



**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 2018

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BRITISH REFUGEE COUNCIL

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Chief Executive's Introduction

When the Windrush scandal broke in the Spring of 2018, exposing the callous reality of the Government's 'hostile environment' strategy, Amber Rudd, the then Home Secretary, described senior officials at the Home Office as being more interested in strategy and policy than in human beings. Those of us who work with people seeking refugee protection in the UK knew that she could have been talking about our asylum system.

No refugee policy better exemplifies the meanness of spirit revealed by Windrush than refugee family reunion, with its strict application of a narrow definition of family and its denial to young unaccompanied refugees the right to be reunited with loved ones.

Our challenge to this policy over the last year exemplified so many of the Refugee Council's advocacy strengths: we found a willing MP to sponsor the Private Members Bill on refugee family reunion that we drafted; we coordinated the dynamic 'Families Together' campaign in support of the Bill, working closely with Amnesty, Red Cross and Oxfam; and we mobilised significant parliamentary and public concern, bringing pressure to bear on the Home Office from both inside and outside Westminster. As a result, the Bill passed its second reading in the House of Commons by a substantial majority on 16th March 2018 and the Government was put on notice that change must happen.

The positive shift in attitudes on refugee rights that propelled the Families Together campaign was emblematic of the increasing preparedness of civil society and the business community to get active in support of refugee protection in the UK. This was clearly evident in the scale of community engagement in the Syrian refugee resettlement programme, in which the Refugee Council maintained an important strategic and operational role, and, closer to home, in the launch of both our Starbucks refugee employment and Goldman Sachs Gives refugee grant fund projects. A further welcome consequence was that the Home Office felt impelled to start a dialogue about a broad asylum and detention reform agenda and the Refugee Council was invited to be a leading interlocutor.

That this change in 'mood music' was also reflected in a continuing rise in income from voluntary and statutory sources throughout the year, gives us confidence that we are close to achieving the financial stability we need if we are to realise the strategic mission adopted by the Refugee Council in 2017: 'To be a tenacious, resourceful and effective champion of refugee rights'.

We were again able to invest in our frontline and back office capacity and infrastructure and, in securing our reaccreditation as an 'Investor in Volunteering', were able to demonstrate the value we attach to the vital role that volunteers play in enhancing everything we do, from governance to administration.

Looking to the future, the political uncertainty we face following the Brexit decision in 2016 and the indecisive General Election in 2017 offers both opportunities and threats to those committed to enforcing and protecting refugee rights. That the Refugee Council is increasingly well placed to shape the debate, rather than simply responding to events, gives me confidence that the day when providing protection to refugees is just normal and unremarkable thing we do in the UK has come that bit closer.

Maurice Wren
20 September 2018

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 employ reliable benchmarking data to annually monitor shifts in UK public attitudes towards refugees;
- Our Advocacy Network will have a significantly increased subscriber base.

Goal 4:

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

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

Goal 5:

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

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

Activities

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

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

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

2017/18 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 2017/18, we have been campaigning for improved Refugee Family Reunion rule in the UK. We are a core member of a coalition of organisations working on this issue, and during the year we have been supporting Angus MacNeill MP with a Private Members Bill on this issue, which despite not having Government support, passed its Second Reading in March. We also published a research report, *Safe but not settled*, in partnership with Oxtam, on the impact of family separation on refugees to support this campaign.

The Home Office began a new policy for refugees and others granted leave, whereby an individual's National Insurance number (NINo) is now printed on the Biometric Residence Permit which is issued when the person receives notification of status. Delays in receiving a NINo had significant impacts on newly recognised refugees, including homelessness and destitution. We have done much work to help make this happen, both behind the scenes and through our research on the experiences of new refugees.

The APPG on Refugees, which we provide the Secretariat to, published their report "*Refugees Welcome?*" focusing on the experience of new refugees in the UK. It highlighted the problems faced by refugees who have recently been granted refugee status in the UK. Our Parliamentary Manger was instrumental in the success of this, from the inception and framing of the inquiry, the collection and analysis of evidence, and the drafting of the report and recommendations. It received widespread media coverage, including on the Today Programme, in the Guardian and across many other national and local news outlets.

We provided comprehensive comments and met with the Home Office team making the revisions to the Assessing Age policy guidance. We discussed our concerns and recommendations and consequently the guidance is much improved as the Home Office took on much of what we asked for.

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

Achievements In 2017/18 we provided services to 8,642 refugees and asylum seekers, an increase of 14% over the previous year. In addition we provided small grants to 802 Syrian refugees with the funding received in 2016/17 from Goldman Sachs Gives.

Our service delivery can be viewed in terms of four pillars as follows:

1. Children's Services: For nearly 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 are able to access their rights to foster care, education and legal aid during their asylum claim. We have established satellite services in Manchester, Bristol and Brighton. Using voluntary funding we provide a range of wrap around services including a unique model of therapeutic counselling, which we were able to expand into 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 social evenings, excursions and residential trips. **Last year we supported 4,050 children.**

2. Integration services: This department supports 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. **Last year we supported 901 people through welfare and housing advice and employment support.** We also developed a partnership with Starbucks to support Refugees to become Baristas. We set up an advice project in Barnsley for refugees and asylum seekers. In addition we supported 1,349 people to understand their rights to mainstream health care and how to access NHS services.
3. 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 to better manage anxiety and distress such as mindfulness. **Last year we provided one-to-one counselling and group support to 729 adults and children.**
4. Resettlement: As the conflict in Syria enters its eighth year, a tiny number of the 6.3 million refugees who have fled the fighting are brought to the UK under the Government's Syrian Vulnerable Persons Resettlement Scheme (VPRS). There is also a 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. 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. **Last year we supported 1,613 people.**

We also established the Goldman Sachs Gives funded Syrian grant fund that has already proved incredibly successful, administering 802 grants directly to Syrian applicants, amounting to a total of £361,039 in the first year.

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 rules, we engaged with our supporters who urged their MPs to attend the Second Reading of the Private Members Bill. This activity was key in ensuring that enough MPs attended and voted, enabling the bill to pass and go on to Committee Stage.

We appointed a Co-ordinator to run the Refugee Council's Advocacy Network and she has been working to grow the Network and meet members to share information and find out their priorities. The Advocacy Network now has members in all four UK nations and activities, and with our support, organisations were involved in campaigning on refugee family reunion.

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

Achievements In 2017, we commissioned 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 will be published in 2018 and we will use the findings to encourage decision-makers and funders to engage with RCOs, and to inform our RCO engagement and support strategy.

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

Achievements During the year the Board approved a new strategic plan to cover the period through to 2021 as set in detail on page 3 of this report.

As part of securing our financial future with a strong contribution of voluntary funding the Board approved an investment in the income generation capacity of the organisation which will provide the base to grow our financial support from individuals.

Given the growth in the organisation and its number of staff over the last two years we undertook a review of our Human Resource priorities and challenges. This has set out a clear direction to ensure our staff are supported in the challenging roles they have and have development opportunities to progress their careers in the organisation as we continue to grow.

Plans for Future Periods

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, policy and practice on integration and continue engagement with the Home Office on securing asylum system reform;
- We will collect relevant and accurate data on outcomes and issues, to be used to inform service development and advocacy work;
- Combine with peer NGOs, Government, Local Authorities, and charitable and civil society organisations to improve the services available to refugees in the UK and the laws and policies that affect their lives.

Goal 2:

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

- We will increase the number of people we help directly by 10% (from 8,642 to 9,500);
- We will take opportunities to develop work in new areas where there is clear local support and there is viable funding;
- We will collect and report on client outcomes and client feedback on an annual basis.

Goal 3:

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

- We will develop our public campaigning capacity including by using data on public attitudes and effective messaging to inform our campaign planning and content;
- We will increase membership of the Advocacy Network (from 538 to 750) ensuring we have representation and engagement across all UK regions, and substantial numbers of Refugee Community Organisations;
- We will work in partnership with other networks and forums to increase the reach and activities of the Advocacy Network, and hold events in four regions to share information, engage members in campaigns and hear about priorities for members which will inform the planning of Advocacy Network activities..

Goal 4:

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

- We will publish research on the role of Refugee Community Organisations, and engage with key stakeholders to take forward the recommendations;
- We will develop a refugee community engagement strategy and implementation plan for the Refugee Council, including a plan for a national refugee consultation.

Goal 5:

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

- We will expand our donor base substantially to ensure voluntary income continues to provide a major source of revenue and safeguard our independence; We will introduce an employee group support programme for front line staff to ensure they have the tools, abilities and support to handle their challenging work;
- We will establish a cross organisational Equality and Diversity group to consider actions to take to improve our diversity and produce diversity statistics to monitor progress;
- We will undertake a staff and volunteers survey to provide a health check on the organisational and help identify any further issues that require action;
- We will benchmark our governance against the Charity Governance Code by March 2019.

Principal Risks and Uncertainties

Risk management

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

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

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

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

During the year the Trustees reviewed the risk management framework considering risks against the delivery of the five strategic goals as well as the traditional full risk register. The review also took account of the general Brexit related risks and the impact on the charity. Against these risks the trustees have looked at the existing controls and required actions and improvements.

Having looked at the residual risk and agreed actions the following were identified as the key risks to the organisation

Top category risks

Risk	Mitigation Actions
Protection issues involving staff or clients resulting in significant reputational damage	All relevant staff have DBS and Counter Terrorism checks Board has reviewed safeguarding and associated policies, including whistleblowing to allow for issues to be raised internally Review recruitment processes to ensure robustness
Media crises, whether from these key risks or other risks	Crisis communication processes in place, including access to external expertise Potential issues to be reviewed on regular basis and likely responses prepared
Impact from Brexit including potential reduction in government and local authority spending and impact on government grants and general economic environment with impact on fundraising	Increase reserve range to provide further cushion for managing financial change Continual monitoring on medium term financial horizon and spreading of funding streams

Second category risks

Risk	Mitigation Actions
Loss of a significant grant, leading to reduction in services and overhead recovery rates	<p>Develop a full range of services with multiple funding streams.</p> <p>Investments in fundraising to grow unrestricted income. Reserves policy to allow for some provision to manage any transition in funding</p> <p>Regular stakeholder meetings with key funders</p>
Ending of cyclical funding for an activity where option to simply cease the activity is not feasible	Good forward financial planning and reserves policy linked to possible funding changes
Unrestricted funding investment fails to deliver expected returns	Regular updating of financial projections with range of testing of new fundraising products
Failure to deliver against strategic plan through inadequate resourcing	Clear prioritisation of plans and resources in line with strategy
Breach of restricted funding regulations leading to requirement to repay funds	Staff training and monitoring of contractual requirements
Business continuity impacting ability to deliver services or support regional offices	Business Continuity plan in place, IT infrastructure cloud hosted and tested for robustness. Cyber Essentials Plus external accreditation to be obtained
Underperformance of management and governance	Performance management in place for senior staff and trustees. External benchmarking on governance performance
Changes in government policy that impact clients or general refugee perceptions	Investment in advocacy and engagement team and maintenance of good working relationships with media, parliamentarians and civil servants

Financial review

In the year to 31 March 2018 although our total income declined from £9.5 million to £8.6 million, the underlying trend is still one of growth. In the previous year we benefitted from a one off £1.5 million grant from Goldman Sachs Gives to be spend over three years, and excluding this our total income grew by 7.5%.

The main area of income growth was funding from Local Authorities for supporting Syrian refugees as the number of refugees arriving under the Vulnerable People Relocation Scheme grew and as we began to deliver support after the end of the refugees' initial first year of resettlement. We would however expect the level of activity in this area to reduce over the coming years as the numbers of new arrivals begin to decline.

Increased funding was received from the Home Office towards our work with unaccompanied asylum seeking children reflecting the continuing level of children reaching the UK on their own, and also in recognition that the Home Office policy of transferring such children more widely across the UK than has been the case in the past, requires us to work over a wider geographical area.

There were a number of grants that came to an end during the year, but overall we managed to either renew or replace these grants. A full list of trust and statutory grants is given in note 5b to the accounts.

Income generated from donations and legacies fell by around 9% after excluding the impact from the Goldman Sachs Gives grant in the prior year. This partly reflects the fact that the general support for refugee issues was higher in 2016/17 providing a more generous environment for our fundraising activities and also the fact that legacies were at an exceptional level in the prior year.

The trustees agreed an investment in fundraising activities that should result in increased performance in this area in future years.

Total expenditure increased from £7.4 million to £9.0 million. This partly reflects the areas where income increased as noted above, but also the first year's spending (£0.4 million) of the £1.5 million received from Goldman Sachs Gives, and £0.3 million of designated reserves set aside in previous years.

Overall this lead to a decline in total reserves of £0.4 million.

Reserves

Total reserves at 31 March 2018 stood at £5.4 million of which £1.7 million was restricted for specific purposes and £0.1 million was an endowment fund neither of which are available for general use.

Of the £3.6 million of unrestricted funds £0.8 million have been designated by Trustees at the year-end. These designations are:

- £289,000 comprising the amount of reserves that can only be realised by disposing of tangible fixed assets;
- £85,000 being the remaining funding received through the Guardian 2015 Christmas appeal – the total sum received of £423,000 is being spent over a three year period;
- £403,000 set aside in a fund for future investment in organisational infrastructure including our donor development work, website and the spaces where we deliver front line services.

Free unrestricted funds at 31 March 2018 were £2.8 million, an increase of £0.1 million over the previous year end.

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

The Trustees regularly assess the risks to which the Refugee Council is exposed, and determine a range for reserve levels in light of these risks. The principal risks include the requirement for unexpected additional expenditure, a sudden unexpected change in the level of our income, and a need to maintain services in the short term and 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 £2.0 million and £3.0 million.

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 2018 the level of free unrestricted reserves is £2.8 million towards the higher end of the target range and the 2018/19 budget allows for investment of £500,000 of these reserves in the next year. In addition the trustees are aware that there are a number of current funding streams which come to an end at March 2019 and accordingly the trustees wish to maintain reserves towards the higher end of the target range while this future uncertainty remains.

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 1992. These are often small-scale ventures such as proceeds or profits from books or clothes. In all such cases the other party is required to enter into a signed commercial participator agreement with the Refugee Council, which ensures that the charity's reputation can be protected and that the other party complies for all relevant fundraising regulation, including, where applicable, how they will protect vulnerable people. During the year there were 5 such agreements in place, through which funds of £7,000 were raised for the organisation.

The Refugee Council has been registered with the Fundraising Regulator since its inception in July 2016 and with its predecessor, the Fundraising Standards Board, before then. We fully comply with the Code of Fundraising Regulations issued by the Fundraising Regulator. We take supporter complaints seriously and have established a process to handle, quantify and respond to complaints. We review all complaints received to determine any changes we need to make, and we update our mailing database whenever a donor requests this.

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. Since the FPS launch, Refugee Council has received nine requests. Eight asked to stop receiving all fundraising communications and one request was for no further postal contact.

Structure, Governance and Management

This report covers the year to 31 March 2018.

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 2018 there were 12 trustees who were also members, and who as required by the Memorandum and Articles of Association agree to contribute £1 in the event of the charity winding up. The Trustees perform their work on a voluntary and non-remunerated basis, and are only reimbursed for minor costs such as transport to meetings.

Appointment of Trustees

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

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

During the year three new trustees were recruited through an open recruitment process overseen by a newly formed Nominations Sub Committee of the Board.

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 awayday where trustee training forms part of the agenda. At the awayday held in May 2018 the Trustees received training from NCVO on the recently published Charity Governance Code and Board agreed to benchmark its performance against the code in the next year.

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 two other Trustees with relevant experience, and 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 was established during the year and comprises the Chair and two other trustees. The terms of reference were agreed by the Board and include overseeing the recruitment and selection of new trustees and also supporting the Chair of the Board in ensuring effective Board performance. As part of this remit the Nominations Committee has established a process for collective and individual trustee appraisals which has taken place since the year end.

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 1% in April 2017 and 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 1% in April 2017 and 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 will review the level of executive salaries based on benchmarking data, to ensure that salaries are still comparable to the median level of similar sized charities. Such an exercise was undertaken at March 2017 and the Board agreed that there was no requirement to adjust the salary of the Chief Executive other than the cost of living increase.

The ratio of the Refugee Council Chief Executive's salary to the median of staff salaries at March 2018 was 2.99 (2017 - 2.99).

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 also holds a biennial all staff conference, 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 quarterly average number of volunteers in 2017/18 was 318 who provided just under 46,000 hours of support during the year. 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 give a big thank you to all the very talented volunteers who work to support and help us improve the lives of refugees.

Statement of Trustees' responsibilities

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

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

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

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

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

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

Provision of information to auditor

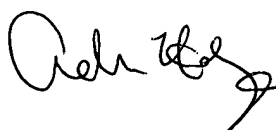
Each of the persons who is a trustee at the date of approval of this Report confirms that:

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

Auditor

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

This Trustees' Report, incorporating the Strategic Report, was approved and authorised for issuance by the Council on 20 September 2018 and signed on its behalf by:

 **Andrew Halper**
Chair

20 September 2018

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 2018 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:

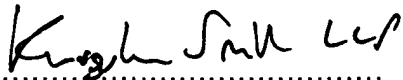
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 Kingston Smith LLP, Statutory Auditor

Date: 25 September 2018

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	2017/18 Total £'000	2016/17 Total £'000
Income from:						
Donations and Legacies	2 & 5	2,344	733	-	3,077	4,866
Charitable Activities	3 & 5	48	5,044	-	5,092	4,311
Other Trading Activities	4	371	-	-	371	263
Investments		4	6	-	10	17
Total Income		2,767	5,783	-	8,550	9,457
Expenditure on:						
Raising Funds:						
Fundraising		1,020	-	-	1,020	891
Premises rentals		344	-	-	344	257
Total Raising Funds		1,364	-	-	1,364	1,148
Charitable Activities:						
Resettlement		174	2,607	-	2,781	1,912
Children's Services		165	2,076	-	2,241	1,865
Integration		86	1,489	-	1,575	769
Advocacy and Awareness Raising		510	21	-	531	521
Therapeutic Services		59	317	-	376	407
Destitution		3	89	-	92	82
Asylum Support		-	-	-	-	43
Subtotal		997	6,599	-	7,596	5,599
Pensions trust costs	6a	-	-	-	-	617
Total Charitable Activities		997	6,599	-	7,596	6,216
Total Expenditure	6a - d	2,361	6,599	-	8,960	7,364
Net Income/(Expenditure)		406	(816)	-	(410)	2,093
Transfers between Funds	15	(603)	493	110	-	-
Net movement in funds		(197)	(323)	110	(410)	2,093
Reconciliation of funds:						
Total funds brought forward		3,817	2,043	-	5,860	3,767
Total funds carried forward		3,620	1,720	110	5,450	5,860

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 2018

REGISTERED COMPANY NO: 2727514

	Notes	31 March 2018 £'000	31 March 2017 £'000
Fixed Assets:			
Tangible assets	8	289	338
Investments		4	4
Total Fixed Assets		293	342
Current assets:			
Debtors	9	2,884	2,078
Cash at bank and in hand	10	3,929	4,310
Total Current Assets		6,813	6,388
Creditors: Amounts falling due within one year	11	(1,493)	(740)
Net current assets		5,320	5,648
Total assets less current liabilities.		5,613	5,990
Provision for liabilities	12	(163)	(130)
Total Net Assets		5,450	5,860
The funds of the charity			
Unrestricted funds:			
Designated funds		777	1,145
General Reserves		2,843	2,672
Total Unrestricted Funds		3,620	3,817
Restricted Income Funds		1,720	2,043
Endowment Funds		110	-
Total charity funds	13 - 15	5,450	5,860

These accounts, including this balance sheet and the notes on pages 23 to 41, were approved by the Board of Trustees of the British Refugee Council on 20 September 2018, and are signed on its behalf by:



Nick Whitaker FCA

Treasurer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2017/18 Total £'000	2016/17 Total £'000
Cash flows from operating activities:			
<i>Net cash provided by / (used in) operating activities</i>	(i)	<u>(356)</u>	<u>125</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		10	17
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(35)	-
<i>Net cash provided by / (used in) investing activities</i>		<u>(25)</u>	<u>17</u>
Change in cash and cash equivalents in the year		<u>(381)</u>	<u>142</u>
Cash and cash equivalents at the beginning of the year		4,310	4,168
Cash and cash equivalents at the end of the year	(ii)	<u>3,929</u>	<u>4,310</u>
(i) Reconciliation of net income/(expenditure) to net cash flow from operating activities			
Net income/(expenditure) for the year		(410)	2,093
Adjustments for:			
Depreciation charges		84	112
Interest		(10)	(17)
(Increase)/decrease in debtors		(806)	(420)
Increase/(decrease) in creditors		786	(221)
Add back non-cash Pension Trust costs charged to SOFA		-	617
Less cash paid in respect of Pensions Trust liability		-	(2,039)
Net cash provided by/(used in) operating activities		<u>(356)</u>	<u>125</u>
(ii) Analysis of cash and cash equivalents			
Cash in hand		1,287	2,677
Notice deposits (less than 3 months)		2,642	1,633
Total cash and cash equivalents		<u>3,929</u>	<u>4,310</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
- Asylum support – where we provide support to individuals through the asylum process. This was principally delivered through Home Office funding and substantially ended at March 2014, with the final elements wound down during 2016/17.

(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.

NOTES TO THE FINANCIAL STATEMENTS

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

Restricted funds

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

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.

In 2017/18 the accounting treatment for the John Frank Fund was reviewed, and a transfer has been made to reflect the reclassification of the balance from restricted to endowment funds.

(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. In 2016/17 the Refugee Council exited from this scheme, with the cost of exit in excess of provision made recognised in the SOFA. See Note 20.

NOTES TO THE FINANCIAL STATEMENTS**(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:

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	2017/18 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2016/17 Total £'000
Donations and gifts from individuals	1,722	201	1,923	2,001	282	2,283
Legacies	566	-	566	714	-	714
Trust income & general grants	56	532	588	103	1,766	1,869
Total	2,344	733	3,077	2,818	2,048	4,866

3. Charitable activities	Unrestricted Funds £'000	Restricted Funds £'000	2017/18 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2016/17 Total £'000
Resettlement	4	2,586	2,590	5	1,944	1,949
Children's Services	36	1,656	1,692	166	1,273	1,439
Integration	4	692	696	5	556	561
Advocacy and Awareness Raising	-	23	23	33	60	93
Therapeutic Services	4	87	91	5	218	223
Asylum Support	-	-	-	5	41	46
Total	48	5,044	5,092	219	4,092	4,311

4. Other Trading Activities	Unrestricted Funds £'000	Restricted Funds £'000	2017/18 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2016/17 Total £'000
Premises sublets and rentals	371	-	371	263	-	263
Total	371	-	371	263	-	263

NOTES TO THE FINANCIAL STATEMENTS

5a. Grants included within donations and legacies:

Activity	Funder	Grant For	2017/18 £'000	2016/17 £'000
Integration	Starbucks	Employment	145	-
Children's Services	Various trusts	Various Children's Projects	109	104
Integration	Various trusts	Employment, Refugee Advice Project, Private Rented Scheme	124	70
Therapeutic Services	Various trusts	Adults Therapeutic Services	44	32
Children's Services	The Rayne Foundation	My View: Therapeutic Services for Refugee Children	20	-
Children's Services	The Sigrid Rausing Trust	Refugee Cricket Project	10	-
Resettlement	Reset Communities and Refugees	Capacity Building for Community Sponsorship of Refugees Programme	8	-
Resettlement	Skills for Care	Supporting newly qualified social workers to complete ASYE	4	-
Destitution	Various trusts	Destitution	1	35
Integration	Goldman Sachs Gives	Syrian Grant Fund	-	1,500
Various	Other funders	Other grants	24	14
Other Trust and Statutory Grants			489	1,755
Total Grants included within donations and legacies			489	1,755

5b. Grants included within charitable activities:

Activity	Funder	Grant For	2017/18 £'000	2016/17 £'000
Resettlement	Leeds City Council	Yorkshire & Humberside Syrian Vulnerable Persons Relocation Scheme	1,766	750
Children's Services	Home Office	Children's Panel and Kent Intake Unit	1,400	1,163
Resettlement	Sheffield City Council	Gateway Resettlement Programme	503	712
Resettlement	Various Hertfordshire Councils	Hertfordshire Syrian Vulnerable Persons Resettlement Scheme	315	204
Integration	Health Education England	Building Bridges	291	291
Integration	Department of Health	Health Access for Refugees Programme	105	122
Integration	Big Lottery Fund	Barnsley Refugee Advice Project	84	-
Resettlement	Bassetlaw District Council	Syrian Vulnerable Persons Refugee Programme	16	-
Integration	Hull City Council	ESOL for Health	5	-
Resettlement	Leeds City Council	Leeds Syrian Vulnerable Persons Relocation Scheme	-	171
Therapeutic Services	Big Lottery Fund	Regional Refugee Care	-	98
Resettlement	Sheffield City Council	Sheffield Syrian Vulnerable Persons Relocation Scheme	-	65
Integration	London Councils	Refugee Community Organisation Capacity Building	-	62
Asylum Support	Home Office	Asylum Support Services	-	46
Therapeutic Services	Home Office	Epione - Home Office referrals pilot scheme	-	44
Resettlement	Leeds City Council	Afghan Resettlement Programme	-	28
Children's Services	Department for Education	My View - Children's Therapy Service	-	8
Government Grants			4,485	3,764

NOTES TO THE FINANCIAL STATEMENTS

5b. Continued: Grants included within charitable activities:

Activity	Funder	Grant For	2017/18 £'000	2016/17 £'000
Children's Services	People's Postcode Lottery	From Surviving to Thriving	150	-
Integration	World Jewish Relief	Regional Employment Programme	104	14
Integration	City Bridge	Refugee Community Organisation Capacity Building	50	-
Children's Services	Comic Relief	Age Disputes	48	47
Therapeutic Services	Comic Relief	Safer Refugee Women	47	29
Children's Services	Children in Need	Youth Development	42	41
Therapeutic Services	City Bridge	Improving Londoners' Mental Health	37	30
Integration	Fresh Leaf Charitable Foundation	Refugees into Jobs	35	-
Integration	Metropolitan Migration Foundation	Transition Resettlement Project	19	29
Advocacy and Awareness Raising	Barrow Cadbury Trust	Detention Forum	15	15
Advocacy and Awareness Raising	The Bromley Trust	Detention Forum	5	5
Advocacy and Awareness Raising	Trust for London	Refugee Housing	3	20
Integration	Crisis	Private Sector Housing	-	20
Therapeutic Services	Comic Relief	Powerful Womens Project	-	18
Advocacy and Awareness Raising	Diana, Princess of Wales Memorial Fund through the Barrow Cadbury Trust	Migration NGO Communications Project	-	15
Advocacy and Awareness Raising	Barrow Cadbury Trust	Advocacy capacity	-	5
Children's Services	Comic Relief	Trafficked Boys	-	3
Various	Others	Others	10	41
Other Trust and Statutory Grants			565	332
Total Grants included within charitable activities			5,050	4,096

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 Funds £'000	Restricted Funds £'000	2017/18 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2016/17 Total £'000
Raising Funds:						
Fundraising	1,020	-	1,020	891	-	891
Premises sublet	344	-	344	257	-	257
Total Raising Funds	1,364	-	1,364	1,148	-	1,148
Charitable Activities:						
Resettlement	174	2,607	2,781	32	1,880	1,912
Children's Services	165	2,076	2,241	183	1,682	1,865
Integration	86	1,489	1,575	26	743	769
Advocacy and Awareness Raising	510	21	531	398	123	521
Therapeutic Services	59	317	376	29	378	407
Destitution	3	89	92	2	80	82
Asylum Support	-	-	-	2	41	43
Subtotal	997	6,599	7,596	672	4,927	5,599
Pensions Trust Costs	-	-	-	258	359	617
Total Charitable Activities	997	6,599	7,596	930	5,286	6,216
Total Expenditure	2,361	6,599	8,960	2,078	5,286	7,364

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

6b. Expenditure analysis	Staff Costs £'000	Other Direct Costs £'000	Grant expenditure £'000	Subtotal £'000	Support Costs £'000	Total £'000
2017/18 Expenditure on:	Note 7(a)		Note 6(d)		Note 6(c)	
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	2017/18 £'000	2016/17 £'000
Central Premises and Business Support	352	345
Finance and Payroll	286	185
Pensions exit costs	0	12
Information & Communication Technology	163	88
Human Resources	208	125
Senior Management	31	33
Governance Costs	51	55
Total Support Costs	1,091	843

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

6d. Grant Expenditure	For	Activity	2017/18 £'000	2016/17 £'000
Institutional Grants to				
London Metropolitan University	Building Bridges	Integration	126	126
Glowing Results	Building Bridges	Integration	24	24
Voluntary Action Barnsley	Refugee Advice Project	Integration	18	-
North of England Refugee Service	HARP	Integration	11	15
Counterpoint Arts	Refugee Week	Advocacy and Awareness Raising	6	11
City of Sanctuary Sheffield	HARP	Integration	8	10
ECPAT	Trafficking Training	Childrens	-	83
Solidarity with Refugees	Refugees Welcome March	Advocacy	-	2
i) Expenditure on Grants to Institutions			193	271
Individual Grants paid under				
Syrian Refugee Grants Fund	Education and Employment	Integration	361	-
ii) Expenditure on Grants to Individuals			361	-
Total Grant Expenditure			554	271

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 2017/18, including the cost of processing applications, awarding grants, making payments, and monitoring and reporting on the fund, was £53k (2016/17 nil).

7a. Staff costs and employee benefits	2017/18 £'000	2016/17 £'000
Wages and salaries	4,514	3,451
Social security costs (employer's National Insurance)	427	332
Employer's contribution to defined contribution pension	159	124
Salaried Employees	5,100	3,907
Wages and salaries	518	284
Social security costs (employer's National Insurance)	17	4
Employer's contribution to defined contribution pension	3	-
Sessional Workers	538	288
Total staff costs	5,638	4,195

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:

	2017/18	2016/17
£60,000 - £69,999	2	2
£80,000 - £89,999	1	1
Total	3	3

Pensions payments in respect of the above in 2017/18 were £10k (2016/17: £10k).

The remuneration of the senior executives is set in accordance with the policy set out in the Trustees Report. In 2017/18 the below posts were classified as Senior Executive. The actual remuneration (including amounts paid in respect of employer's National Insurance and Pension contributions) paid for the individuals who were in post during the year is shown below, and the names of the post holders can be found on p44.

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

	FTE Salary for Post £	Actual Salary paid £	Employer's NI paid £	Employer's Pension paid £	Total Remuneration £	Total Remuneration £
	2017/18	2017/18	2017/18	2017/18	2017/18	2016/17
Chief Executive	82,601	82,601	10,273	4,130	97,004	96,039
ED Services	64,511	62,165	7,453	3,108	72,726	71,833
ED Advocacy and Engagement	62,430	62,430	7,489	3,122	73,041	36,157
ED of Income Generation (to 31st January)	62,430	43,007	5,468	1,498	49,973	55,238
ED of Income Generation (from 1st February)	62,000	10,333	1,238	310	11,881	1,831
ED Finance and Resources	62,430	56,707	6,700	2,835	66,242	72,313
Total Senior Executive Remuneration		317,243	38,621	15,003	370,867	333,411

7b. Average Staff Numbers

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

	2017/18		2016/17	
	FTE	Headcount	FTE	Headcount
Charitable Activities:				
Resettlement	51	58	32	37
Children's Services	43	49	33	36
Integration	12	14	8	10
Advocacy and Awareness Raising	7	8	6	7
Therapeutic Services	5	6	5	8
Destitution	1	1	1	1
Total Charitable Activities	119	136	85	99
Raising Funds	13	14	12	13
Support	17	18	12	16
Total Staff Employed	149	168	109	128

In addition to salaried employees, the Refugee Council uses sessional workers on an ad hoc bookings basis, chiefly for the provision of interpretation. In 2017/18 we paid a total of 217 sessional workers (2016/17: 179).

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 2017</i>	578	394	232	1,204
Additions	32	-	3	35
At end of the year - 31 March 2018	<u>610</u>	<u>394</u>	<u>235</u>	<u>1,239</u>
Depreciation and impairments				
<i>At beginning of the year - 1 April 2017</i>	252	394	220	866
Depreciation	72	-	12	84
At end of the year - 31 March 2018	<u>324</u>	<u>394</u>	<u>232</u>	<u>950</u>
<i>Net book value at beginning of the year</i>	326	-	12	338
Net book value at end of the year	<u>286</u>	<u>-</u>	<u>3</u>	<u>289</u>

9. Debtors	31 March 2018 £'000	31 March 2017 £'000
Accrued income	2,444	1,777
Prepayments	231	135
Trade Debtors	190	147
Other debtors	19	19
Total Debtors	<u>2,884</u>	<u>2,078</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 2018 £'000	31 March 2017 £'000
Cash on short term deposit	2,642	1,633
Cash at bank and in hand	1,287	2,677
Total Cash at bank and in hand	<u>3,929</u>	<u>4,310</u>

NOTES TO THE FINANCIAL STATEMENTS

11. Creditors: Amounts falling due within one year	31 March 2018 £'000	31 March 2017 £'000
Trade creditors	144	148
Other creditors	191	348
Taxation and social security	909	11
Accruals	105	137
Deferred income (i)	144	96
Total Creditors falling due within one year	<u>1,493</u>	<u>740</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	2017/18 £'000	2016/17 £'000
Deferred income at 1 April	96	367
Income released from the previous year	(96)	(367)
Funding received and deferred	144	96
Deferred income at 31 March	<u>144</u>	<u>96</u>

12. Provisions

Dilapidations provisions result from constructive obligations arising under leaseholder agreements.

Dilapidations Provisions	2017/18 £'000	2016/17 £'000
Provided at 1 April	130	130
Additional provisions in the year	33	-
Provided at 31 March	<u>163</u>	<u>130</u>

NOTES TO THE FINANCIAL STATEMENTS

13. Movement on Funds Summary

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
2017/18				
Balance at 1st April 17	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 18	3,620	1,720	110	5,450
2016/17				
Balance at 1st April 16	2,903	864	-	3,767
Income	3,316	6,141	-	9,457
Expenditure	(2,078)	(5,286)	-	(7,364)
Net Income / (Expenditure)	1,238	855	-	2,093
Transfers	(324)	324	-	-
Net Movements in funds	914	1,179	-	2,093
Balance at 31st March 17	3,817	2,043	-	5,860

14. Funds assets and liabilities

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
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
2016/17				
Fixed Assets & Investments	342	-	-	342
Debtors	1,095	983	-	2,078
Cash at bank and in hand	2,912	1,398	-	4,310
Total Assets	4,349	2,381	-	6,730
Creditors	(402)	(338)	-	(740)
Provision for liabilities	(130)	-	-	(130)
Liabilities	(532)	(338)	-	(870)
Net Assets and Funds Total	3,817	2,043	-	5,860

NOTES TO THE FINANCIAL STATEMENTS

15. Funds Details

15a. Unrestricted Funds	Balance at 1 April 2017 £'000	Income £'000	Expenditure £'000	Net I&E before Transfers £'000	Transfers £'000	Balance at 31 March 2018 £'000
General Fund	2,672	2,767	(1,958)	809	(638)	2,843
Designated Funds:						
(i) Fixed Asset Reserve	338	-	(84)	(84)	35	289
(ii) Guardian Appeal	260	-	(175)	(175)	-	85
(iii) Investment Fund	547	-	(144)	(144)	-	403
Total Designated Funds	1,145	0	(403)	(403)	35	777
Total Unrestricted Funds	3,817	2,767	(2,361)	406	(603)	3,620

(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. The transfer out of this reserve is the net of depreciation charged to unrestricted funds, less the value of fixed asset additions in the year.

(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 transfer out represents the funding of Guardian funded activity in 2017/18.

(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. £547k was set aside in this reserve in 2016/17, and the transfer out represents the use of this on fundraising investment and the premises strategy in 2017/18.

The net £603k (2016/17: £324k) 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 2017 £'000	Income £'000	Expenditure £'000	Net I&E before Transfers £'000	Transfers £'000	Balance at 31 March 2018 £'000
(i) John Frank Fund	110	-	-	-	(110)	-
(ii) Children's Panel	25	1,406	(1,406)	-	17	42
(iii) HARP - HSCVF	-	105	(119)	(14)	14	-
(iv) Other Children's Services	93	415	(534)	(119)	105	79
(v) Gateway Resettlement	66	503	(555)	(52)	53	67
(vi) Building Bridges	14	294	(301)	(7)	-	7
(vii) Syrian VPRS Resettlement - Y&H	26	1,766	(1,804)	(38)	58	46
(viii) Syrian VPRS Resettlement - Hertfordshire	26	315	(230)	85	-	111
(ix) Syrian Grant Fund (GSG)	1,500	7	(414)	(407)	-	1,093
(x) Employment Programme (WJR)	5	104	(131)	(27)	22	-
(xi) From Surviving to Thriving (PPL)	-	150	(133)	17	4	21
(xii) Starbucks Refugee Employment	-	145	(66)	79	-	79
(xiii) Other	178	573	(906)	(333)	330	175
Total Restricted Funds	2,043	5,783	(6,599)	(816)	493	1,720

(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. Until 1 April 2017 we have accounted for this fund as a restricted fund, however a review of the accounting for this fund during the year has concluded that it should be accounted for as an endowment fund; the £110k transfer out reflects this reclassification to Endowment funds.

(ii) The Children's Panel works mainly with unaccompanied children. The Panel provides access to education, training, health care and legal advice. This activity is substantially funded by the Home Office, with the transfer in representing unrestricted funding of the 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.

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

(iv) 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.

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

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

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

(ix) 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 fund will also fund a project to support refugee employment in Hertfordshire & Hull.

(x) 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.

(xi) 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.

(xii) 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 2018 is the balance of funding received in respect of the 2018 programme unspent at 31 March, and will be utilised by December 2018.

(xiii) 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 2017 £'000	Income £'000	Expenditure £'000	Net I&E before Transfers £'000	Transfers £'000	Balance at 31 March 2018 £'000
(i) John Frank Fund	0	-	-	-	110	110
Total Restricted Funds	0	0	0	0	110	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. The transfer in reflects the reclassification of this fund from Restricted to Endowment funds in this year's accounts.

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:

	2017/18	2016/17
	£'000	£'000
Total expenses	1	2
	2017/18	2016/17
Number of trustees claiming expenses	6	8

17. Related parties

The Refugee Council Trustee Salah Mohamed is also the Chief Executive of the Welsh Refugee Council (WRC). WRC uses the 'Joint Client Database' (JCDB) client database which is hosted and administered by the Refugee Council, and pays a contribution to the Refugee Council towards the running costs of the system. The contribution levels are set each year by reference to the cost of the system and in proportion to the users of the JCDB by each participating partner body. In 2017/18 there was income from WRC totalling £9k towards the JCDB, of which £4k was outstanding at 31 March 2018. (2016/17: £8k income, £4k outstanding at 31 March 2017.)

During 2017/18 Refugee Council granted £500 towards Woven Gold, a choir of refugees and asylum seekers, hosted by the Helen Bamber Foundation (2016/17: nil). Maurice Wren the Refugee Council Chief Executive accepted an invitation to join the Advisory Board of Woven Gold after the date when the grant was committed to but before it was paid.

18. Fees payable to auditor

	2017/18	2016/17
	£'000	£'000
Statutory audit fee	14	14
Tax advisory services	3	-
Total	17	14

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

	2017/18	2016/17
	£'000	£'000
Operating lease expenditure	493	347

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 2018 £'000	31 March 2017 £'000
Within one year	427	386
Between two and five years	1,106	1,386
Over five years	23	31
Total future minimum lease payments	1,556	1,803

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 2018 £'000	31 March 2017 £'000
Within one year	219	219
Between two and five years	661	878
Over five years	-	2
Total future minimum lease payments	880	1,099

NOTES TO THE FINANCIAL STATEMENTS

20. The Pensions Trust – The Growth Plan

Until 2015/16 the Refugee Council had participated in The Pensions Trust Growth Plan scheme, a multi-employer defined benefit scheme in the UK. Not being possible to obtain sufficient information to account for the scheme as a defined benefit scheme, the Refugee Council accounted for this as a defined contribution scheme.

Funding legislation and documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council set out the framework for funding defined benefit occupational pension schemes in the UK. Under these regulations employers were obliged to make additional contributions to the scheme to eliminate funding shortfalls.

Where a company has agreed to a deficit funding arrangement the company recognises a liability for this obligation, with the amount recognised being the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. Until 31 March 2016 the Refugee Council recognised such a liability for funding deficits on the Pensions Trust Growth Plan scheme, with the provision at that date standing at £1,422k.

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

As at 31 March 2016 an additional £625k was held in restricted and designated funds against this contingent liability, taking total provision for the contingent liability to £2,047k.

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

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

NOTES TO THE FINANCIAL STATEMENTS

The transactions recognised in the 2016/17 accounts were as follows:

	2016/17
	£'000
Deficit contribution paid to the Pensions Trust	24
Final Debt Certificate at 30 Sept 2015	2,091
Deficit payments made post 30 Sept 2015 taken into account	(94)
Pensions Trust Fees	18
Exit payment to the Pensions Trust	2,015
Total paid to the Pensions Trust in 2016/17	2,039
less: release of balance sheet liability	(1,422)
Pensions costs charged to the SOFA and Income and Expenditure account	617
Other consultancy costs incurred on exit	12
Total net cost to Income and Expenditure Account	629
Funded by:	
Amounts held in Restricted Funds	359
Amounts held in Designated Funds	266
Balance from General Unrestricted Funds	4
	629

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

Charity number 1014576

Chief Executive

Maurice Wren

Company Secretary

Martin Tyler

Executive Director of Services

Una Barry MBE

Executive Director of Advocacy and Engagement

Lisa Doyle

Executive Director of Income Generation

Caroline Olshewsky (to 31 January 2018)

Lee Green (Maternity cover from 1 February 2018)

Executive Director of Finance and Resources

Martin Tyler

Principle and Registered Office

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LONDON E15 9DQ

Company number 2727514

Auditor

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Pension Advisers

Creative Benefits

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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 2017/18:

Andrew Halper (Chair)

Nick Whitaker (Honorary Treasurer)

Karen Kavivi Harrison

Zaeem Haq

Andrew Hine

Vaughan Jones

Aneil Jhumat

John Kerr

Anne-Marie Lawlor

Anne McLoughlin

Salah Mohamed

Rachael Orr

Clare Paterson

Jerry Power

Lyndall Stein

Resigned 10 July 2017

Appointed 10 January 2018

Resigned 29 March 2018

Resigned 8 June 2017

Appointed 10 January 2018

Appointed 10 January 2018