

*Superior  
Kore*

**Annual Report  
and  
Financial Statements  
for  
Refugee Advice Centre**

**for the year ended 31st March, 2005**

**Registered Office**  
702 High Street  
Leyton  
London  
E10 6JP

Registered Company No: 03370871

Registered Charity No: 3370871

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COMPANIES HOUSE

**CHARITY INFORMATION**  
**For the Year Ended 31st March 2005**

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**DIRECTORS**

M.U. Ahmed  
Q. Bakhsh  
A.G. Davies - appointed 29/3/05  
E. Hakki  
F.M. Hussein - Somali  
R.F. Manso - Ghanaian  
J.S. Mudhir - Somali  
J. Noel  
S.R. Pasupathy  
Dr. M.A. Shekhey - Somalian  
Dr. N.L. Win - Burmese  
Ms. H. Banks - resigned 1/3/05

**SECRETARY**

A. Mirza

**REGISTERED OFFICE**

702 High Road  
Leyton  
London  
E10 6JP

**COMPANY NUMBER**

03370871

**CHARITY NUMBER**

3370871

**AUDITORS**

Michael Bell & Co.  
56 St. James's Street  
Walthamstow  
E17 7PE

## **REFUGEE ADVICE CENTRE**

### **DIRECTORS' AND TRUSTEES REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2005**

The trustees who are also the directors for charitable purposes present their report and financial statements for the year ended 31<sup>st</sup> March 2005.

#### **OBJECTS OF THE CHARITY**

The objects of the charity continue to be the relief of poverty of asylum seekers, refugees and migrants, through the provision of quality services in immigration, debt, housing, welfare, education training and employment.

#### **REVIEW OF ACTIVITIES FOR 2005**

This was another difficult year. There are changes and challenges with threats and opportunities in our particular area of work. We were accredited as a Job Centre Plus provider and latter accepted as a provider in the Upper Lea Valley's Urban Future Project. Refugees continue to face difficulties in getting work. They tend to go from one training to another and end up with a number of certificates but no reasonable jobs or start of an enterprise. To meet the demand of so many of our clients we are planning to establish an Enterprise and Job Brokerage service at our 702 High Road E10 premises.

This will provide them a hand on experience in running an enterprise. It will also help to develop in running an enterprise. It will also help to develop their skills and confidence in starting up businesses or searching for jobs. The renovation at 702 High Road Leyton property is nearing completion. However, we will need funding to get the project going. Eventually we intend to make it self sustainable and possibly contribute to some extent to Refugee Advice Centre's charitable work.

#### **TRANSACTIONS AND FINANCIAL POSITION**

During the year, the charity's fund have been applied in furtherance of its objectives and day to day running of the charity.

In the year to 31st March 2005 incoming resources amounted to £ 94,308 (2004= £219,833) and resources expanded amount to £152,219 (2004= £239,694).

At 31st March 2005 the Charity had total fund balance of £156,488. This comprised of £ 0 restricted funds and £ 156,488 unrestricted funds.

#### **RISKS AND RESERVES POLICY**

Under the Charity Commissions Statement of recommended Practice (SORP) 2000 there is a requirement for the Company to state its reserve policy.

The Committee members consider it prudent to maintain an adequate level of free reserves to cover the Company's contractual commitments and to provide a secure base for the future.

The committee members are aiming to set this at a minimum level of 3 months of expenditure.

Further to the initial review of risks inherent in the reserves work, the Board intends to carry out a more formal review to identify the major risks to which the Company is exposed, and to develop plans to manage these.

## COMMITTEE MEMBERS RESPONSIBILITIES STATEMENT

Company law requires the Committee to prepare financial statements for each financial year which give a true and fair view of the state of the Company and of the incoming and application of resources of the Company for the year. In preparing these financial statements the Committee are required to:

- Select suitable accounting policies and apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable accounting standards have been followed, accounts, subject to any material departures disclosed and explained in the
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

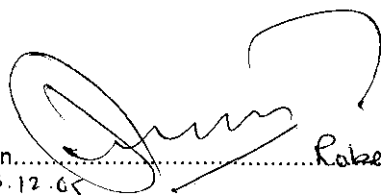
The Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Companies Act 1985. They also take reasonable steps for the prevention and detection of fraud and other irregularities.

## AUDITORS

The charitable company's auditors, Michael Bell & Co , have indicated their willingness to continue in office and offer themselves for re-appointment at the next Annual General Meeting.

Signed on behalf of the Committee on.....

23.12.05.



Robert Frimpong Mansu

Vice Chair

Trustee:

**Independent Auditors' Report  
To the Members of Refugee Advice Centre**

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We have audited the financial statements of the above named company for the year ended 31st March 2005 which comprise the Statement of Financial Activities, Balance Sheet and the related notes.

These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This Report is made solely to the company's members, as a body in accordance with Section 235 of the Companies Act 1985. 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 anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

## Independent Auditors Report (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2005 and of its incoming resources and application of resources for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

*Michael Bell & Co*

Michael Bell & Co.  
Registered Auditors/Chartered Accountants  
56 St. James's Street  
E17 7PE

*9-01-06* 2005

**Statement of Financial Activities**  
**(Incorporating an Income & Expenditure Account)**  
**For the Year Ended 31st March 2005**

Incoming Resources	Notes	Unrestricted Funds	Restricted Funds	2005 Total	2004 Total
		General			
		£	£	£	£
Revenue Grants	(11)	15,920	68,677	84,597	126,138
Capital Grants		0	8,748	8,748	0
Activities in furtherance of the Charity's Objects		0	0	0	0
Others		540	0	540	92,736
Bank Interest		423	0	423	959
		<u>16,883</u>	<u>77,425</u>	<u>94,308</u>	<u>219,833</u>

**Resources Expended**                      5

Costs of Generating Funds	69,459	0	69,459	14,496
Charitable Expenditure:				
Advice Work	1,323	68,677	70,000	219,235
Management & Administration	4,012	8,748	12,760	5,963
	<u>74,794</u>	<u>77,425</u>	<u>152,219</u>	<u>239,694</u>

Net Incoming Resources before transfers	-57,911	0	-57,911	3,436
Balance brought forward	214,399	0	214,399	210,963
Total Funds at 31st March 2005	<u>156,488</u>	<u>0</u>	<u>156,488</u>	<u>214,399</u>

All activities were continuing

There were no gains or losses other than as set out in these accounts.

The annexed notes form part of these financial statements.

# Balance Sheet as at 31st March 2005

		2005	2004
	Notes	£	£
<b>Fixed Assets</b>			
Tangible Fixed Assets	6	112,680	121,428
<b>Current Assets</b>			
Debtors	7	7,986	90,852
Cash at bank and in hand		44,781	64,787
		<u>52,767</u>	<u>155,639</u>
<b>Creditors - amounts falling due within one year</b>	8	<u>8,959</u>	<u>62,668</u>
<b>Net Current Assets</b>		43,808	92,971
<b>Net Assets</b>		<u>156,488</u>	<u>214,399</u>

<b>Funds</b>			
Restricted Funds	11	0	0
Designated Funds	12	154,180	162,928
Unrestricted Funds:			
General Funds			
Brought forward		51,471	3,719
Net (Deficit)/Surplus of Funds		-57,911	13,872
Transfer (to) from Restricted Fund		0	-1,363
Transfer from (to) Designated Reserve		8,748	35,243
		<u>2,308</u>	<u>51,471</u>
		<u>156,488</u>	<u>214,399</u>

Approved by the Board of Directors/Trustees on the .....23rd Dec.....2005 ,  
and signed on its behalf. The Directors have relied on special exemptions available  
to small companies conferred by Schedule 8, Part 1 of the Companies Act  
1985 and that the company qualifies under Sec.247 of the Companies Act 1985.

.....  
Director/Trustee Alex G. Davis.  
Treasurer

.....  
Robert Frimpong Mensah.  
Vice Chair

The annexed notes form part of these financial statements.



**1) Accounting Policies**

The financial statements are prepared under the historic cost convention in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) in accordance with the recommendations of the 2000 Statement of Recommended Practice: Accounting by Charities ("the SORP").

The Company has taken advantage of the exemption in FRS1 from the requirement to prepare a cash-flow statement on the grounds that it is a small company.

Investment policy is to account for interest as and when it is received.

The directors having considered the format of the Income/Expenditure Account set out in Sch.4 of the Companies Act 1985, consider that it is not wholly appropriate for the activities of this company and have taken advantage of paragraph 2(3) of Sch.4 and have presented an alternative format which better reflects the special nature of the company's activities.

The company has permission under Section 30(5) of the Company's Act 1985 to omit the word 'Limited' from its headings.

**Company Status**

Refugee Advice Centre is a company limited by guarantee and has no share capital. The liability of each member is limited to £1.

**Fund Accounting**

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Committee in furtherance of the general charitable objectives.

Designated funds are amounts that have been set aside at the discretion of the Committee.

Restricted funds are funds that are to be used in accordance with specific restriction imposed by the donors or which have been raised by the charity for a specific purpose. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund is set in Note 11 to the financial statements.

**Incoming Resources**

Incoming resources represents the total income receivable during the year comprising grants, donations and gifts, merchandise and publications, investment income and gifts in kind.

**Resources Expended**

Resources expended are included in the Statement of Financial Activities on an accruals basis.

Costs of generating funds comprise the costs of fundraising and publicity activities to general voluntary and grant income for the charity. Charitable expenditure comprise costs of activities in furtherance of the charity's object (see page 2).

Management and Administration of the Charity costs are associated with the governance of the Charity.

Expenditure which is directly attributable to specific activities has been included in these categories. Where costs are attributable to more than one activity, they have been apportioned across the cost categories on a basis consistent with the use of these resources. In particular office costs have been allocated between advice costs, management and administration, and fundraising and publicity in proportion to staff costs on those activities, which in turn has been apportioned on an estimated time basis.

## Notes to the Financial Statements for the year ending 31st March 2005

### Depreciation

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives using the following rates:

Freehold Property	- 2% on cost
Office Equipment	- 25% on net book value
Fixtures & Fittings	- 25% on net book value

The Committee members consider that the cost of the Land is approximately 20% of the purchase price of the building.

There is no depreciation charge for the land.

All assets costing more than £500 are capitalised.

### 2) Net Movement in Funds

The net movement in funds is stated after charging/(crediting):

	2005 Total £	2004 Total £
Depreciation	8,748	6,743
Loan Interest	2,711	2,711
Auditors Remuneration - Statutory Audit	470	3,000
Interest	-423	-959

### 3) Employees and Staff Costs

In aggregate the sum of full and part time persons employed during the year was:

	2005 Number	2004 Number
Full Time	3	7

No employee was remunerated at rate of more than £50,000.

#### Staff Costs

	2005 £	2004 £
Salaries and Wages	64,700	135,402
National Insurance	6,311	12,004
Pension Scheme	802	2,770
Salary Admin Charges	348	589
	72,161	150,765

All staff time is for direct charitable purposes, except that the equivalent of 30% of the director post is occupied in fund-raising and publicity, and 10% on the management and administration of the charity.

Employer Pension Contributions of 6.9% of salary are paid into defined contribution schemes for eligible employees.

### 4) Committee Members' Remuneration and Re-imbrued Expenses

No members of the Committee received remuneration for their services during the year.

No members of the Committee received any reimbursed expenses during the year.

**Notes to the Financial Statements for the year ended 31st March 2005**

**5) Analysis of Total Resources Expended**

	Staff Costs £	Other £	Deprec'n £	Total £
<b>Direct Charitable Expenditure</b>				
Advice Work	70,000	0	0	70,000
Cost of Generating Funds	0	60,711	8,748	69,459
Management and Administration	2,162	1,850	0	4,012
	<u>72,162</u>	<u>62,561</u>	<u>8,748</u>	<u>143,471</u>

**6) Tangible Assets**

1st April 2004 and 31st March 2005

	Furniture Property £	Office Equip £	Fixtures Fittings £	Total £
1st April 2004 and 31st March 2005	110,000	44,568	9,425	163,993
<b>Accumulated Depreciation</b>				
1st April 2004	3,520	31,601	7,444	42,565
Charge for the year	3,520	3,247	1,981	8,748
	<u>7,040</u>	<u>34,848</u>	<u>9,425</u>	<u>51,313</u>

**Net Book Value**

At 31st March 2005

	102,960	9,720	0	112,680
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At 31st March 2004

	106,480	12,967	1,981	121,428
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	Unrestricted Funds £	Restricted Funds £	Total 2005 £	Total 2004 £
Net movement in funds for the year	-57,911	0	-57,911	3,436
Resources used for net acquisitions of tangible	0	0	0	6,743
	<u>-57,911</u>	<u>0</u>	<u>-57,911</u>	<u>10,179</u>

**7) Debtors**

	2005 £	2004 £
Grants receivable	0	84,000
Other debtors	2,742	2,742
Payroll	3,195	0
Prepayments and accrued income	2,049	4,110
	<u>7,986</u>	<u>6,852</u>

**8) Creditors - amounts falling due within one year**

	2005 £	2004 £
Bank loans	0	37,495
Trade creditors	3,834	3,553
VAT	4,717	3,436
Other creditors	0	15,184
Accruals	408	3,000
	<u>8,959</u>	<u>62,668</u>

**Notes to the Financial Statements for the year ended 31st March 2005**

	2005	2004
	£	£
9) <b>Creditors - amounts falling due after one year</b>		
Bank Loans Due - 1 year	0	0

	2005	2004
	£	£
10) <b>Bank Loan</b>		
Bank loan due is analysed between:		
Within one year	0	37,495

	Balance 1/4/04	Incoming Resources Resources Expended	Transfers	Balance 31/3/05
	£	£	£	£
11) <b>Restricted Funds</b>				
Fixed Asset Fund	0	8,748	8,748	0
Immigration Work	0	28,300	28,300	0
Advocacy Project	0	32,877	32,877	0
Health Authority	0	7,500	7,500	0
	0	77,425	77,425	0

The balance at the year-end represents funds committed for specific expenditure as a condition of receipt, as more fully described below:

Fixed Asset Fund-Non-consumable items e.g. office equipment brought with specific restricted grants. There is no ongoing condition as to the use of the assets, therefore the balance brought forward has been transferred out of the fund.

Advocacy Project - Funded by Association of London Government.

Refugee Training - Funded by London Borough of Waltham Forest under the Neighbourhood Renewal Fund Project.

Health Advocacy - Funded by Primary Care Trust.

	Balance 1/4/04	New esignations	Utilised/ Realised	Transfers	Balance 31/3/05
	£	£	£	£	£
12) <b>Designated Funds</b>					
Staff Fund	15,000	0	0	0	15,000
Litigation Fund	6,500	0	0	0	6,500
Refurbishment Fund	20,000	0	0	0	20,000
Fixed Asset Fund	121,428	0	0	8,748	112,680
	162,928	0	0	8,748	154,180

## Notes to the Financial Statements for the year ended 31st March 2005

The Staff Fund has been set-up to allow the charity to deal with its legal and moral responsibilities should there be major, unplanned staff costs for instance long term sickness or redundancies.

Refugee Advice Centre received £84,000 from Solicitors Indemnity Fund on 10th August 2004, the litigation cost in respect of SIF has been provided in the accounts. The designated reserve is for possible litigation costs relating to 340 High Road.

Refurbishment Fund relates to the work planned for 702 High Road, Leyton. As at 31st March 2004 £20,766 had already been spent on the building. A further £15,766 is planned for the coming year.

The Fixed Asset Fund represents the net book value of the building of 702 High Road, Leyton and other Fixed Assets.

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
13) <b>Analysis of Funds</b>			
Tangible Assets	112,680	0	112,680
Current Assets	52,767	0	52,767
Current Liabilities	-8,959	0	-8,959
	<u>156,488</u>	<u>0</u>	<u>156,488</u>

	2005	2004
	£	£
14) <b>Operating Lease Commitments</b>		

Annual Commitment on rental leases on buildings at 31st March 2005 are in respect of leases expiring:

Within two to five years	16,000	16,000
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### 15) Member Guarantees

Refugee Advice Centre is a company limited by guarantee and has no share capital. The liability of each member is limited to £1 per member.

### 16) Ongoing Operations

The Committee members consider that the level of activities in the financial year starting 1st April 2005 will depend upon the success of the current fundraising initiatives. In the light of the developments after the year end, the Committee members feel confident that fundraising targets will be met and therefore it is appropriate to prepare these financial statements on the going concern basis.