing financial change. Continual monitoring on medium term financial horizon and spreading of funding streams.
Serious safeguarding breach involving staff or clients	All relevant staff have Disclosure and Barring Service and Counter Terrorism checks and receive ongoing safeguarding training. Safeguarding is an integral part of staff induction, supervision and appraisal processes. Whistleblowing policies have been reviewed and expanded to include wider 'speaking out' measures. Trustees to receive training on safeguarding responsibilities.
Failure to deliver on operational and strategic goals	Realistic operational and strategic goals are set, monitored and reported to trustees. The senior management team monitor and control demands on the organisation and prioritise according to resourcing availability.

There are in addition to the above a number of other risks that whilst significant in aggregate, are not individually critical. The impact of these can in general be assessed to give an estimated financial impact; such as the likely range by which income may fall short of budgets, or the resources required to put right issues arising.

The overarching insurance and mitigation against these risks is the holding of sufficient levels of free reserves to protect against them. The process for setting the level of reserves we hold is described in the Reserves section below.

Financial review

2018/19 was another year of growth for the Refugee Council, with total income increasing from £8.6 million last year to £10.6 million, and total expenditure from £9.0 million to £10.5 million.

Our expenditure on our charitable activities increased 20% from £7.6 million to £9.1 million. We secured increases in both government and trust and foundation grants towards our Children's Services, allowing us to increase expenditure on these from £2.2 million to £2.6 million. The largest increase in charitable activity however was in our Integration services, for which we successfully bid for £2.6 million funding towards our two year 'New Roots' programme supporting refugee integration in London, Leeds and Hull.

This programme started in October 2018, and in collaboration with partner organisations in Hull and Leeds will provide support to refugees at all stages of their integration into life in the UK. This funding was the major factor for the increased expenditure on Integration services from £1.6 million last year to £2.5 million in 2018/19.

Expenditure on generating funds stood steady at £1.4 million, with the income raised from these activities increasing from £3.4 million last year to £4.2 million in 2018/19; which is to say surpluses from these activities in 2018/19 of over £2.8 million to be put towards our charitable activity.

The additional grant funding secured was one of two major factors for the £2.0 million increase in income from last year. The other was the incredible news that one of our long-term supporters wanted to make a gift to the Refugee Council of £1 million. During the year we worked closely with this major donor to establish how he might make this donation to us and how we might use it, and by the end of the year we were delighted to be in receipt of the gift, and to confirm to our supporter that with the exception of £75,000 to be used for specific restricted purpose £925,000 would be set aside in a designated reserve as funding against our core services over the next three years, safeguarding our key service delivery against other fluctuations in funding.

In the context of a toughening economic climate both for institutional and individual givers, the incredible generosity of this gift gives us comfort that we will be able to maintain the levels of our life changing services to and advocacy work on behalf of our beneficiaries.

Reserves

Total funds at 31 March 2019 stood at £5.5 million; of which £1.2 million is restricted by donors to fund specific projects, and £0.1 million is a long term endowment fund. Neither of these balances are available for general use.

Of the balance of £4.2 million unrestricted funds, £1.8 million has been designated and set aside by Trustees at the year-end as funding for specific future purposes. These designations are:

- The unrestricted £925,000 of the £1 million donation received in the year is set aside as continuity funding for our core services over the medium term financial planning horizon. We expect to draw down against this funding from 2019/20 – 2021/22;
- The amount of our overall funds invested in our tangible fixed assets, chiefly in our service provision offices, comprises £819,000. This funding is set aside from general reserves to recognise that this value can only be realised by disposing of these assets, and assuming we retain them, to fund the

- depreciation we will incur on these assets over their life;
- £80,000 balance left of the investment fund we created in 2016/17; which will be used for the final phases of website, digital and donor development capacity as part of our long term fundraising strategy;

That leaves the balance of free unrestricted general reserves at 31 March 2019 of £2.4 million, a decrease of £0.4m from the £2.8m held at the start of the year.

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

The Trustees regularly assess the risks to which the Refugee Council is exposed, and determine a range for reserve levels in light of these risks. The principal risks include the requirement for unexpected additional expenditure, a sudden unexpected change in the level of our income, and a need to maintain services in the short term and allow a wind down in a phased manner as individual funding stream ends. While this process cannot come up with a precise figure for reserves, after taking these risks into consideration and bearing in mind the uncertainty around the impact of Brexit at the date of this report the Trustees believe the current appropriate level for free reserves is between £2.0m and £3.0m.

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

At March 2019 the level of free unrestricted reserves is £2.4 million, close to the mid point of the current target range for reserves. In 2019/20 trustees set a budget anticipating a net £0.2 million drawdown from reserves, which would leave levels at £2.2 million at 31 March 2020. Whilst this is still within the current reserves range, at the end of 2019/20 when the outcome and impact of Brexit on the Refugee Council is hopefully more clear, we will set a budget that leaves reserves within the appropriate range at that point.

Approach to Fundraising

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

Occasionally, supporters or businesses wish to undertake fundraising through methods which fall under the term of commercial participator as defined by the Charities Act 2011. These are often small-scale ventures such as proceeds or profits from books or clothes. In all such cases the other party is required to enter into a signed commercial participator agreement with the Refugee Council, which ensures that the charity's reputation can be protected and that the other party complies for all relevant fundraising regulation, including, where applicable, how they will protect vulnerable people. During the year there were five such agreements in place, through which funds of £4,747 were raised for the organisation.

The Refugee Council has been registered with the Fundraising Regulator since its inception in July 2016 and with its predecessor, the Fundraising Standards Board, before then. We fully comply with the Code of Fundraising Regulations issued by the Fundraising Regulator. We take supporter complaints seriously and have established a process to handle, quantify and respond to complaints. This year we received four complaints, all of which were resolved to the complainant's satisfaction by our Supporter Care team. We review all complaints received to determine any changes we need to make, and we update our mailing database whenever a donor requests this. Our Fundraising Complaints Procedure can be easily found on our website.

All of our staff follow best-practice guidelines for dealing with vulnerable people as outlined in our Acceptance and Refusal of Donations Procedures last revised in September 2017.

In July 2017 the Fundraising Regulator launched the Fundraising Preference Service (FPS) aimed at providing people with the means to stop direct marketing from specific charities without having to contact them directly. In this financial year, Refugee Council has received four such requests.

Structure, Governance and Management

This report covers the year to 31 March 2019.

Organisational Structure

The British Refugee Council ("the Refugee Council") is a company limited by guarantee and is registered as a charity with the Charity Commission. The Refugee Council's governing documents are its Memorandum and Articles of Association. As at 31 March 2019 there were 12 trustees who were also members, and who as required by the Memorandum and Articles of Association agree to contribute £1 in the event of the charity winding up. The Trustees perform their work on a voluntary and non-remunerated basis, and are only reimbursed for minor costs such as transport to meetings.

Appointment of Trustees

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

One third of the trustees must stand down at the Board meeting immediately preceding each AGM, with those standing down 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.

There were no resignations or appointments of new trustees in 2018/19.

Trustee induction and training

All Trustees receive a full induction upon being appointed to the Board of Trustees. The induction includes an introductory session 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.

In addition the Trustees hold an annual away day where trustee training forms part of the agenda. At the away day held in May 2018 the Trustees received training from NCVO on the Charity Governance Code, and Board agreed to benchmark its performance against the code. This exercise has commenced with an initial benchmarking against best practice which demonstrated Refugee Council has many of the practical processes in place as envisaged by the Code. Trustee conversation on priority areas for improvement continues into 2019/20.

Organisation

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

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

The Board also has two sub-committee, the Resources Committee and the Nominations Committee. The Resources Committee comprises the Chair, Treasurer, and three other Trustees with relevant experience;

it also 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 they exceed levels delegated to management.

The Nominations Committee comprises the Chair and two other trustees under terms of reference agreed by the Board, which includes overseeing the recruitment and selection of new trustees and supporting the Chair of the Board in ensuring effective Board performance.

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

Public Benefit

The Charities Act 2011 requires charities to demonstrate that their work is of direct benefit to the public. When planning the Refugee Council's activities each year, the Trustees take due regard of the Charity Commission's general guidance on public benefit.

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

Policies

Investment policy

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

Remuneration Policy

The Refugee Council has a job grading system in place that, on the basis of a number of criteria, matches posts against the pay spine used by the National Joint Council for Local Government. This system is used for all posts in the organisation with the exception of executive staff. Employees normally join the organisation at the bottom of the scale for their post and move up the scale on an annual basis. In exceptional circumstances a market supplement may be paid in order to attract a candidate in a difficult to recruit to post. An annual cost of living award is paid to staff in line with that agreed by the National Joint Council. This resulted in an annual increase of 2% in April 2018. No bonuses are payable to any staff.

For executive staff the Refugee Council has to balance a number of factors, including the esteem and value of working for a charity, and the limited number of applicants for senior roles with experience and knowledge in some key functions. The Board are conscious that executive salaries need to remain competitive with the sector whilst ensuring that there is appropriate consistency on remuneration across the organisation. Therefore in determining levels of executive pay, the Refugee Council will usually reference pay data from employment agencies, charities of a comparable size and sector competitors, and will consider the ratio between executive and median employee data. Annual cost of living awards for executive staff are normally comparable to any increases paid to non-executive staff. Senior management received annual cost of living increases of 2% in April 2018. Benefits received by executive staff are in line with those available to all staff.

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

The ratio of the Refugee Council Chief Executive's salary to the median of staff salaries at March 2019 was

3.12 (2018 - 2.99). The increase in ratio is not due to disproportionate increases in the Chief Executive's salary, but due to the median salary reducing due to a greater proportion of our workforce employed outside London weighting regions in 2018/19.

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 to provide organisational updates and for staff to raise questions.

The organisation holds an all-staff conference every two years, to which volunteers are also invited, to foster a spirit of sharing and co-operation. We formally recognise the trade union Unison, and meet with union representatives quarterly in order to consult on issues affecting employees' interests, and the Chair of the Board also meets the union once a year.

Volunteers

Volunteers are critical to the work we are able to achieve and their support makes the impact that we have so much greater. The contribution of volunteers amounted to some 50,000 hours of support during the year. Whilst we do not account for the value of this time in our financial statements, we can note that if we were to value their support to our work at only £10 per hour, that would amount to £500,000 worth of time. Not only do staff appreciate their value but also our beneficiaries who are at the receiving end of their valuable time. This year we have put resources into supporting volunteers and improving our support of them alongside our work to renew our external accreditation, the Investing in Volunteers Award, which we successfully retained in July 2017.

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

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

Statement of Trustees' responsibilities

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

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

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

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

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

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

Provision of information to auditor

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

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

Auditor

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

This Trustees' Report, incorporating the Strategic Report, was approved and authorised for issuance by the Council on 19 September 2019 and signed on its behalf by:

Andrew Halper
Chair

19 September 2019

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

Opinion

We have audited the financial statements of British Refugee Council ('the company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

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

Date:

Devonshire House
 60 Goswell Road
 London
 EC1M 7AD

STATEMENT OF FINANCIAL ACTIVITIES

Including Income and Expenditure Account

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018/19 Total £'000	2017/18 Total £'000
Income from:						
Donations and Legacies	2 & 5	3,036	858	-	3,894	3,077
Charitable Activities	3 & 5	261	6,046	-	6,307	5,092
Other Trading Activities	4	348	-	-	348	371
Investments		12	5	-	17	10
Total Income		3,657	6,909	-	10,566	8,550
Expenditure on:						
Raising Funds:						
Fundraising		1,031	-	-	1,031	1,020
Premises rentals		349	-	-	349	344
Total Raising Funds		1,380	-	-	1,380	1,364
Charitable Activities:						
Resettlement		84	2,687	-	2,771	2,781
Children's Services		237	2,411	-	2,648	2,241
Integration		127	2,390	-	2,517	1,575
Advocacy and Awareness Raising		493	63	-	556	531
Therapeutic Services		122	406	-	528	376
Destitution		10	87	-	97	92
Total Charitable Activities		1,073	8,044	-	9,117	7,596
Total Expenditure	6a - d	2,453	8,044	-	10,497	8,960
Net Income/(Expenditure)		1,204	(1,135)	-	69	(410)
Transfers between Funds	15	(596)	596	-	-	-
Net movement in funds		608	(539)	-	69	(410)
Reconciliation of funds:						
Total funds brought forward		3,620	1,720	110	5,450	5,860
Total funds carried forward		4,228	1,181	110	5,519	5,450

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 2019

REGISTERED COMPANY NO: 2727514

	Notes	31 March 2019 £'000	31 March 2018 £'000
Fixed Assets:			
Tangible assets	8	899	289
Investments		<u>4</u>	<u>4</u>
Total Fixed Assets		<u>903</u>	<u>293</u>
Current assets:			
Debtors	9	2,504	2,884
Cash at bank and in hand	10	<u>3,597</u>	<u>3,929</u>
Total Current Assets		<u>6,101</u>	<u>6,813</u>
Creditors: Amounts falling due within one year	11	<u>(1,242)</u>	<u>(1,493)</u>
Net current assets		<u>4,859</u>	<u>5,320</u>
Total assets less current liabilities		5,762	5,613
Provision for liabilities	12	(243)	(163)
Total Net Assets		<u>5,519</u>	<u>5,450</u>
The funds of the charity			
Unrestricted funds:			
Designated funds		1,824	777
General Reserves		<u>2,404</u>	<u>2,843</u>
Total Unrestricted Funds		4,228	3,620
Restricted Income Funds		1,181	1,720
Endowment Funds		110	110
Total charity funds	13 - 15	<u>5,519</u>	<u>5,450</u>

These accounts, including this balance sheet and the notes on pages 25 to 42, were approved by the Board of Trustees of the British Refugee Council on 19 September 2019, and are signed on its behalf by:

Nick Whitaker FCA

Treasurer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2018/19 Total £'000	2017/18 Total £'000
Cash flows from operating activities:			
<i>Net cash provided by / (used in) operating activities</i>	(i)	<u>277</u>	<u>(356)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		17	10
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(626)	(35)
<i>Net cash provided by / (used in) investing activities</i>		<u>(609)</u>	<u>(25)</u>
<i>Change in cash and cash equivalents in the year</i>		<u>(332)</u>	<u>(381)</u>
Cash and cash equivalents at the beginning of the year		3,929	4,310
Cash and cash equivalents at the end of the year	(ii)	<u>3,597</u>	<u>3,929</u>
(i) Reconciliation of net income/(expenditure) to net cash flow from operating activities			
Net income/(expenditure) for the year		69	(410)
Adjustments for:			
Depreciation charges		96	84
Interest		(17)	(10)
(Increase)/ in debtors		380	(806)
Increase/(decrease) in creditors & provisions		(251)	786
Net cash provided by/(used in) operating activities		<u>277</u>	<u>(356)</u>
(ii) Analysis of cash and cash equivalents			
Cash in hand		2,241	1,287
Notice deposits (less than 3 months)		1,356	2,642
Total cash and cash equivalents		<u>3,597</u>	<u>3,929</u>

NOTES TO THE FINANCIAL STATEMENTS**1. ACCOUNTING POLICIES****(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2015) – (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

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

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

The functional currency of the charity is pounds Sterling.

(b) Income

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

Income from Donations and Legacies

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

Income from Charitable Activities

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

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

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

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

Comprises primarily rental income received on renting out surplus office space. Rental income is recognised on a straight line basis over the term of the rental agreement..

(c) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under the related activity. The expenditure comprises direct expenditure including direct staff cost attributable and allocated support cost. Support costs represent central operational overheads such as Finance, Human Resources, Information Technology, and Office Services incurred in provision of services and the costs of governing the organisation. Support costs are allocated to activities on the basis of a percent on top of the expenditure supported as this is deemed the most appropriate measure of how such resources are used.

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 and communicated but still to be paid are included in the balance sheet as current liabilities.

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

- Resettlement – where we work in partnership with local authorities in providing high quality services to integrate refugees in England;
- Children’s Services – where we provide services to separated children, children who have been trafficked and or suffered traumatic experiences;
- Integration – where we support those with newly granted refugee status to move into mainstream support systems;
- Advocacy and Awareness Raising – where we promote the rights of refugees and to ensure that UK immigration legislation and European directives are responded to in a co-ordinated manner, including the use of research, public campaigns, policy influencing, parliamentary lobbying and media work;
- Therapeutic Services – where we offer a holistic response to the complex needs of refugees who have suffered traumatic experiences;
- Destitution – where we provide immediate personal support to those at risk of destitution and also access to advice; and
-

(d) Fund accounting

The charity maintains various types of funds as follows:

Unrestricted funds

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

Designated funds are unrestricted funds transferred from general funds and set aside at the discretion of the Board of Trustees for particular purposes. The Trustees review the composition of the funds annually in order to assess their continued use and make new reserves in line with the future strategy of the charity.

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

NOTES TO THE FINANCIAL STATEMENTS

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.

Endowment funds

The charity holds one endowment fund which capital sum is to be held in perpetuity with the interest on the balance used to support refugees' education. The aim and use of this endowment fund is set out in note 15c 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 primarily restricted funded project exceeds the restricted funding available from donors in the year, funding is transferred from unrestricted funds to meet the excess cost.

(e) Tangible fixed assets and depreciation

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

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

(f) Value added tax

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

(g) Pensions

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

(h) 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.

(i) 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.

(j) Critical accounting estimates and areas of judgement

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

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

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

ii. Debtors and creditors

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

NOTES TO THE FINANCIAL STATEMENTS

2. Donations and legacies	Unrestricted Funds £'000	Restricted Funds £'000	2018/19 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2017/18 Total £'000
Donations and gifts from individuals	2,663	185	2,848	1,722	201	1,923
Legacies	347	-	347	566	-	566
Trust income & general grants	26	673	699	56	532	588
Total	3,036	858	3,894	2,344	733	3,077

3. Charitable activities	Unrestricted Funds £'000	Restricted Funds £'000	2018/19 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2017/18 Total £'000
Resettlement	26	2,651	2,677	4	2,586	2,590
Children's Services	158	1,934	2,092	36	1,656	1,692
Integration	11	1,121	1,132	4	692	696
Advocacy and Awareness Raising	25	113	138	-	23	23
Therapeutic Services	2	227	229	4	87	91
Asylum Support	39	-	39	-	-	-
Total	261	6,046	6,307	48	5,044	5,092

4. Other Trading Activities	Unrestricted Funds £'000	Restricted Funds £'000	2018/19 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2017/18 Total £'000
Premises sublets and rentals	348	-	348	371	-	371
Total	348	-	348	371	-	371

NOTES TO THE FINANCIAL STATEMENTS

5a. Grants included within donations and legacies:

Activity	Funder	Grant For	2018/19 £'000	2017/18 £'000
Integration	Various trusts	Employment, Refugee Advice Project, Private Rented Scheme	217	124
Children's Services	Various trusts	Various Children's Projects	213	109
Integration	Starbucks	Employment	101	145
Children's Services	The Rayne Foundation	My View: Therapeutic Services for Refugee Children	40	20
Resettlement	Reset Communities and Refugees	Capacity Building for Community Sponsorship of Refugees Programme	13	8
Therapeutic Services	Various trusts	Adults Therapeutic Services	10	44
Resettlement	Skills for Care	Supporting newly qualified social workers to complete ASYE	2	4
Destitution	Various trusts	Destitution	8	1
Children's Services	The Sigrid Rausing Trust	Refugee Cricket Project	-	10
Various	Other funders	Other grants	73	24
Other Trust and Statutory Grants			677	489
Total Grants included within donations and legacies			677	489

5b. Grants included within charitable activities:

Activity	Funder	Grant For	2018/19 £'000	2017/18 £'000
Resettlement	Leeds City Council	Yorkshire & Humberside Syrian Vulnerable Persons Relocation Scheme	1,782	1,766
Children's Services	Home Office	Children's Panel and Kent Intake Unit	1,600	1,400
Integration	Asylum Migration & Integration Fund (AMIF)	New Roots	511	-
Resettlement	Sheffield City Council	Gateway Resettlement Programme	476	503
Resettlement	Various Hertfordshire Councils	Hertfordshire Syrian Vulnerable Persons Resettlement Scheme	302	315
Integration	Health Education England	Building Bridges	291	291
Integration	Department of Health	Health Access for Refugees Programme	-	105
Integration	National Lottery Community Fund	Barnsley Refugee Advice Project	114	84
Resettlement	Bassetlaw District Council	Syrian Vulnerable Persons Refugee Programme	75	16
Integration	Hull City Council	ESOL for Health	-	5
Integration	National Lottery Community Fund	Health Access for Refugees Programme (HARP 2)	68	-
Therapeutic Services	Cambridge & Peterborough CCGs	VPRS - Cambridge & Petersborough	52	-
Therapeutic Services	Leeds City Council	VPRS South Yorkshire	43	-
Therapeutic Services	Ipswich CCG	VPRS- Ipswich	42	-
Government Grants			5,356	4,485

NOTES TO THE FINANCIAL STATEMENTS

5b. Continued: Grants included within charitable activities:

Activity	Funder	Grant For	2018/19 £'000	2017/18 £'000
Children's Services	People's Postcode Lottery	From Surviving to Thriving	164	150
Integration	World Jewish Relief	Regional Employment Programme	133	104
Integration	City Bridge Trust	Refugee Community Organisation Capacity Building	26	50
Therapeutic Services	Comic Relief	Safer Refugee Women	50	47
Mixed	Comic Relief	Core Grant	50	-
Children's Services	Comic Relief	Age Disputes	48	48
Children's Services	Comic Relief	My View (London, Boys)	46	-
Children's Services	Children in Need	Youth Development	44	42
Therapeutic Services	City Bridge Trust	Improving Londoners' Mental Health	39	37
Advocacy and Awareness Raising	Other Funders	Detention Forum	60	-
Advocacy and Awareness Raising	Barrow Cadbury Trust	Detention Forum	23	15
Advocacy and Awareness Raising	The Bromley Trust	Detention Forum	5	5
Integration	Fresh Leaf Charitable Foundation	Refugees into Jobs	-	35
Integration	Metropolitan Migration Foundation	Transition Resettlement Project	-	19
Advocacy and Awareness Raising	Trust for London	Refugee Housing	-	3
Various	Others	Others	66	10
Other Trust and Statutory Grants			754	565
Total Grants included within charitable activities			6,110	5,050

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	2018/19	Unrestricted	Restricted	2017/18
	Funds	Funds	Total	Funds	Funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Raising Funds:						
Fundraising	1,031	-	1,031	1,020	-	1,020
Premises sublet	349	-	349	344	-	344
Total Raising Funds	1,380	-	1,380	1,364	-	1,364
Charitable Activities:						
Resettlement	84	2,687	2,771	174	2,607	2,781
Children's Services	237	2,411	2,648	165	2,076	2,241
Integration	127	2,390	2,517	86	1,489	1,575
Advocacy and Awareness Raising	493	63	556	510	21	531
Therapeutic Services	122	406	528	59	317	376
Destitution	10	87	97	3	89	92
Total Charitable Activities	1,073	8,044	9,117	997	6,599	7,596
Total Expenditure	2,453	8,044	10,497	2,361	6,599	8,960

6b. Expenditure analysis	Staff Costs	Other Direct	Grant	Subtotal	Support	Total
	£'000	Costs	expenditure	£'000	Costs	£'000
	Note 7(a)	£'000	£'000	£'000	£'000	£'000
2018/19 Expenditure on:			Note 6(d)		Note 6(c)	
Raising Funds:						
Fundraising	571	324	-	895	136	1,031
Premises sublet	-	349	-	349	-	349
Total Raising Funds	571	673	-	1,244	136	1,380
Charitable Activities:						
Resettlement	1,856	546	-	2,402	369	2,771
Children's Services	1,609	659	37	2,305	343	2,648
Integration	955	409	931	2,295	222	2,517
Advocacy and Awareness Raising	324	160	6	490	66	556
Therapeutic Services	319	142	-	461	67	528
Destitution	44	33	-	77	20	97
Total Charitable Activities	5,107	1,949	974	8,030	1,087	9,117
Support Costs (Note 6(c))	759	464	-	1,223	(1,223)	-
Total	6,437	3,086	974	10,497	-	10,497
2017/18 Expenditure on:						
Raising Funds:						
Fundraising	457	413	-	870	150	1,020
Premises sublet	5	339	-	344	-	344
Total Raising Funds	462	752	-	1,214	150	1,364
Charitable Activities:						
Resettlement	1,851	527	-	2,378	403	2,781
Children's Services	1,482	473	-	1,955	286	2,241
Integration	598	291	548	1,437	138	1,575
Advocacy and Awareness Raising	340	130	6	476	55	531
Therapeutic Services	230	99	-	329	47	376
Destitution	44	36	-	80	12	92
Total Charitable Activities	4,545	1,556	554	6,655	941	7,596
Support Costs (Note 6(c))	631	460	-	1,091	(1,091)	-
Total	5,638	2,768	554	8,960	-	8,960

NOTES TO THE FINANCIAL STATEMENTS

6c. Support Costs	2018/19	2017/18
	£'000	£'000
Central Premises and Business Support	466	352
Human Resources	241	208
Finance and Payroll	236	247
Information & Communication Technology	179	163
Governance Costs	102	51
Digital & Web development	83	-
Senior Management	51	31
VAT provision made / (released)	(135)	39
Total Support Costs	1,223	1,091

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

6d. Grant Expenditure

For	Activity	2018/19	2017/18
		£'000	£'000
Institutional Grants to			
London Metropolitan University	Building Bridges	126	126
ECPAT	Trafficking Training	37	-
Goodwin Trust	New Roots	37	-
Refugee Education & Training Advice Service	New Roots	35	-
Barnsley CVS	Refugee Advice Project	24	18
PATH Yorkshire	New Roots	20	-
Glowing Results	Building Bridges	19	24
Humber Community Advice Services	New Roots	13	-
Counterpoint Arts	Refugee Week	6	6
North of England Refugee Service	HARP	-	11
City of Sanctuary Sheffield	HARP	-	8
i) Expenditure on Grants to Institutions		317	193
Individual Grants paid under			
Syrian Refugee Grants Fund	Education and Employment	657	361
ii) Expenditure on Grants to Individuals		657	361
Total Grant Expenditure		974	554

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

The cost of administering the Syrian Refugee Grants Fund in 2018/19, including the cost of processing applications, awarding grants, making payments, and monitoring and reporting on the fund, was £77k (2017/18 £53k).

7a. Staff costs and employee benefits	2018/19	2017/18
	£'000	£'000
Wages and salaries	5,247	4,514
Social security costs (employer's National Insurance)	504	427
Employer's contribution to defined contribution pension	187	159
Salaried Employees	5,938	5,100
Wages and salaries	477	518
Social security costs (employer's National Insurance)	15	17
Employer's contribution to defined contribution pension	7	3
Sessional Workers	499	538
Total staff costs	6,437	5,638

NOTES TO THE FINANCIAL STATEMENTS

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

	2018/19	2017/18
£60,000 - £69,999	3	2
£80,000 - £89,999	1	1
Total	4	3

Pensions payments in respect of the above in 2018/19 were £12k (2017/18: £10k).

The remuneration of the senior executives is set in accordance with the policy set out in the Trustees Report. In 2018/19 the below posts were classified as Senior Executive. The actual remuneration (including amounts paid in respect of employer's National Insurance and Pension contributions) paid for the individuals who were in post during the year is shown below, and the names of the post holders can be found on p42.

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

	FTE Salary for Post £	Actual Salary paid £	Employer's NI paid £	Employer's Pension paid £	Total Remuneration £	Total Remuneration £
	2018/19	2018/19	2018/19	2018/19	2018/19	2017/18
Chief Executive	84,253	84,253	10,464	4,213	98,930	97,004
ED Services	65,801	63,637	7,619	3,182	74,438	72,726
ED Advocacy and Engagement	63,679	63,679	7,625	3,184	74,488	73,041
ED of Income Generation	63,240	63,240	7,565	1,897	72,702	61,854
ED Finance and Resources (to 30 September)	63,679	35,636	4,240	1,782	41,658	0
ED Finance and Resources (from 1st October)	63,500	31,750	3,800	1,587	37,137	66,242
Total Senior Executive Remuneration		342,194	41,313	15,844	399,353	370,867

7b. Average Staff Numbers

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

	2018/19		2017/18	
	FTE	Headcount	FTE	Headcount
Charitable Activities:				
Resettlement	53	60	51	58
Children's Services	46	50	43	49
Integration	20	23	12	14
Advocacy and Awareness Raising	8	9	7	8
Therapeutic Services	7	11	5	6
Destitution	1	1	1	1
Total Charitable Activities	136	154	119	136
Raising Funds	15	16	13	14
Support	17	19	17	18
Total Staff Employed	168	189	149	168

In addition to salaried employees, the Refugee Council uses sessional workers on an ad hoc bookings basis, chiefly for the provision of interpretation. In 2018/19 we paid a total of 245 sessional workers (2017/18: 217).

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 - 1 April 2018</i>	610	394	235	1,239
Additions	643	17	46	706
At end of the year - 31 March 2019	<u>1,253</u>	<u>411</u>	<u>281</u>	<u>1,945</u>
Depreciation and impairments				
<i>At beginning of the year - 1 April 2018</i>	324	394	232	950
Depreciation	92	2	2	96
At end of the year - 31 March 2019	<u>416</u>	<u>396</u>	<u>234</u>	<u>1,046</u>
<i>Net book value at beginning of the year</i>	286	-	3	289
Net book value at end of the year	<u>837</u>	<u>15</u>	<u>47</u>	<u>899</u>

9. Debtors	31 March 2019 £'000	31 March 2018 £'000
Accrued income	1,152	2,444
Prepayments	286	231
Trade Debtors	997	190
Other debtors	69	19
Total Debtors	<u>2,504</u>	<u>2,884</u>

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

10. Cash at bank and in hand	31 March 2019 £'000	31 March 2018 £'000
Cash on short term deposit	1,356	2,642
Cash at bank and in hand	2,241	1,287
Total Cash at bank and in hand	<u>3,597</u>	<u>3,929</u>

NOTES TO THE FINANCIAL STATEMENTS

11. Creditors: Amounts falling due within one year	31 March 2019 £'000	31 March 2018 £'000
Trade creditors	157	144
Other creditors	160	191
Taxation and social security	159	909
Accruals	284	105
Deferred income (i)	482	144
Total Creditors falling due within one year	<u>1,242</u>	<u>1,493</u>

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

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

(i) Movement on Deferred Income	2018/19 £'000	2017/18 £'000
Deferred income at 1 April	144	96
Income released from the previous year	(144)	(96)
Funding received and deferred	482	144
Deferred income at 31 March	<u>482</u>	<u>144</u>

12. Provisions

Dilapidations provisions result from constructive obligations arising under leaseholder agreements.

Dilapidations Provisions	2018/19 £'000	2017/18 £'000
Provided at 1 April	163	130
Additional provisions in the year	80	33
Provided at 31 March	<u>243</u>	<u>163</u>

NOTES TO THE FINANCIAL STATEMENTS

13. Movement on Funds Summary	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
2018/19				
Balance at 1st April	3,620	1,720	110	5,450
Income	3,657	6,909	-	10,566
Expenditure	(2,453)	(8,044)	-	(10,497)
Net Income / (Expenditure)	1,204	(1,135)	-	69
Transfers	(596)	596	-	-
Net Movements in funds	608	(539)	-	69
Balance at 31st March	4,228	1,181	110	5,519
2017/18				
Balance at 1st April	3,817	2,043	-	5,860
Income	2,767	5,783	-	8,550
Expenditure	(2,361)	(6,599)	-	(8,960)
Net Income / (Expenditure)	406	(816)	-	(410)
Transfers	(603)	493	110	-
Net Movements in funds	(197)	(323)	110	(410)
Balance at 31st March	3,620	1,720	110	5,450
14. Funds assets and liabilities				
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
2018/19				
Fixed Assets & Investments	903	-	-	903
Debtors	740	1,764	-	2,504
Cash at bank and in hand	2,974	513	110	3,597
Total Assets	4,617	2,277	110	7,004
Creditors	(146)	(1,096)	-	(1,242)
Provision for liabilities	(243)	-	-	(243)
Liabilities	(389)	(1,096)	-	(1,485)
Net Assets and Funds Total	4,228	1,181	110	5,519
2017/18				
Fixed Assets & Investments	293	-	-	293
Debtors	1,246	1,638	-	2,884
Cash at bank and in hand	2,454	1,365	110	3,929
Total Assets	3,993	3,003	110	7,106
Creditors	(210)	(1,283)	-	(1,493)
Provision for liabilities	(163)	-	-	(163)
Liabilities	(373)	(1,283)	-	(1,656)
Net Assets and Funds Total	3,620	1,720	110	5,450

NOTES TO THE FINANCIAL STATEMENTS

15. Funds Details

15a. Unrestricted Funds	Balance at 1 April 2018 £'000	Income £'000	Expenditure £'000	Net I&E before Transfers £'000	Transfers £'000	Balance at 31 March 2019 £'000
General Fund	2,843	2,732	(1,949)	783	(1,222)	2,404
Designated Funds:						
(i) Fixed Asset Reserve	289	-	(96)	(96)	626	819
(ii) Guardian Appeal	85	-	(85)	(85)	-	-
(iii) Investment Fund	403	-	(323)	(323)	-	80
(iv) Major Donor Services Fund	-	925	-	925	-	925
Total Designated Funds	777	925	(504)	421	626	1,824
Total Unrestricted Funds	3,620	3,657	(2,453)	1,204	(596)	4,228

(i) The Fixed Asset Reserve represents unrestricted funds invested in tangible fixed assets for use by the charity, which are not available for other purposes. Fixed asset depreciation is charged to these balances. The transfer in represents the value of fit-out works on the new service delivery offices in Croydon and Stratford.

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

(iii) As part of the trustees' review on reserves it was identified that one-off funding was required for investment in certain areas of the charity, including investment in our website and communication with our donors, investment in the facilities in which we provide our services to clients, and in the strategic development of the charity. In 2018/19 this funded investment in our new website, the one-off costs of setting up new bespoke service delivery hubs, and in delivering our advocacy and engagement strategy.

(iv) In 2018/19 we received a gift of £1m from one of our loyal supporters. With the exception of £75k the donor requested we restrict towards funding for another refugee support charity, shown within restricted fund xiv) below, the donor was content for this gift to be used in line with our overall charitable objects. As a major and one-off gift, trustees agreed to designate this against the three year period 2019/20 - 2021/22's budget as continuity funding for our core services.

The net £596k (2017/18: £603k) transfer out of unrestricted and into restricted funds represents our use of unrestricted resources to part fund restricted charitable expenditure. For the most part this is in the case where we have planned for an activity to be funded from a mix of unrestricted and restricted income, but can also arise where funder rules preclude their funding of the full cost of the activity.

15b. Restricted Funds:	Balance at 1 April 2018 £'000	Income £'000	Expenditure £'000	Net I&E before Transfers £'000	Transfers £'000	Balance at 31 March 2019 £'000
(i) Children's Advice Service	42	1,600	(1,590)	10	6	58
(ii) Other Children's Services	79	525	(642)	(117)	86	48
(iii) From Surviving to Thriving (PPL)	21	164	(174)	(10)	5	16
(iv) Gateway Resettlement	67	477	(514)	(37)	52	82
(v) Syrian VPRS Resettlement - Y&H	46	1,782	(1,837)	(55)	77	68
(vi) Syrian VPRS Resettlement - Hertfordshire	111	305	(221)	84	-	195
(vii) Syrian Grant Fund (GSG)	1,093	4	(833)	(829)	-	264
(viii) Employment Programme (WJR)	-	133	(137)	(4)	4	-
(ix) Integration including New Roots	18	653	(807)	(154)	154	18
(x) Building Bridges	7	291	(291)	-	-	7
(xi) Starbucks Refugee Employment	79	101	(97)	4	-	83
(xii) Barnsley Refugee Advice Project (BLF)	10	114	(111)	3	-	13

(xiii) Therapeutic Services	18	249	(392)	(143)	152	27
(xiv) Other	129	511	(398)	113	60	302
Total Restricted Funds	1,720	6,909	(8,044)	(1,135)	596	1,181

(i) The Children's Advice Service (previously referred to as Children's Panel) works mainly with unaccompanied children. The service helps children access education, training, health care and legal advice, as well as providing independent advocacy on their behalf. This activity is funded by the Home Office, with the transfer in representing unrestricted funding of the small balance of costs. The balance carried forward represents funding set aside to match increases in redundancy rights accrued by staff in the delivery of the service.

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

(iii) Funded by the People's Postcode Lottery, 'Surviving to Thriving' is a partnership project between British Red Cross, Refugee Council and UpRising that provides practical support to young refugees through life skills and advice and mental health support.

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

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

(vii) Goldman Sachs Gives have provided grant support to set up the Syrian Refugees Fund, a fund which will make small grants to Syrian households resettled to the UK through the Vulnerable Persons Resettlement Scheme, towards education and employment aims. The grant also funds a project to support refugee employment in Hertfordshire & Hull.

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

(ix) The Refugee Council provides support to newly granted refugees to integrate into the UK. We support refugees at every stage in their integration, including helping secure access to housing and other rights on initial grant of refugee status, through to social integration activities, to supporting settled refugees find employment. In 2018/19 the Refugee Council secured significant funding from the EC Asylum Migration and Integration Fund (AMIF) for this work, and used it to set up the 'New Roots' project, which has allowed us to expand this work in London, and working in collaboration with delivery partners, extend it to Hull and Leeds.

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

(xi) As part of their commitment to support refugee employment globally, Starbucks fund Refugee Council to provide pre-employment training and one-to-one support to refugees followed by a guaranteed job interviews for Barista roles within Starbucks stores across London. The balance carried forward at 31 March 2019 is the balance of funding received in respect of the 2019 programme unspent at 31 March, and will be utilised by December 2019.

(xii) The Barnsley Refugee Advice Project supports advice and integration to refugees and asylum seekers in Barnsley

(xiii) The Refugee Council runs a number of projects providing therapy and psycho-social support to refugees and asylum seekers. Funding for this work comes from a mix of voluntary grants, commissioning contracts from CCGs, and unrestricted funding.

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

15c. Endowment Funds	Balance at 1 April 2018 £'000	Income £'000	Expenditure £'000	Net I&E before Transfers £'000	Transfers £'000	Balance at 31 March 2019 £'000
(i) John Frank Fund	110	-	-	-	-	110
Total Restricted Funds	110	0	0	0	0	110

(i) 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.

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 (in 2018/19 £268 was claimed in total by 3 trustees.)

	2018/19	2017/18
	£'000	£'000
Total expenses	0	1
	2018/19	2017/18
Number of trustees claiming expenses	3	6

17. Related parties

The Refugee Council Trustee Salah Mohamed is also the Chief Executive of the Welsh Refugee Council (WRC). WRC uses the 'Joint Client Database' (JCDB) client database which is hosted and administered by the Refugee Council, and pays a contribution to the Refugee Council towards the running costs of the system. The contribution levels are set each year by reference to the cost of the system and in proportion to the users of the JCDB by each participating partner body. In 2018/19 there was income from WRC totalling £8k towards the JCDB, of which £4k was outstanding at 31 March 2019. (2017/18: £9k income, £4k outstanding at 31 March 2018.)

The Refugee Council Trustee Anne McLoughlin is the Chair of the Board of Management of Innisfree Housing Association. In February 2019 The Refugee Council entered into a service level agreement with Innisfree for the provision of support services to clients nominated by ourselves and housed by Innisfree at one of their properties. In 2018/19 there was income from Innisfree of £3k in respect of this SLA of which £3k was outstanding at 31 March 2019 (2017/18: Nil income, nil outstanding.)

In November 2018 Executive Director of Advocacy and Engagement Lisa Doyle was elected to the Board of the European Council Refugees and Exiles (ECRE). The Refugee Council works with ECRE on their Asylum Information Database (AIDA) project, for which there was income and receipt of £3k in 2018/19 (2017/18: £3k.)

The Refugee Council received a total of £1,298 unrestricted donations from its trustees in 2018/19 (2017/18: £944)

18. Fees payable to auditor

	2018/19	2017/18
	£'000	£'000
Statutory audit fee	14	14
Tax advisory services	-	3
Total	14	17

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

	2018/19	2017/18
	£'000	£'000
Operating lease expenditure	685	493

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 2019 £'000	31 March 2018 £'000
Within one year	680	427
Between two and five years	1,868	1,106
Over five years	1,217	23
Total future minimum lease payments	<u>3,765</u>	<u>1,556</u>

As at 31 March 2019 The Refugee Council had capital commitments of £26k in respect of the fit out of Alf Dubs House (2017/18: nil).

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 2019 £'000	31 March 2018 £'000
Within one year	219	219
Between two and five years	441	661
Over five years	-	0
Total future minimum lease payments	<u>660</u>	<u>880</u>

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

Charity number 1014576

Chief Executive

Maurice Wren

Company Secretary

Martin Tyler (until 30/09/2018)
Nicola Kelly (from 01/10/2018)

Executive Director of Services

Una Barry MBE

Executive Director of Advocacy and Engagement

Lisa Doyle

Executive Director of Income Generation

Lee Green

Executive Director of Finance and Resources

Martin Tyler (until 30/09/2018)
Nicola Kelly (from 01/10/2018)

Principal and Registered Office

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

Company number 2727514

Auditor

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

Bankers

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

Solicitors

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

Pension Advisers

Creative Benefits
2 Cherry Orchard Road
Croydon,
Surrey, CR0 6BA

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 2018/19:

Andrew Halper (Chair)
Nick Whitaker (Honorary Treasurer)
Zaeem Haq
Aneil Jhumat
Vaughan Jones
John Kerr
Anne McLoughlin
Salah Mohamed
Rachael Orr
Clare Paterson
Gerry Power
Lyndall Stein