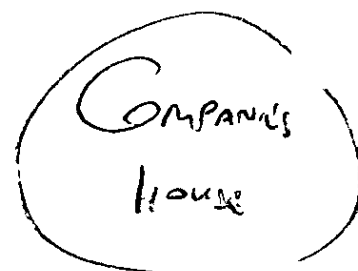


Refugee Action's Annual Report 2012-2013

Our vision is of a society in which refugees are welcome, respected and safe, and in which they can realise their full potential

Contents

Reference and administrative details	2
Message from the Chair	3
Trustees' report	4
Strategic Plan 2010-2015	5
Our aims - refugee facing	5
Our aims - public facing	7
Thank you	9
Risk assessment	10
Financial summary	10
Independent Auditors' report	13
Statement of financial activities	15
Balance sheet	16
Cash flow statement	17
Notes to the financial statements	18
Contact details	31



www.refugee-action.org.uk
www.facebook.com/refugeeaction
<http://twitter.com/refugeeaction>

THURSDAY



L2NJYX9S
LD5 19/12/2013 #71
COMPANIES HOUSE

Reference and administrative details

For the year ended 31 March 2013

Refugee Action is an independent, national charity working to enable refugees to build new lives. We provide practical emergency support for newly arrived asylum seekers and long-term commitment to their settlement. As one of the leading charities in the field, Refugee Action has more than 30 years' experience in pioneering innovative work in partnership with refugees.

Registered charity number 283660 Registered company number 01593454

Registered office

Victoria Charity Centre
11 Belgrave Road
London SW1V 1RB

Chief Executive and Secretary

Dave Garratt

Trustees

Susan Cueva
Andy Gregg (Vice Chair)
Colin Hodgetts
Minoo Jalali
Jeremy Lester (Honorary Treasurer)
Julia Meiklejohn (Chair)
Rachel Pendlebury
Stefanie Pfeil
Chris Randall
Sheila Fox (resigned on 11/03/2013)

Auditors

MHA Macintyre Hudson
Chartered Accountants and Statutory Auditor
New Bridge Street House, 30-34 New Bridge Street
London EC4V 6BJ

Bankers

National Westminster Bank plc
PO Box 282, 7 Derby Place
Derby DE1 9DS

Solicitors

Shoosmiths
Apex Plaza, Forbury Road
Reading RG1 1SH

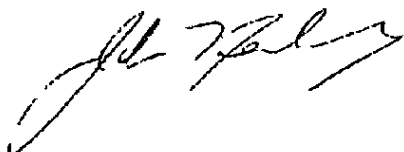
Message from the Chair for the year ended 31 March 2013

During the past year Refugee Action, staff and volunteers, have continued to deliver programmes, projects and materials that reflect our vision of a society in which refugees are welcome, respected and safe. We work with all age groups and many nationalities within refugee communities to offer services, communicating with many individuals and organisations to raise awareness of the issues.

We are well aware of the 'hostile environment' that has been created where refugees are less welcome in Britain, as is the case in many countries in Europe. The economic and creative gifts which refugees bring are not valued. This means we are entering even more challenging times, requiring a need to increase the support for our work in terms of a more varied funding stream, as well as promoting a positive awareness of refugees. We must also be creative and flexible in our structure and approach.

Refugee Action is concerned that public perceptions need to change and policies need to improve to protect the refugees who manage to reach our shores. The crisis for refugees from Syria is a good example where European countries, including Britain, have been almost completely silent on the need for sanctuary outside the camps of the Middle East. Where is our compassion for the vulnerable, especially women and children, who are stuck in camps for a long time or forever?

In the next few years we will be taking on these challenges and creating a renewed charity that can respond and adapt to the new environment. We need to work with our volunteers, the wider public and other organisations to promote a positive climate for refugees, to create a dynamic sector that can act upon the real needs of refugees.



Julia Meiklejohn
Chair of Trustees
Refugee Action

Trustees' report

The trustees, who are also the directors of the charity for the purposes of company law, submit their annual report and the financial statements of Refugee Action for the year ended 31 March 2013. The trustees confirm that the annual report and financial statements of the Charity comply with current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities (revised 2005)'

What we do

Refugee Action is a leading independent national charity, working across six regions in England to enable refugees and asylum seekers to build new lives

Founded in 1981, we developed the first model resettlement programmes in the UK, initially with refugees from Vietnam, Bosnia and Kosovo. Our vision is of a society in which refugees are welcome, respected and safe, and in which they can realise their full potential. We achieve this through advice and information, developing communities, enhancing opportunities, and being a strong voice for refugee rights

Most refugees have fled war or persecution and many arrive in the UK without family or friends. They need advice, information and support so they can negotiate the complex asylum system, access services and overcome the considerable challenges of integration

Advice and support to asylum seekers and those newly granted refugee status is provided through our One Stop Service and its companion service in Liverpool, Initial Accommodation Wraparound. We are the largest voluntary sector partner for the Gateway Protection Programme, which provides intensive support to refugees who have come to the UK under the United Nations High Commissioner for Refugees (UNHCR) Resettlement Programme. Our Choices Service delivers the UK's Assisted Voluntary Return Programme, providing advice and information for people considering returning voluntarily to their home countries

We run many other specialist services and grass-roots projects, meeting a wide range of needs including those of the most vulnerable refugees and asylum seekers. They include, for example, our Get Connected project for unaccompanied asylum-seeking children in Liverpool, the Fresh Start project for destitute women refugees in Leicester, and the Wellbeing Project in Manchester for those experiencing isolation.

We belong to and help to establish a wide range of local and national networks and our stakeholder surveys praise our partnership skills. Together with our partners, and independently, we work to influence policy-makers to improve the asylum system.

Structure, governance and management

The charity is governed by its memorandum and articles of association. Refugee Action's trustees are responsible for the overall management of the charity. Trustees are chosen for their commitment to refugees and for expertise, including life experience as refugees, that may be useful in governing the charity. The trustees who served during the year and since are shown on page 2. Biographical details of our trustees can be seen on our website: www.refugee-action.org.uk

The trustees set and oversee Refugee Action's policies and plans, oversee its financial affairs, and supervise the work of the salaried Chief Executive in carrying out these policies and plans. All trustees are unpaid. When first appointed they are offered an induction programme that includes visits to our regional office teams and to head office. Trustees also hold an annual away day with an experienced voluntary sector consultant at which the responsibilities, the future programmes, and the risks and challenges facing the charity and its trustees are discussed. Details of trustee expenses and related transactions are disclosed in note 4 of the accounts

The Chief Executive is appointed by the trustees and is accountable to them for managing the charity as a whole. They are in turn advised by a senior management team (SMT), whose members in 2012/13 were

David Garratt, Chief Executive
Lyn Adams, Assistant to Chief Executive
Lou Calvey, Deputy Director of Operations
Rick Jones, Director of Operations
Alison Griffin, Head of Fundraising and Communications
Nicola Parker, Human Resources Manager
Yemane Tsegai, Finance Director

Trustees' report

The SMT is assisted by a staff team that comprised just over 230 staff at the end of March 2013. With the help of volunteers, they delivered services in six regions of England based in ten offices during 2012-2013. These were in London (including headquarters), Portsmouth, Bristol, Leicester, Birmingham, Liverpool (including the Wraparound Service based in Initial Accommodation), Manchester and Leeds.

Public benefit

Our work is focused on improving the lives of refugees and asylum seekers. By providing advice and support to refugees and asylum seekers, our work is of public benefit by supporting those individuals, relieving their poverty and distress, and by reducing the strain on other community and statutory organisations.

The awareness-raising sessions and training that we provide to community groups, statutory organisations and voluntary organisations also have wider ramifications for the public benefit by improving public understanding of why refugees and asylum seekers come to the UK, their rights while here, and their potential contribution to the UK. This in turn reduces hostility towards asylum seekers and refugees, and improves understanding and cohesion between different communities.

Strategic plan 2010-2015

Vision

We want a society in which refugees are welcome, respected and safe, and in which they can achieve their full potential.

Objects

The objects of the charity are 'the relief of persons who have become displaced persons or refugees from the country of their origin or domicile by reason of hostilities, persecution, oppression, discrimination, natural disaster or other like causes, and their families and dependants who are in conditions of need, hardship and distress'.

Purpose

We exist to enable refugees to build new lives, through providing advice and information, developing communities, enhancing opportunity and campaigning for refugee rights.

Values

- a) Refugee focus: we put the interests of refugees above all other considerations
- b) Empowerment: the best outcomes for refugees come about when they are empowered
- c) Partnership: we work with honesty and transparency to advance the movement for refugee rights
- d) Innovation: we will continue to find ways to improve refugees' lives

Our aims - refugee facing

Ensure that refugees know their rights and responsibilities, are aware of the opportunities available to them and are able to take advantage of such opportunities

One Stop Service

Portsmouth, Bristol, East Midlands, Liverpool and Manchester

Throughout the asylum process, financial support, accommodation, understanding Home Office procedures and access to a solicitor are principal concerns for asylum seekers and refugees. Our One Stop Service is a confidential and independent advice service, funded by the Home Office to operate from five Refugee Action offices across England. Advice and information is also given on education, health, employment and complex issues such as domestic violence, racial harassment and trafficking. We refer asylum seekers and refugees to our own or other specialist services and also provide emergency funds and food parcels, either directly or through partner agencies.

In 2012-2013, refugees and asylum seekers contacted our caseworkers almost 22,500 times and came to us for more than 10,000 one-to-one advice sessions. Financial support, including delayed payments, were the most frequent concern, with more than 2,400 sessions taking place with those who were destitute or concerned about destitution.

Trustees' report

The top five countries of origin of those visiting the service were Iran, Pakistan, China, Zimbabwe and Iraq. Almost a fifth of clients were parents with children, just under one-third were women, and just over a fifth were under the age of 25.

Initial Accommodation Wraparound Service

Liverpool

Newly arrived asylum seekers are placed in initial accommodation by the Home Office, but the start of their asylum journey is often a bewildering and difficult time. Our Wraparound Service in Liverpool helps them to understand their rights and responsibilities, aims to ensure they are settled as quickly as possible in more permanent accommodation, and that they are well informed about the asylum process and life in the UK.

During 2012-2013, the Wraparound Service delivered 6,188 face-to-face sessions with asylum seekers. Almost 440 people benefited from our pre-substantive interview briefings, which prepare them for their main interview with the Home Office caseworker who will make a decision on their asylum claim

Choices Assisted Voluntary Return Service

Portsmouth, Bristol, Cardiff, Leicester, Birmingham, Belfast, Liverpool, Manchester, Leeds and Glasgow
Choices is available to asylum seekers, refused asylum seekers and irregular migrants, whether individuals or families with children. During 2012 - 2013, 7,474 people accessed the Choices service.

Our outreach workers raise awareness of the service in communities, while caseworkers provide advice and information to people considering return both in Immigration Removal Centres and the community. For those who decide to return, our caseworkers help with flight booking and other practicalities, and help with reintegration planning and accessing any financial help that may be available. They keep in touch with returnees after their return, and feed their experiences back into the UK service. This helps those considering voluntary return to make a fully informed decision. For those who decide not to return, our caseworkers can refer clients to other Refugee Action or local services.

Refugee Action runs Choices from offices in London, Leeds, Manchester and Birmingham to help deliver the service, with Choices caseworkers also based in remaining Refugee Action offices and in the offices of the Welsh Refugee Council in Cardiff and the Scottish Refugee Council in Glasgow. We also have partner NGOs in Algeria, Bangladesh, Brazil, Bolivia, China, Ghana, India, Iraq, Jamaica, Malawi, Mauritius, Mongolia, Nigeria, Pakistan, South Africa, Sri Lanka, Uganda and Zimbabwe. The partners enable returnees to access on-going support for up to a year and contribute towards achieving a sustainable return. Choices staff have completed a round of monitoring visits to partners and collated stories of return, which also enabled them to meet with returnees and feed their experiences to the UK team.

Gateway Protection Programme

Greater Manchester

Refugees arriving in the UK via the Gateway Protection Programme are some of the most vulnerable that we help. Many have spent years in refugee camps and face considerable barriers and challenges to settling in to life in the UK, including overcoming the effects of violence, torture and rape. Working with local authorities, our goal is to empower and support refugees to have dignified and fulfilled lives through promoting independence and self-help.

Our Gateway team meets families on their arrival at the airport, supporting them every step of the way in their first year adjusting to life in Greater Manchester. Our team helps families access services, learn English, plan for the future, identify skills, and build bridges with local communities. In partnership with seven local authorities we ensure refugees arriving in Greater Manchester are welcomed, housed and supported to integrate. Refugee Action resettles 470 refugees each year through the Gateway programme, almost two-thirds of the annual UK total.

During the year, our development workers carried out a client consultation that resulted in the refugees being supported to set up two Ethiopian community groups. These groups have gone on to provide valuable practical and emotional support to newly arriving refugees. The 'Ave a Word' project addressed problems new refugees to the region face in understanding local accents and phrases. Work with volunteers and clients resulted in a Mancunian dictionary being produced for future Gateway arrivals, and as a tool for community cohesion work with local communities.

Trustees' report

Fresh Start

East Midlands

Destitute female asylum seekers are some of the most vulnerable people in the UK. Our Fresh Start Project accommodates up to six women at a time, providing casework support to progress their asylum claims, as well as the time and space to think about their options. It works intensively with the women to look at where they have got to in the asylum system, why they became destitute, and what their options might be, including the possibility of making a fresh claim or voluntary return to their countries if there are no protection needs. Legal advice is obtained to allow the women to pursue any unresolved asylum issues. Because destitution can often mean both physical and mental health problems, the women are supported to access health services and improve their well-being. Cooking together, growing vegetables in the garden, and taking part in community events, groups and training become part of life for Fresh Start residents.

The project is managed by Refugee Action, with partners the British Red Cross, the Diocese of Leicester and Foundation Housing all playing a role in delivering the service. Fresh Start is funded by Refugee Action, the British Red Cross and by income from fundraising, as well as a generous donation from Jahan Abedi, as featured in Channel 4's *The Secret Millionaire*.

Supported by volunteers and social work students, the project has gone from strength to strength in 2012-2013. This year 12 women were housed at Fresh Start. Four were granted refugee status and were linked in to move-on services locally so they could begin to rebuild their lives without fear of hunger or homelessness.

Wellbeing Project

Manchester

Isolation, post-traumatic stress, depression, anxiety and distress are understandably not uncommon in refugees and asylum seekers. Our Wellbeing Project in Manchester has meant that we can offer a holistic package of support to those in need who visit our advice services, or those of other local support agencies. Increasing a sense of belonging to the community, improving self-esteem and encouraging independence, while getting out and about in the community and boosting physical health, are key achievements for those taking part.

One of the most popular activities was the Wheels for Wellbeing cycling project, where up to 70 participants met in Platt Fields Park to enjoy cycling together, learn about bicycle maintenance and road safety and, in some cases, learn to ride a bike from scratch. Three qualified instructors led each session, which are open to men, women and children of all ages. Drama workshops, a laughter workshop and sessions in sport and cooking, as well as the well-being drop-in sessions and one-to-one appointments were all well attended.

As well as activity sessions, the project gave one-to-one support and provides clients with information about local services and health professionals, organisations and support groups. Social work and occupational therapy students, as well as volunteers, have boosted the capacity of the project which, since it began in 2008, has always been heavily oversubscribed. This year more than 200 people took part in activities.

Our aims - public facing

To build a cohesive society that welcomes refugees and works to protect and promote refugee rights.

Shared Awareness Project

Liverpool

Addressing the myths about asylum and raising awareness among the general public is an essential part of Refugee Action's work to build a cohesive society.

With thanks to funding received from Liverpool City Council, our Shared Awareness Project reached out to a range of audiences across the city in 2012-2013. A team of 15 volunteers delivered 29 sessions across Liverpool. Tailored to each group and as interactive as possible, sessions were provided for elderly groups, company and public services staff, housing associations and residents' associations. More than 400 people were reached and educated about why refugees flee their countries and what they experience in the UK. Many more were engaged at community events across the city, with quizzes on refugee issues, myth-busting booklets and posters of famous refugees.

Trustees' report

Speaking out in the media

Refugee Action has a dedicated communications function that serves to give refugees and asylum seekers a stronger voice in the UK media. We proactively work with journalists across a broad range of print, online and broadcast media to inform the debate around the asylum system and refugee rights nationally, and to raise awareness of our own work in local communities. During 2012-2013, proactive statements were made available to the national media on a wide range of issues. This resulted in 87 mentions of Refugee Action in the UK media, with an estimated reach of more than 4 million people.

We continue to provide a platform for refugees and asylum seekers to become effective spokespeople so that they can share their experiences with a wider audience. Their stories are shared through our own digital channels, including the Refugee Action website and social media outlets such as Twitter and Facebook.

Inspiring supporters

Supporters continue to be incredibly generous in giving their time, money and passion to Refugee Action. This year, supporters were placed even more at the heart of our work and members of staff at Refugee Action telephoned every single one to say a personal thank you. Our staff are ideally placed to inspire supporters and, with as many volunteers as staff, our fundraising efforts can be doubled.

Our online community was boosted to talk about issues that affect refugees and asylum seekers. Digital media was used to highlight the experiences of asylum seekers and refugees even more powerfully, using videos, slideshows and podcasts to engage and inspire.

Refugee Action was the beneficiary of a BBC Radio 4 Charity Appeal to raise funds for Fresh Start house. The appeal raised more than £14,000.

Supporter generosity spanned four successful appeals across the year to support our work with destitute asylum seekers; vulnerable refugee women in Bristol and refugee integration following the loss of the government funding. Our destitution campaign at Christmas raised more than £15,000 to help asylum seekers without financial support to find a bed for the night and get a shower and clean clothes.

Across the country, extraordinary people did incredible things to stand up for refugees and asylum seekers. People who give on a regular basis contributed more than £100,000 in 2012-2013.

Raising dough on World Food Night

In its second year, Refugee Action's flagship fundraising event, World Food Night raised more than £14,000. Taking place on 22 February 2013, Refugee Action supporters up and down the country came together to host World Food Night events.

More than two-thirds of people in the UK think that immigration has been good for British food¹ so the idea behind World Food Night is to celebrate the culinary contribution that refugees make. Individual supporters held World Food Nights in their homes with friends and family, and in their offices with colleagues and clients. Some World Food Night events took place in churches and schools. Even a few restaurants changed their menu for the night to reflect the amazing diversity of food available across the country.

Celebrity chef Levi Roots continued to endorse the event by recording a podcast of the story of Mohamed, a Sudanese refugee who fled his country and is now able to rebuild his life in the UK with the support of Refugee Action.

Valuing volunteers

In 2012-2013, 234 volunteers gave over 25,000 hours of their time to Refugee Action in 15 different volunteer roles.

Making the UK a fairer society for asylum seekers and refugees is the reason 89% of our volunteers give their time to Refugee Action. An essential part of the organisation, we are fortunate enough to have as many regular volunteers as we do staff. Our volunteers enable us to deliver our services and projects, build links with other organisations and raise awareness in the communities in which they live on behalf of refugees and asylum seekers. Volunteers bring their life experience, skills and enthusiasm and allow us to extend and enhance current projects, as well as run projects that would not exist without them.

1 Jolley, R & Katwala, S *Hopes and Fears: The British Future State of the Nation Report 2012*, British Future, 2012.

Trustees' report

Our volunteers have mentored, taught English, given asylum advice, provided admin support, raised awareness, painted, gardened, done DIY, cooked, ran events and raised money. They are integral to delivering our vision of a society in which refugees are welcome, respected and safe, and in which they can achieve their full potential.

Influencing policy

In July 2012, Refugee Action helped someone who'd used our advice services to win a court case that challenged asylum support delays and changed asylum support policy for the better.

The case challenged a particular Home Office policy that was leaving people destitute while further submissions on their asylum claim were considered. As an independent intervener in the case, we provided evidence that showed the extent of this problem across the country. The court ruled that this policy was unlawful, and as a result the Home Office changed it. This now means that people who want to make a fresh claim for asylum won't have to wait three weeks or more to receive support, to which they are entitled and without which they may be left destitute.

Improving access to justice

In 2012 - 2013 Refugee Action's Access to Justice Project investigated asylum seekers' access to legal support. Shockingly, it discovered that 64% of the asylum seekers it saw had been wrongly refused a legal aid lawyer for their asylum appeal - a crucial stage in the asylum process.

Because of restrictions around legal aid, solicitors can refuse to represent a case if they think it has less than a 50% chance of success. Access to Justice helped clients who had been dropped by their solicitors to challenge such refusals and, where possible, find new legal representation for their asylum appeal.

The project helped 44 asylum seekers to appeal refusals of legal aid. Of these, 64% (28) were found to have been wrongly refused legal representation. Of those, three have now been given refugee status or leave to remain in the UK - a life-changing outcome. Others are still waiting for a decision.

Access to Justice also uncovered significant problems with the quality and availability of legal advice for asylum seekers. Some clients received very poor quality advice at the pre-appeal stages of their asylum claim. Others found it difficult to find any legal representation at all. However, after being referred to the project and supported by its caseworkers and legal partners, the positive impact on the clients was huge.

Thank you

Refugee Action would like to extend our sincere thanks to everyone who has made a contribution towards our work. Many of our projects would not be possible without this generous support from individuals, grant-giving bodies and companies. These include:

The Big Lottery Fund

Comic Relief

Sigrid Rausing Trust

Trust For London

LankellyChase Foundation

Homelessness Transition Fund

BBC Children in Need

Pilkington Charities Fund

Bristol City Council

Liverpool City Council

Mr & Mrs M Constantine

John Barney

Tony Evans

Jane Shepherdson

Jean and Brian West

Caro Millington

Annie Cooper

Carolyn Emanuel

And the thousands of donors across the UK who are integral to delivering our vision of empowering vulnerable people seeking safety and, crucially, helping to create a fairer asylum system nationally.

Please help us continue to support refugees

How to donate

www.refugee-action.org.uk/give

0845 894 2536

REF05 £10 to 70070

Risk assessment

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems are in place to mitigate exposure to the major risks. Risks are identified under the four headings suggested by the Charity Commission: Governance and Management, Operational; Financial; and Operational/External Environment. There is greater clarity around the level of risk, in terms of likelihood and impact, together with measures that have been taken to mitigate risk, further action required, and the monitoring process.

Financial Summary

For the year ended 31 March 2013 the charity achieved a net surplus of approximately £47K (2012: £223K) slightly increasing total funds to £5.25m (2012: £5.2m). This resulted from a surplus of £156k on restricted funds and a deficit of £109k on unrestricted funds. Details of the state of the charity's reserves are given in the Reserves Policy section below.

Incoming resources

The charity's incoming resources from continuing activities for the year ended 31 March 2013 increased to £17.7m (2012: £15.6m), mainly as a result of the additional income from the Assisted Voluntary Return (Choices) programme that was delivered for its second full year.

During the financial year we received total grant and contract funding of £16.7m (2012: £14.9m) from the United Kingdom Border Agency (UKBA).

The balance of the income for the year ended 31 March 2013 included grants and donations of £0.9m (2012: £1.6m), and investment income of £24k (2012: £16k).

Resources expended

The charity's total resources expended for the year ended 31 March 2013 increased to £17.6m (2012: £16.2m). Out of this, the direct cost of providing services to our clients was £17.3m (2012: £16.0m).

Staff costs for the year ended 31 March 2013 were £7.7m and accounted for 44 per cent of total costs (2012: £8.4m or 52 per cent).

The cost of generating voluntary income was £255k for the year ended 31 March 2012 (2012: £177k). The cost of providing governance for the charity was £45k for 2013 (£52k in 2012), accounting for 0.3 per cent of total costs (2012: 0.3 per cent).

Investment policy

The Trustees consider the most appropriate investment policy is for surplus funds to be held on bank deposit.

Reserves policy

Having considered the likely expenditure and future levels of income of Refugee Action, the Trustees have agreed the following policy at 2013:

Restricted funds are those subject to specific restrictions imposed by funders.

Trustees' report

The Trustees, as explained in note 12 to the financial statements, have established designated funds for the following purposes:

- To ensure that the Charity has the resources to meet committed expenditure which is either definite (such as commitments under premises leases), or reasonably foreseeable (such as commitments to meet staff sickness and maternity leave obligations)
- To pay for important work which is otherwise unfunded - including money set aside to combat destitution amongst the Charity's clients
- To provide matching funds where funders are not prepared to meet the full cost of important projects.

The General Fund is comprised of funds that represent accumulated surpluses and deficits in the Statement of Financial Activities after transfers to and from the Designated Funds. The funds are available for use at the discretion of Trustees to further expand the current activities of Refugee Action, or may be used on one-off projects

Currently a high level of Refugee Action's funding comes from UKBA, and it is clear that the total loss or a significant reduction of such funding is the biggest threat for the agency. Given this fact, the Trustees consider that funds should be retained in the General Fund to ensure, in the event of the loss of UKBA funding, up to two years of budgeted revenue expenditure on the staff necessary to carry out the following strategic activities of the Charity:

- Advice to the most vulnerable clients
- Providing models of good practice.
- Research and policy formation
- Managing, planning and fundraising.

The annual revenue budget of the Charity's staff needed to carry out those roles is estimated to be around £1.1m. The year-end balance in the General Fund, amounting to £1.6m, is currently somewhat below twice the annual budget of such staff.

The Charity produces quarterly management accounts, thereby allowing the Trustees to monitor the Reserves Policy on a regular basis. The policy will be reviewed annually.

The responsibilities of trustees

The trustees (who are the directors of Refugee Action for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to.

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

Trustees' report

In so far as the trustees are aware:

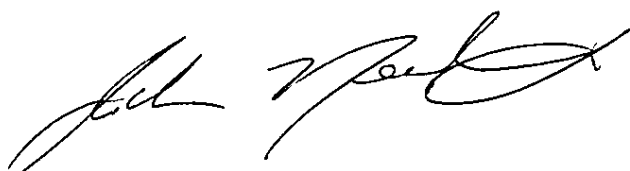
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Auditors

MHA MacIntyre Hudson have indicated their willingness to continue in office and offer themselves for re-appointment as such, under Section 485 of the Companies Act 2006.

This report was approved by the trustees on 5th December 2013 and signed on their behalf by:



Julia Meiklejohn
Chair of the Board of Trustees

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REFUGEE ACTION (Company reg. no. 01593454)

We have audited the financial statements of Refugee Action for the year ended 31 March 2013 which comprise the Statement of Financial Activities, the Cash Flow Statement, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the 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 charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the responsibilities of trustees statement, the Trustees (who are also the directors of Refugee Action for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Trustees and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2013 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 properly prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

/Continued.


**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
REFUGEE ACTION (Company reg. no. 01593454)**

(Continued)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Simon Erskine (Senior Statutory Auditor)
For and on behalf of MHA MacIntyre Hudson
Chartered Accountants and Statutory Auditor
New Bridge Street House
30-34 New Bridge Street
London EC4V 6BJ

Date: 9 12 13

REFUGEE ACTION

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating income and expenditure account)

For the year ended 31 March 2013

	Notes	Restricted funds £'000	Unrestricted funds £'000	Total 2013 £'000	Total 2012 £'000
INCOMING RESOURCES					
<i>Incoming resources from generated funds:</i>					
Voluntary income	2	594	326	920	1,582
Investment income - interest receivable		1	23	24	16
<i>Incoming resources from charitable activities</i>					
	3	16,711	-	16,711	13,992
TOTAL INCOMING RESOURCES FROM CONTINUING ACTIVITIES		17,306	349	17,655	15,590
<i>Incoming resources from discontinued activities</i>					
Refugee Integration and Employment Service		-	-	-	865
TOTAL INCOMING RESOURCES		17,306	349	17,655	16,455
RESOURCES EXPENDED					
<i>Costs of generating funds:</i>					
Costs of generating voluntary income		-	255	255	177
<i>Charitable activities:</i>					
AVR - Choices		13,810	48	13,858	11,233
Asylum advice and community		3,101	146	3,247	4,235
Communications		124	79	203	102
Governance costs		38	7	45	52
RESOURCES EXPENDED ON CONTINUING ACTIVITIES		17,073	535	17,608	15,799
<i>Charitable expenditure on discontinued activities:</i>					
Refugee Integration and Employment Service		-	-	-	433
TOTAL RESOURCES EXPENDED	5	17,073	535	17,608	16,232
NET INCOME/(EXPENDITURE)		233	(186)	47	223
Transfers between funds		(77)	77	-	-
NET MOVEMENT IN FUNDS FOR YEAR		156	(109)	47	223
TOTAL FUNDS AT START OF YEAR		733	4,470	5,203	4,980
TOTAL FUNDS AT END OF YEAR		889	4,361	5,250	5,203

NOTE

Details of movements in restricted funds are given in Note 12.

The notes on pages 18 to 30 form part of these financial statements

REFUGEE ACTION

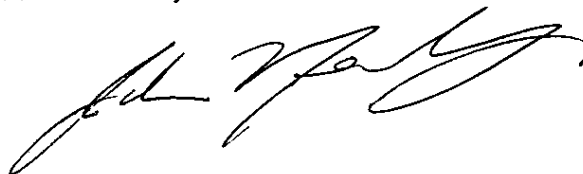
(A company limited by guarantee) Registered company number 01593454

BALANCE SHEET

As at 31 March 2013

	Note	2013 £'000	2013 £'000	2012 £'000	2012 £'000
FIXED ASSETS					
Tangible fixed assets	8		343		478
CURRENT ASSETS					
Debtors	9	6,245		4,733	
Cash at bank and in hand		489		1,765	
		<u>6,734</u>		<u>6,498</u>	
CREDITORS: amounts falling due within one year	10	<u>(1,827)</u>		<u>(1,773)</u>	
NET CURRENT ASSETS			4,907		4,725
NET ASSETS/TOTAL ASSETS LESS CURRENT LIABILITIES	12		<u>5,250</u>		<u>5,203</u>
CHARITY FUNDS					
Restricted funds	12		889		733
Unrestricted funds:					
General Fund	12		1,616		2,036
Designated funds	12		2,745		2,434
			<u>5,250</u>		<u>5,203</u>

The financial statements were approved, and authorised for issue, by the Trustees on 5 December 2013 and signed on their behalf by



Julia Meiklejohn
Chair

The notes on pages 18 to 30 form part of these financial statements

REFUGEE ACTION

CASH FLOW STATEMENT

For the year ended 31 March 2013

	2013 £000	2012 £000
Net cash flow from operating activities (see below)	(1,224)	(1,110)
Returns on investments (interest receivable)	24	16
Capital expenditure (purchase of tangible fixed assets)	(76)	(182)
DECREASE IN CASH IN THE YEAR	(1,276)	(1,276)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN CASH BALANCES

	2013 £000	2012 £000
Decrease in cash for the year	(1,276)	(1,276)
Net cash balances at the start of the year	1,765	3,041
Net cash balances at the end of the year	489	1,765

NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £000	2012 £000
Net (outgoing)/incoming resources	47	223
Return on investment - interest income	(24)	(16)
Depreciation of tangible fixed assets	211	228
Decrease/(increase) in debtors	(1,512)	(2,559)
Increase/(decrease) in creditors	54	1,014
NET CASH INFLOW/(OUTFLOW) FROM OPERATIONS	(1,224)	(1,110)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005), the Companies Act 2006 and applicable accounting standards.

1.2 Company status

The Charity is a company limited by guarantee. The members of the company are the Trustees named on page 2. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of specific performance by the Charity, are recognised when the Charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the Charity where this can be quantified. The value of services provided by volunteers has not been included in the accounts.
- Incoming resources from contracts and grants, where related to performance and specific deliverables, are recognised as the Charity earns the right to consideration by its performance.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources. In particular office costs and support costs have been allocated on the basis of the number of staff working in offices on different functions.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities which are shown under Communications costs. Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Governance costs are those associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives as follows.

Furniture, fittings and equipment	-	5 years
Computer equipment	-	4 years
Leasehold improvements	-	Over the period of the lease

All fixed assets costing more than £500 are capitalised.

1.7 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

1.8 Pensions

The Charity operates a defined contribution pension scheme (see Note 15) and the pension charge represents the amount payable by the Charity to the scheme - or to employees' individual pension schemes - in the year. Due to certain guarantees included in the scheme there is an employer's debt which would become payable if the Charity left the scheme and this is explained in Note 15. As a multi-employer scheme within the definition of FRS 17 none of the assets or liabilities of the scheme are included on the Charity's Balance Sheet

1.9 Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the SOFA

REFUGEE ACTION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

2. VOLUNTARY INCOME - GRANTS AND DONATIONS

	Restricted Funds £'000	Unrestricted Funds £'000	Total 2013 £'000	Total 2012 £000
Grants from government and other public authorities:				
Nottingham PCT	-	-	-	52
Liverpool City Council	23	-	23	30
Manchester City Council	-	-	-	41
The Big Lottery Fund:				
TRIO	46	-	46	44
Transition Fund	-	-	-	450
Merseyside BME Legacy	-	-	-	15
Bristol City Council	68	-	68	22
Salford City Council	-	-	-	20
Other grants and donations:				
Sigrid Rausing Trust	65	-	65	65
Lankelly Chase	15	-	15	-
M & M Constantine	20	-	20	-
Trust For London	20	-	20	-
Greater Manchester Centre for Vol Org	24	-	24	31
Refugee Council	106	-	106	451
BBC Children in Need	29	-	29	48
Citizenship Foundation	4	-	4	6
D Lawrie Armitage	-	-	-	5
L & A Pilkington J Jones	-	-	-	5
Red Cross	10	-	10	-
Caritas Austria	50	-	50	-
Comic Relief	47	-	47	-
St Mungo's Housing Association	8	-	8	-
Groundwork UK	43	-	43	-
Pilkington CT	5	-	5	-
Sundry donations	11	326	337	297
	594	326	920	1,582

Any funders who made grants and donations during the year below £5,000 have not been shown separately above unless they made a contribution exceeding £5,000 in the previous year.

The Charity also received grants from the Home Office as shown in Note 3

REFUGEE ACTION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted Funds £'000	Unrestricted Funds £'000	Total 2013 £'000	Total 2012 £'000
Home Office grants and contracts				
Asylum advice and community development services	1,690	-	1,690	1,527
One Stop Move on project	-	-	-	100
Gateway Settlement services	1,016	-	1,016	1,121
Choices (Assisted Voluntary Return)	14,030	-	14,030	11,095
Keyworker Pilot	(25)	-	(25)	149
	<u>16,711</u>	<u>-</u>	<u>16,711</u>	<u>13,992</u>

4. NET INCOMING RESOURCES

This is stated after charging:

	2013 £'000	2012 £'000
Depreciation of tangible fixed assets	211	228
Audit fees	26	25
Other fees payable to auditors	1	1
	<u>238</u>	<u>254</u>

8 Trustees (2012 - 7) received reimbursements for travel and subsistence expenses amounting to £3,062 (2012 - £1,057). No Trustees received any remuneration (2012 - Nil).

REFUGEE ACTION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

5. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs £'000	Office costs £'000	Other direct costs £'000	Support costs £'000	Total 2013 £'000
Costs of generating funds					
Fundraising & publicity	139	14	72	30	255
Charitable expenditure					
AVR Choices	4,494	590	7,781	943	13,808
Asylum advice & community development services	2,059	360	408	470	3,297
Communications	105	14	60	24	203
Costs of activities in furtherance of Charity's objects					
	6,658	964	8,249	1,437	17,308
Governance	16	1	26	2	45
Support costs	863	148	458	(1,469)	-
Total expenditure	7,676	1,127	8,805	-	17,608

Details of Staff costs and Support costs are given respectively in Notes 6 and 7. Other direct costs for Governance costs include audit fees and trustees' expenses (see Note 4).

Office costs and Support costs have been allocated between activities on the basis of head count of staff (other than interpreters) employed on those activities.

6. STAFF COSTS AND NUMBERS

Staff costs were as follows:

	2013 £'000	2012 £'000
Salaries	5,811	5,503
Social security costs	570	551
Pension costs	503	473
Redundancy payments	35	524
Agency staff	757	1,349
	7,676	8,400

REFUGEE ACTION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

The average monthly numbers of employees during the year was as follows:

	2013 No.	2012 No.
Fundraising and publicity	4	3
AVR - Choices	120	110
Asylum advice and community development services	60	93
Communications	3	3
Support costs	15	15
Governance costs	1	1
Interpreters (cost included in Asylum advice and AVR Choices)	63	63
	<u>266</u>	<u>288</u>

One member of staff (2012 - one member of staff) received a gross salary in the range of £60,000 to £70,000, and one member of staff (2012 - one member of staff) received a salary in the range £70,000 to £80,000. Pension contributions at 8 per cent of salary plus £600 per annum were also payable. All other employees earned less than £60,000.

The Charity contributes 8 per cent of basic salaries plus £600 per annum to an independently operated, voluntary, non-contributory, money purchase scheme open to those of its permanent employees who wish to participate (see also Note 15). The Charity pays contributions for those employees who opt to participate in the scheme but has no liability to provide pensions to former employees. Staff can opt for the contribution to be made to their own personal pension schemes instead of the Charity's scheme. At the year-end there were outstanding contributions amounting to £26,463 (2012 - £53,517), which are included in Creditors.

7. SUPPORT COSTS

	2013 £000	2012 £000
Finance	267	225
Human Resources	228	229
Information Technology	342	254
Chief Executive's office	282	217
Other support costs	350	403
	<u>1,469</u>	<u>1,328</u>

Support costs are allocated between activities based on head count as explained in Note 5.

REFUGEE ACTION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

8. TANGIBLE FIXED ASSETS

	Furniture, fittings and equipment £'000	Leasehold improve- ments £'000	Total 2013 £'000	Total 2012 £'000
Cost				
At start of the year	743	307	1,050	983
Additions	76	-	76	182
Disposals	(83)	-	(83)	(115)
At end of the year	<u>736</u>	<u>307</u>	<u>1,043</u>	<u>1,050</u>
Depreciation				
At start of the year	405	167	572	459
Charged for the year	144	67	211	228
Eliminated on disposal	(83)	-	(83)	(115)
At end of the year	<u>466</u>	<u>234</u>	<u>700</u>	<u>572</u>
Net book value at start of the year	<u>338</u>	<u>140</u>	<u>478</u>	<u>524</u>
Net book value at end of the year	<u>270</u>	<u>73</u>	<u>343</u>	<u>478</u>

9. DEBTORS - Amounts falling due within one year

	2013 £'000	2012 £'000
Grants receivable	5,690	4,328
Prepayments	172	205
Other debtors	383	200
	<u>6,245</u>	<u>4,733</u>

10. CREDITORS - Amounts falling due within one year

	2013 £'000	2012 £'000
Trade creditors	1,390	948
Taxes and social security	168	151
Grant income repayable	-	26
Accruals	269	268
Deferred income - Asylum advice grants	-	380
	<u>1,827</u>	<u>1,773</u>

REFUGEE ACTION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

Deferred Asylum advance grant income is as follows:

	2013 £'000	2012 £'000
Balance at start of the year	380	-
Add: Deferred in the year:	-	380
Less: Released in the year:	(380)	-
Balance at end of the year	<u>-</u>	<u>380</u>

11. COMMITMENTS

At 31 March 2013 the Charity had annual commitments under non-cancellable operating leases on its premises as follows:

	2013 £'000	2012 £'000
Expiry date		
Within 1 year	276	7
Within 2 to 5 years	74	362
	<u>350</u>	<u>369</u>

REFUGEE ACTION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

12. STATEMENT OF FUNDS

	Brought Forward £'000	Incoming Resources £'000	Resources Expended £'000	Transfers In/(out) £'000	Carried Forward £'000
DESIGNATED FUNDS					
Fixed assets	208	-	(94)	-	114
Pension fund	688	-	-	175	863
Premises leases	900	-	-	-	900
Sickness & maternity leave	178	-	-	-	178
Dev't managers fund	70	-	-	(70)	-
Destitution fund	40	-	(25)	25	40
Top Up fund	200	-	-	-	200
Donor acquisition fund	-	-	-	300	300
Tendering fund	150	-	-	-	150
TOTAL	2,434	-	(119)	430	2,745
GENERAL FUND	2,036	349	(416)	(353)	1,616
UNRESTRICTED	4,470	349	(535)	77	4,361
RESTRICTED FUNDS					
Asylum advice services	14	1,690	(1,491)	-	213
Community development	66	-	-	-	66
Voluntary return project	140	14,031	(13,924)	(100)	147
Keyworker Project	4	(25)	(2)	23	-
Community development projects	289	525	(564)	-	250
Gateway Settlement	36	1,016	(1,027)	-	25
Refugee awareness	5	-	(4)	-	1
Fresh Start	12	10	(14)	-	8
Erso	2	50	(32)	-	20
Other projects	5	8	(15)	-	(2)
Redundancy fund	160	1	-	-	161
RESTRICTED	733	17,306	(17,073)	(77)	889
TOTAL FUNDS	5,203	17,655	(17,608)	-	5,250

DESIGNATED FUNDS

The Fixed assets fund reflects the unrestricted resources tied up in fixed assets.

As explained in Note 15, the Charity has been notified by The Pensions Trust that an estimated liability of £863,000 would be payable should it withdraw from the pension scheme. Although the Charity has no intention of withdrawing, a fund has been set aside to provide against this liability should it crystallise in the future.

A designated fund has been established to cover potential liabilities associated with the Charity's rented properties. These include the potential cost of dilapidations as well as the potential rent commitments which it may not be possible to assign should the Charity have to vacate some of its premises.

The Sickness and maternity leave fund was established to provide for exceptional sickness and maternity costs. The year-end balance is calculated as the cost of six staff being on sick leave for six weeks and six staff being on maternity leave for twenty weeks.

REFUGEE ACTION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

The Trustees originally established the Development managers fund to meet the Charity's predicted costs up until March 2012 for two posts for which external funding was not secured. The fund is no longer required.

The Destitution fund was established to pay for work arising from the Government's implementation of Section 55 of the Immigration and Asylum Act 2002. Costs incurred for supporting clients in the year have been charged against the fund. Trustees expect the need for this fund to continue, since there remains a high level of destitution amongst our service users.

The Trustees have established the Top Up fund to help fund projects of national importance. A number of grant applications are being made to funders who will only provide matched funding - the Top Up fund enables the Charity to meet the matched funding requirement. The Top Up fund may also be used to provide bridge funding where a given project is ending, but we anticipate the beginning of a new project which will require similar skills to those possessed by the outgoing project staff and volunteers. The Top Up fund may also provide a guarantee enabling us to commence a new project meeting urgent need even if there is a small financial shortfall.

The Donor acquisition fund was established to finance the recruitment of new individual donors.

Changes in central funding have meant that some income formerly received as grants are now moving to contracts. The Tendering fund has been set up to meet the costs of tendering for these contracts.

RESTRICTED FUNDS

Asylum advice services grants are received from the Home Office's UK Border Agency (UKBA) to provide a one-stop advice service (including operating a reception service and accommodation advice) to new refugees and to assist in-country asylum seekers. The balance on the Asylum advice services fund and all the other funds except for the Redundancy fund are due to be spent in 2013/2014.

Community development programme grants are received from the Home Office to enable the Charity to plan and promote better services for asylum seekers, refugees and their communities.

Voluntary return project (Choices) grants are also provided by the Home Office. The programme provides advice, information and counselling to individuals considering returning to their country of origin. The brought forward fund includes £149,000 from the general fund to provide for costs potentially deemed ineligible by the Home Office. At the time of signing of the accounts, the expenditure up to 31 March 2013 had already been subject to an audit by the European Refugee Fund, which little ineligible expenditure. On that basis the provision carried forward has been reduced to £49,000. A transfer of £100,000 has been made back to general funds accordingly. Expenditure shown against the fund includes some Communication and Governance costs as allowed by the Home Office.

The Keyworker project is funded by the Home Office to provide support services for asylum seekers.

Various funders have contributed towards the Charity's community development projects, which aim to support and promote positive integration and long-term settlement of refugees and displaced people in different parts of the UK.

The Gateway Project, funded by the Home Office, is run in partnership with Manchester Councils. The project provides integration support to refugees who arrived in the UK direct from refugee camps as part of the government's Gateway Protection Programme.

The Refugee Awareness Project, which is supported by the Big Lottery Fund and the European Refugee Fund, and aims to combat negative and misinformed attitudes towards refugees and asylum seekers.

Fresh Start seeks long term and sustainable solutions for female asylum seekers who are destitute. By meeting the immediate needs (for accommodation and support) of those in the project for a maximum of 6 months, the project will create the time for the women to think seriously about their long term futures.

The Charity maintains a Redundancy fund from restricted project grants to ensure that it will always have the resources to meet its contractual and statutory commitments in the event of having to make staff redundant. The fund is sufficient to meet the full cost of possible redundancies of current staff and accordingly no further transfers are being made into the fund from project restricted funds. Interest arising on the fund is, however, credited to it.

REFUGEE ACTION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £'000	Net current assets £'000	Total £'000
Restricted funds			
Asylum advice services	65	148	213
Community development	-	66	66
Voluntary return project	133	14	147
Keyworker Project	3	(3)	-
Community development projects	6	244	250
Gateway Settlement	14	11	25
Refugee awareness	-	1	1
Fresh Start	8	-	8
Erso	-	20	20
Other projects	-	(2)	(2)
Redundancy fund	-	161	161
Total restricted funds	229	660	889
Total unrestricted funds	114	4,247	4,361
Total	343	4,907	5,250

Unrestricted funds include the designated funds shown in Note 12, all of which are represented entirely by net current assets, except for the fixed assets fund, which is represented by fixed assets.

14. CONTINGENT LIABILITY

The income for the Voluntary return (Choices) project accruing to 31 March 2013 has been audited by the European Refugee Fund, but will not be certain until the Home Office complete their own audit of expenditure incurred under the project. That audit was ongoing at the date of approval of the accounts. Any expenditure determined to be ineligible under the terms of the grant will be deducted from the grant receivable. The Trustees are confident that there are sufficient controls in place to ensure that any ineligible expenditure which the Charity has not already identified will not be material.

15. PENSION SCHEME

The Charity participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

REFUGEE ACTION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

Refugee Action paid contributions at the rate of 8% of basic salary plus £600 p.a. during the year; members did not make any obligatory contributions.

As at the balance sheet date there were 167 (2012 - 147) active members of the Plan employed by the Charity, which continues to offer membership of the Plan to its employees. Refugee Action continues to offer membership of the Plan to its employees.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The valuation results at 30 September 2011 were completed in 2012 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £928 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.

The financial assumptions underlying the valuation as at 30 September 2011 were as follows.

	% p.a.
Rate of return pre retirement	4.9
Rate of return post retirement:	
Active/Deferred	4.2
Pensioners	4.2
Bonuses on accrued benefits	0.0
Inflation: Retail Prices Index (RPI)	2.9
Inflation: Consumer Prices Index (CPI)	2.4

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

The Scheme Actuary has prepared a funding position update as at 30 September 2012. The market value of the Plan's assets at that date was £790 million and the Plan's Technical Provisions (i.e. past service liabilities) was £984 million. The update, therefore, revealed a shortfall of assets compared with the value of liabilities of £194 million, equivalent to a funding level of 80%.

REFUGEE ACTION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012, as is required by legislation.

The Charity has been notified that additional contributions of £3,726 p a. will be payable for 10 years from 1 April 2013 in order to eliminate its share of the deficit in the Plan. In accordance with the Charity's accounting policy, this expenditure will be recognised in the accounts as the contributions become payable.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

The Pensions Act 2011 led to a change in the definition of money purchase but at present the regulations determining how the change will be applied have not been published. As the law stands, it is not yet clear whether the statutory calculation should include or exclude Series 3 liabilities. There are therefore two figures that have been provided by the Scheme Actuary. At present the most likely interpretation of legislation is that Series 3 liabilities will have to be included in the calculation of an employer's debt on withdrawal.

The Charity has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2012. As of this date the estimated employer debt for the Charity was £838,459 including Series 3 and £93,999 excluding Series 3 liabilities. However, the Scheme Actuary has advised that the figure quoted as at 30 September 2012 is likely to have increased by approximately 3% to £863,612 and £96,819 respectively in the six months to 31 March 2013.

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