

Refugee Action's Annual Report 2013-2014

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

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www.refugee-action.org.uk

www.facebook.com/refugeeaction

[http://twitter.com/refugeeaction](https://twitter.com/refugeeaction)

Reference and administrative details

For the year ended 31 March 2014

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

Registered charity number: 283660

Registered company number: 01593454

Registered office

Victoria Charity Centre, 11 Belgrave Road, London SW1V 1RB

Chief Executive and Secretary

Dave Garratt

Trustees

Susan Cueva

Andy Gregg (Vice Chair)

Colin Hodgetts

Minoo Jalali

Jeremy Lester (Honorary Treasurer)

Julia Meiklejohn (Chair)

Rachel Pendlebury

Stefanie Pfeil

Chris Randall

Auditors

MHA Macintyre Hudson

Chartered Accountants and Statutory Auditor

New Bridge Street House, 30-34 New Bridge Street, London EC4V 6BJ

Bankers

National Westminster Bank plc

PO Box 282, 7 Derby Place, Derby DE1 9DS

Solicitors

Shoosmiths

Apex Plaza, Forbury Road, Reading RG1 1SH

Trustees' Annual Report

For the year ended 31 March 2014

The trustees, who are also the directors of the charity for the purposes of company law, submit their annual report and the financial statements of Refugee Action for the year ended 31 March 2014. The trustees confirm that the annual report and financial statements of the charity comply with current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' (revised 2005).

1) Structure, governance and management

The charity is governed by its memorandum and articles of association. Refugee Action's trustees are responsible for the overall management of the charity. Trustees are chosen for their commitment to refugees and for expertise, including life experience as refugees, which provides an invaluable insight for governing the charity. The trustees who served during this financial year are shown on page two. Biographical details of our trustees can be found on our website: www.refugee-action.org.uk

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

The Chief Executive is appointed by the trustees and is accountable to them for managing the charity as a whole. They are in turn advised by a Senior Management Team (SMT), whose members in 2013/14 were:

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

The SMT is assisted by a staff team that comprised of 227 staff at the end of March 2014. With the help of volunteers, they delivered services in six regions of England based in ten offices during 2013-2014. These were in London (including headquarters), Portsmouth, Bristol, Leicester, Birmingham, Liverpool, Manchester and Leeds.

Public benefit

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

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

2) Objectives

About Refugee Action

Refugee Action is an independent, national charity working with refugees. We help people who've survived some of the world's worst regimes to live again.

We help people find the basic support *everyone* deserves if they're to live with dignity. The chance to build the safest, happiest and most productive life they can, so they can live. And where we encounter policies, practices or attitudes that won't allow this chance, we challenge them. We believe everyone who's fled their home to survive deserves a chance to live again.

Trustees' Annual Report (Continued)

For the year ended 31 March 2014

Our beliefs

We believe in human rights. We believe in fairness and equality. We believe that no one seeking asylum in the UK should be left destitute.

Together, we can create a society where people escaping armed conflict, torture and persecution are welcomed, supported and given the opportunity to build their own future.

Our essential purpose

We work with refugees to build new lives. We are there throughout the difficult and complex asylum journey. By empowering people through information and advice we help them to make the right decisions about their future. And we won't stop until there is an asylum system which treats everyone fairly, respects people's human rights and leaves no one destitute.

Who do we support?

The people we support have challenged injustice, stood up to oppression and courageously left their homes behind to escape violence and even death. They are the heroes of human rights and they deserve to be treated fairly, with dignity and respect.

Our strategic plan 2014 – 2019

In 2013-14 Refugee Action put in place a new five year strategy. Our strategy is based around achieving five goals in five years.

These are:

1. All refugees will have a means of survival
2. The UK will have a fair asylum system
3. Refugees will be part of our society
4. Refugees will be able to thrive
5. Refugees will have a better prospect of finding work

3) Activities

One Stop Service

Portsmouth, Bristol, East Midlands, Liverpool and Manchester

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

In 2013-2014, refugees and asylum seekers contacted our caseworkers almost 20,863 times and over 9,000 one-to-one advice sessions were held. Nearly 4,000 group sessions were delivered by our fantastic team of volunteers; thanks to them we were able to help people with a variety of practical issues including a lack of awareness and confusion around the legal steps open to them, difficulties with accommodation and most commonly, poverty.

Trustees' Annual Report (Continued)

For the year ended 31 March 2014

Initial Accommodation Wraparound Service

Liverpool

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

During 2013-2014, the Wraparound Service delivered 8,246 face-to-face sessions with asylum seekers. 859 people benefited from our pre-substantive interview briefings, which prepare them for their main interview with the Home Office caseworker who will make a decision on their asylum claim.

Choices Assisted Voluntary Return Service

Portsmouth, Bristol, Cardiff, Leicester, Birmingham, Belfast, Liverpool, Manchester, Leeds and Glasgow

Refugee Action's Choices service is the sole provider of AVR in the UK. Choices works with asylum seekers, unsuccessful asylum seekers, irregular migrants and families to support their exploration of return options. During 2013 – 2014, 7,900 people accessed the Choices service.

There are many reasons why people approach Choices. Some have reached the end of the asylum process; others feel returning would give them better opportunities; many simply want to be reunited with family and friends. Whatever their reasons, it's crucial anyone considering return gets the support and information they need to decide if returning is right for them.

Within Choices we work with people that have experienced problems with their asylum journey, and are able to assist them to explore their options to remain in the UK or to return to their home country. We also work with those that are suffering from the effects of extreme poverty, homelessness or inadequately housed, and those that have suffered from exploitation or servitude both overseas and within the UK.

We also offer support for those that have been subjected to, or are at risk of, human trafficking and female genital mutilation. For those with these forms of vulnerabilities and high support needs the Choices service is the safest method for them to explore their options to return to their home country.

Choices also works with other charities in countries of return, and have established an international partnership with over eighteen charities based locally in return communities overseas in order to ensure that people returning with Choices get the very best support to help them re-establish themselves back at home.

Gateway Protection Programme

Greater Manchester

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

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

During the year, our development workers carried out a range of activities in neighbourhoods where Gateway refugees live including community cohesion projects in partnership with family learning centres and through creative arts. The women's group has been supported in English language learning, business development and in developing confidence and combatting isolation. Gateway refugee community organisations have been supported – including England Oromo Community and Sudanese Fur Community UK. We have been actively involved in service development work with the police about race hate issues, health, education and youth services to improve access for refugees. We have also developed an employment programme, food projects, a Congolese Choir and a programme supporting refugees into volunteering.

Trustees' Annual Report (Continued)

For the year ended 31 March 2014

Fresh Start

East Midlands

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

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

Supported by volunteers and social work students, the project has gone from strength to strength in 2013-2014. This year 11 women were housed at Fresh Start. Eight women were assisted to access support from Home Office or the Local Authority. Of the supported women, one decided that returning home voluntarily was a better option than pursuing their human rights claim.

Wellbeing Project

Manchester

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

To date the wellbeing project has engaged up to 255 participants, mainly asylum seekers, in a range of arts, cultural and sports related activities, largely supported by other partner organisations in the community. The Wellbeing Cycling sessions held in partnership with Transport for Greater Manchester gave up to 60 participants the opportunity to receive cycling training by qualified instructors and improve their skills whilst out on the roads. Beyond the practical skills gained, it also provided a chance for participants to get active and stay connected with friends and support networks. Other workshops and courses on offer include music and drama performance workshops held by partner organisations in the community, skills-based training in community research, a self-help therapeutic group and art drop-ins. All have been well attended by both adults and children.

Local social work students also enhance our capacity to work with as many people as possible and gain valuable experience by providing advice and support to clients facing on-going problems arising from their asylum status, helping to resolve issues arising from homelessness, on-going stress and isolation and mild mental health problems.

Women's Advice Project

Bristol

Comic Relief funds our work with women who have experienced rape, female genital mutilation, trafficking, and other gender-related violence and torture. Women who've been through these experiences have often had dignity, autonomy and choice stripped away. We help them to get it back.

For many of our clients, the barriers to making a successful application for asylum can seem insurmountable. Many are not offered female interviewers or interpreters by the Home Office, and simply can't tell male strangers the details of what's happened to them. Others have very poor mental health, and are not ready to cope with the rigours of questioning, or can't face telling their story again at appeal. Many are single parents or are pregnant, some as the result of rape or coercive relationships.

Trustees' Annual Report (Continued)

For the year ended 31 March 2014

Our project volunteers work in long term, one-to-one relationships with the women. Volunteers help clients have a greater understanding of the system, enable them be more confident in expressing their story, and supporting improved wellbeing and a greater sense of control in their lives. For some women, especially those who have been trafficked, their isolation means that the volunteer's weekly phone calls are a lifeline – as one woman said, 'You're the only people I ever speak to, and you're the only ones who know I'm here'.

None of the 67 women we've helped so far have fallen into destitution, even after initial asylum refusals, as they've been better able to plan and less crisis-driven. They already know what might happen and what they can do about it is it does. For women who have been given refugee status, the positive knowledge and experiences gained in the project aid longer term integration, confidence, and ability to make informed choices.

Key Volunteer Project

Bristol

It's not only women whose experiences and circumstances make it impossible to cope with the asylum system alone. In Bristol we also see men who are single parents, who have been persecuted as they are gay or transgender, have been trafficked and raped, or who are incapacitated by poor mental health due to torture and trauma, and families who are caring for severely disabled people.

In response we have set up the Key Volunteer Project, funded by Bristol City Council, to ensure that these very vulnerable people have the support they need to make their asylum claims, avoid destitution, have someone to talk to and get appropriate services.

Many of our clients are extremely stressed and isolated by the demands put on them even apart from the rigours of the asylum system. For example, Rashid came to us as a new asylum seeker when he had just arrived in the city. As well as having a disability himself, one of his four children is severely disabled and his wife incapacitated by poor mental health. The family's complex needs meant they required a lot of additional support in regards to social services, healthcare, education, transportation, as well as day-to-day matters such as managing money, doing the shopping and writing letters. On top of this, Rashid needed to navigate the asylum system. He didn't know anyone in the UK who could help him.

Rashid's volunteer helped take the pressure off. She worked with him to prioritise and manage the numerous responsibilities. She explained the UK social support systems and provided information about the asylum process, making the phone calls, writing the letters, helping Rashid deal with crises and to continue keeping his family safe. After meeting his volunteer every week for 11 months, Rashid was given refugee status.

Youth Wellbeing Project

Liverpool

The Youth Wellbeing Project hold activities for young asylum seekers aimed at ensuring their physical and mental wellbeing during what might be a stressful and uncertain time. The project has worked with 37 young asylum seekers this year and included activities such as Zumba classes, bike riding, photography and guitar lessons. Participants also attended three local arts and music festivals (Lantern Festival, Afirca Oye and the Brouhaha festival). The activities give young people the opportunity to relax, engage in positive activities and to make new friends. Young people are also equipped with longer term coping strategies and ways to ensure their own wellbeing. As a result of the project the young people said that they felt better connected, more relaxed and resilient to the challenges of the asylum determination process.

Street Legal West

London

This year the partnership worked with 25 of the most vulnerable, entrenched rough sleepers in West London. Our Immigration Advisor, based within the St Mungos street outreach team in Ealing, accompanied the team on their rounds to engage with clients on the streets and start building a relationship with this hard to reach group. Our advisor worked with clients on a range of issues, including carrying out initial assessments to determine immigration history; gathering information to submit fresh claims for asylum or applications on human rights grounds and making applications for asylum support. We have had some fantastic successes, including getting access to asylum support through appeal for the most vulnerable cases and arguing for our clients to be accommodated in London rather than being dispersed so we can continue to support them. Some of our Street

Trustees' Annual Report (Continued)

For the year ended 31 March 2014

Legal clients have successfully returned to their home countries through Choices, having worked through their drug and alcohol issues with the team and been prepared for successful reintegration.

In addition to the core client group we also delivered immigration advice on a further 20 cases, and in conjunction with other partner agencies we delivered training to 30 front line homelessness professionals from across the sector on asylum issues.

Through these partnerships it is hoped that homeless and refugee support organisations can work together to prevent homelessness and destitution amongst asylum seekers.

Asylum Outreach and Support Project

Liverpool

The Asylum Outreach and Support project is delivered in partnership with the British Red Cross and Asylum Link Merseyside, with thanks to funding from the Big Lottery. It is aimed to ensure that everyone has access to the information they need, so information briefing sessions are held in a range of languages. So far we have delivered 57 information briefing sessions to 296 people in their home language, ensuring they are informed about the asylum system and the services available to them in Liverpool.

Shared Awareness Project

Liverpool

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

With thanks to funding received from Liverpool City Council, our Shared Awareness Project reached out to a range of audiences across the city in 2013-2014. A team of 12 volunteers delivered 37 sessions across Liverpool. Tailored to each group and as interactive as possible, sessions were provided for elderly groups, company and public services staff, housing associations and residents' associations. More than 453 people were reached and educated about why refugees flee their countries and what they experience in the UK. Many more were engaged at community events across the city, with quizzes on refugee issues, myth-busting booklets and posters of famous refugees.

Speaking out in the media

National

Refugee Action has a dedicated communications function that serves to give refugees and asylum seekers a stronger voice in the UK media. We proactively work with journalists across a broad range of print, online and broadcast media to inform the debate around the asylum system and refugee rights nationally, and to raise awareness of our own work in local communities. During 2013-2014, proactive statements were made available to the national media on a wide range of issues. This resulted in 171 mentions of Refugee Action in the UK media, with an estimated reach of more than 10 million people.

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

Inspiring supporters

National

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

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

Trustees' Annual Report (Continued)

For the year ended 31 March 2014

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

Across the country, extraordinary people did incredible things to stand up for refugees and asylum seekers. People who give on a regular basis contributed more than £100,000 in 2013-2014.

Raising money on World Food Night

National

In its third year, Refugee Action's flagship fundraising event, World Food Night raised more than £7,500. Taking place on 1 March 2014, Refugee Action supporters up and down the country came together to host World Food Night events.

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

Valuing volunteers

National

In 2013-2014, more than 250 volunteers gave over 25,000 hours of their time to Refugee Action in 15 different volunteer roles.

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

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

Influencing policy

National

In February 2014 Refugee Action took a landmark legal challenge against the Home Secretary on the grounds that she had acted irrationally over whether asylum support meets essential living needs and secures a dignified standard of living.

The decision of the High Court (handed down on 9 April 2014) ruled that the Home Secretary, Theresa May, was 'irrational' in her decision making and 'misunderstood information' when setting the crippling low level of financial support paid to people seeking asylum in UK.

The legal case was based on five years of extensive research and advocacy by Refugee Action and our partners across the refugee sector – after the evidence being continuously ignored legal action was considered the only option. Evidence presented as part of the bundle of court papers provided by Refugee Action included testimony from some of the many people living on asylum support that Refugee Action has assisted through its OSS service.

Trustees' Annual Report (Continued)

For the year ended 31 March 2014

4) Strategic report

a. Achievements and performance

Strategic goal one: All refugees will have a means of survival

- We provided **9,000 one-to-one advice sessions** to asylum seekers through our One Stop Service. Thanks to our advice, the asylum seekers we supported were able to access financial support, resolve issues with accommodation and have a better understanding of the legal steps open to them.
- Our Choices clients are some of the most vulnerable people in our society. Through our Assisted Voluntary Return casework, we **helped alleviate the effects of extreme poverty**, homelessness, inadequate housing and exploitation.
- Through our Fresh Start house, **11 destitute women were given a place to stay** and support to explore their options. Thanks to our casework support, eight women were assisted to access support from the Home Office or the local authority.

Strategic goal two: The UK will have a fair asylum system

- We continued to use the evidence gathered from our services on the ground to inform and shape our influencing work. This included **a Judicial Review against the Home Office** where we successfully challenged the level of financial support provided to asylum seekers
- Our **Choices service reached 7,900 people**. They were given a safe and supportive environment to consider their future. We supported them to explore their options in the UK or to return to their home country.
- Through all our services and projects, we ensured that every asylum seeker we met could **access the advice they needed to make informed decisions** about their own lives.

Strategic goal three: Refugees will be part of our society

- The **171 pieces of positive media coverage** generated by Refugee Action, as well as our social media activity reaching more than 13K people; all helped challenged the damaging myths and promote respect for the people we support.
- Through our Gateway programme, we supported the **470 people resettled in the North West** to access services, learn English, plan for the future, identify skills and build bridges with local communities.

Strategic goal four: Refugees will be able to thrive

- We provided three innovative projects (Manchester, Liverpool and Bristol) specifically focused on **supporting asylum seekers' emotional health and wellbeing**. Through a range of group and individual activities, people had an increased sense of belonging, improved self-esteem and better physical health. In turn this improved their resilience to the challenges of the asylum determination system.

Strategic goal five: Refugees will have a better prospect of finding work

- Through our Gateway programme we have developed an employment and volunteering programme which helps refugees to start working again by providing advice, support and mentoring.

b. Financial Review

For the year ended 31 March 2014 the charity made a deficit of approximately £81K (2013: £47K surplus) reducing total funds slightly to £5.17m (2013:£5.25m). This resulted from a surplus of £86k on restricted funds and a deficit of £167k on unrestricted funds. Details of the state of the charity's reserves are given in the Reserves Policy section below.

Incoming resources

The charity's incoming resources from continuing activities for the year ended 31 March 2013 increased to £20.2m (2013: £17.7m), mainly as a result of the additional income from the Assisted Voluntary Return (Choices) programme that was delivered for its third full year.

During the financial year we received total grant funding of £19.6m (2013: £16.7m) from the Home Office.

The balance of the income for the year ended 31 March 2014 included grants and donations £0.6m (2013: £0.9m), and investment income of £28k (2013: £24k).

Trustees' Annual Report (Continued)

For the year ended 31 March 2014

Resources expended

The charity's total resources expended for the year ended 31 March 2014 increased to £20.3m (2013: £17.6m). Out of this, the direct cost of providing services to our clients was £19.8m (2013: £17.3m).

Staff costs for the year ended 31 March 2014 increased to £8.7m (2013: £7.7m) but the percentage of staff costs to total costs has reduced to 43 per cent (2013: 44 per cent).

The cost of generating voluntary income for the year ended 31 March 2014 increased to £435k (2013: £255k). The cost of providing governance for the charity was £45k for 2014 (£45k in 2013), accounting for 0.2 per cent of total costs (2013: 0.3 per cent).

Investment policy

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

Reserves policy

Having considered the likely expenditure and future levels of income of Refugee Action, the Trustees have agreed the following policy at 2014:

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

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

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

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

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

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

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

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

Trustees' Annual Report (Continued)

For the year ended 31 March 2014

c. Plans for future periods

Refugee Action has prioritised work in the near future that increases asylum justice, working towards a fair asylum system and ends asylum poverty, especially focusing on those who are homeless purely through bureaucratic mistakes or who live in poverty due to low levels of day-to-day support.

Increasing asylum justice:

- The split between 'legal advice' and 'asylum advice' leaves a gap through which many asylum seekers fall. "The asylum process is like walking into a dark room", one asylum seeker told us – adding that without adequate legal and asylum advice, "it would have been like being blind". Due to the funding structure for legal and asylum advice (split over two government departments), plus the unprecedented squeeze on the civil legal aid budget and asylum support provision, there is little to encourage providers to work together, nor share their expertise and resources. Increasing Asylum Justice works with asylum seekers at two stages of the asylum system to trial a new solution to this problem, bridging the gap between non-legal and legal advice providers to give asylum seekers the best possible support. The two stages of the asylum process focused on are: shortly after the point of application for asylum when a 'key worker' will work alongside an asylum seeker for the course of their asylum claim; and also at the end of the asylum process, for those who have been failed by the system to support them to explore the option of re-entering the system through a fresh asylum claim.
- Influencing aims: fighting to place the applicant voice at the heart of the asylum process and through this working towards a system that meets the 4 benchmarks (access to advice and information; access to good quality legal advice; high quality decision-making by the HO; and sufficient material resources to be able to focus on their case) – in the shorter term, tweaking the current system; in the longer term demanding a completely new system.

Ending asylum poverty:

- Refugee Action sees large numbers of people every year who are needlessly homeless as a result of not being able to access the right support. Asylum seekers who have been refused still have some minor support available known as Section 4. But applying for this support is extremely complicated and often people are refused and have to go to an appeal hearing. The Preventing Asylum Homelessness project will have an impact in two ways. Firstly, it will help individuals to fill out the forms correctly and prepare them psychologically and practically for appeal hearings if they reach that stage. It will also create a body of evidence to demonstrate the need for improved decision-making by the Home Office in Section 4 support applications, as well as monitoring where the new Migrant Help-run asylum advice services result in restrictions of access to Section 4.
- Influencing aims: improving S4 decision-making by the Home Office (more timely, more accurate and with wider eligibility); increasing S4 support rates.

Emotional wellbeing – helping people thrive:

- As an additional aim, Refugee Action is looking to explore work that addresses the impact of the asylum process on people's emotional wellbeing and helps them to thrive. Two thirds of refugee women are kept awake at night through depression, nightmares and anxiety. The refugee population as a whole is often isolated, worried and traumatised, not only by the terrible experiences that forced them to flee their home, but also by their experiences of a hostile and suspicious asylum system in the UK that strips them of their dignity. The Thrive Project brings together those people we have helped through the Preventing Asylum Homelessness and Increasing Asylum Justice projects to live happier, more secure lives by encouraging them to learn a new skill, get involved in sport and meet new friends across an eight to ten week course.

Choices Assisted Voluntary Return:

Refugee Action's Choices service remains the sole provider of independent advice around voluntary return in the United Kingdom.

Trustees' Annual Report (Continued)

For the year ended 31 March 2014

Refugee Action has four fundamental values that underpin our delivery of the Choices service:

- *Trust* – Choices works respectfully with people in a trusting and confidential way. We also work with our sector transparently sharing the truth around voluntary return with other organisations and with people considering return. Return is not an easy choice, and there are many factors that a person would need to be aware of in order to make a fully informed decision.
- *Sustainability* – Choices remains centred around supporting people through one of the biggest decisions they will ever make and the return is geared around equipping people to sustain a safe, healthy life when they return enabling them to thrive in their home county.
- *Choice* – Non-directive advice and fully informed decision making forms the bedrock of our service. We seek to create spaces of safety for those who have experienced trauma, poverty or exploitation to explore their options with the support of our staff and volunteers.
- *Client Centred* – Our Choices service remains driven by the needs of the individuals we work with, not by the agendas of government or any other pressure. This often means that the people Choices works with may choose not to return when they have no route to status in the UK, or conversely may choose to return to sometimes difficult situations or areas of the world that are in conflict. An individual's right to self-determine is fundamental to our Choices service.

Over the course of the next twelve months Choices will:

- Continue to grow our overseas partnership, supporting the charities we work with in countries of return to develop new services for returnees and to sustain themselves outside of the Choices work.
- Continue to engage in a dialogue with the rest of the sector, and the government around the inequity of immigration detainees not having access to a voluntary return service, or independent, impartial, non-directive advice around voluntary return, and seek to advance a position of change.
- Explore new methods of improving the quality of information to those considering return by enabling those who have returned to share a true and unpolished account of their return journey.

Gateway Resettlement Programme:

Refugee Action's Gateway Protection Programme is the largest UK resettlement programme and is a partnership with UNHCR, the Home Office and six local authorities in Greater Manchester.

Gateway supports people who have fled war or persecution to settle in the UK with refugee status. All of the people we support have experienced life in UNHCR refugee camps overseas, often for prolonged periods of time as the need for Gateway places vastly outstrips the numbers offered by international governments.

The main aims of our Gateway service are:

- Empowering refugees to navigate life in the UK, reducing the need for services like ourselves to exist and to enable those who have fled persecution to thrive in the UK
- Fostering a sense of welcome inherently within the communities of the UK, that communities will embrace those fleeing persecution
- To advance a position of change around the number of resettlement places currently offered within the United Kingdom

We also work at a European level as part of the SHARE project, aiming to share best practice and learning from European Colleagues and promote resettlement at a European level.

d. Principal risks and uncertainties

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

Trustees' Annual Report (Continued)

For the year ended 31 March 2014

The responsibilities of trustees

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

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

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

In so far as the trustees are aware:

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

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

Auditors

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

This report was approved by the trustees on 11 December 2014 and signed on their behalf by:

Julia Meiklejohn
Chair of the Board of Trustees

Independent Auditors' Report to the Members of REFUGEE ACTION (Company reg. no. 1593454)

We have audited the financial statements of Refugee Action for the year ended 31 March 2014 which comprise the Statement of Financial Activities, the Cash Flow Statement, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

In addition, we read all the financial and non-financial information in the Strategic Report and the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

/Continued...

Independent Auditors' Report to the Members of REFUGEE ACTION (Continued)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

Date:

REFUGEE ACTION

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating income and expenditure account)

For the year ended 31 March 2014

| | Notes | Restricted funds £'000 | Unrestricted funds £'000 | Total 2014 £'000 | Total 2013 £'000 |
|--|-------|---------------------------|-----------------------------|------------------------|------------------------|
| INCOMING RESOURCES | | | | | |
| <i>Incoming resources from generated funds:</i> | | | | | |
| Voluntary income | 2 | 351 | 283 | 634 | 920 |
| Investment income - interest receivable | | 1 | 27 | 28 | 24 |
| <i>Incoming resources from charitable activities</i> | | | | | |
| | 3 | 19,578 | - | 19,578 | 16,711 |
| TOTAL INCOMING RESOURCES | | 19,930 | 310 | 20,240 | 17,655 |
| RESOURCES EXPENDED | | | | | |
| <i>Costs of generating funds:</i> | | | | | |
| <i>Costs of generating voluntary income</i> | | | | | |
| | | - | 435 | 435 | 255 |
| <i>Charitable activities:</i> | | | | | |
| AVR - Choices | | 16,056 | - | 16,056 | 13,858 |
| Asylum advice and community | | 3,527 | 46 | 3,573 | 3,247 |
| Communications | | 207 | 5 | 212 | 203 |
| <i>Governance costs</i> | | 44 | 1 | 45 | 45 |
| TOTAL RESOURCES EXPENDED | 5 | 19,834 | 487 | 20,321 | 17,608 |
| NET INCOME/(EXPENDITURE) | | 96 | (177) | (81) | 47 |
| Transfers between funds | | (10) | 10 | - | - |
| NET MOVEMENT IN FUNDS FOR YEAR | | 86 | (167) | (81) | 47 |
| TOTAL FUNDS AT START OF YEAR | | 889 | 4,361 | 5,250 | 5,203 |
| TOTAL FUNDS AT END OF YEAR | | 975 | 4,194 | 5,169 | 5,250 |

NOTE

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

The notes on pages 20 to 31 form part of these financial statements

REFUGEE ACTION

(A company limited by guarantee) Registered company number 01593454

BALANCE SHEET

As at 31 March 2014

| | Note | 2014 £'000 | 2014 £'000 | 2013 £'000 | 2013 £'000 |
|---|------|----------------|---------------------|----------------|---------------------|
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 8 | | 152 | | 343 |
| CURRENT ASSETS | | | | | |
| Debtors | 9 | 5,281 | | 6,245 | |
| Cash at bank and in hand | | 1,681 | | 489 | |
| | | <u>6,962</u> | | <u>6,734</u> | |
| CREDITORS: amounts falling due within one year | 10 | <u>(1,945)</u> | | <u>(1,827)</u> | |
| NET CURRENT ASSETS | | | <u>5,017</u> | | <u>4,907</u> |
| NET ASSETS/TOTAL ASSETS LESS CURRENT LIABILITIES | 12 | | <u><u>5,169</u></u> | | <u><u>5,250</u></u> |
| CHARITY FUNDS | | | | | |
| Restricted funds | 12 | | 975 | | 889 |
| Unrestricted funds: | | | | | |
| General Fund | 12 | | 1,563 | | 1,616 |
| Designated funds | 12 | | 2,631 | | 2,745 |
| | | | <u>5,169</u> | | <u>5,250</u> |

The financial statements were approved, and authorised for issue, by the Trustees on 11 December 2014 and signed on their behalf by:

Julia Meiklejohn
Chair

The notes on pages 20 to 31 form part of these financial statements

REFUGEE ACTION CASH FLOW STATEMENT

For the year ended 31 March 2014

| | 2014 £'000 | 2013 £'000 |
|---|---------------|----------------|
| Net cash flow from operating activities (see below) | 1,183 | (1,224) |
| Returns on investments (interest receivable) | 28 | 24 |
| Capital expenditure (purchase of tangible fixed assets) | (19) | (76) |
| INCREASE/(DECREASE) IN CASH IN THE YEAR | 1,192 | (1,276) |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN CASH BALANCES

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| Increase/(decrease) in cash for the year | 1,192 | (1,276) |
| Net cash balances at the start of the year | 489 | 1,765 |
| Net cash balances at the end of the year | 1,681 | 489 |

NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2014 £'000 | 2013 £'000 |
|--|---------------|----------------|
| Net (outgoing)/incoming resources | (81) | 47 |
| Return on investment - interest income | (28) | (24) |
| Depreciation of tangible fixed assets | 210 | 211 |
| Decrease/(increase) in debtors | 964 | (1,512) |
| Increase/(decrease) in creditors | 118 | 54 |
| NET CASH INFLOW/(OUTFLOW) FROM OPERATIONS | 1,183 | (1,224) |

REFUGEE ACTION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Company status

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

1.3 Fund accounting

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

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

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

1.4 Incoming resources

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

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

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

1.5 Resources expended

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

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

REFUGEE ACTION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

1.6 Tangible fixed assets and depreciation

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

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

All fixed assets costing more than £500 are capitalised.

1.7 Operating leases

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

1.8 Pensions

The Charity operates a defined contribution pension scheme (see Note 14) and the pension charge represents the amount payable by the Charity to the scheme - or to employees' individual pension schemes - in the year. Due to certain guarantees included in the scheme there is an employer's debt which would become payable if the Charity left the scheme and this is explained in Note 14. As a multi-employer scheme within the definition of FRS 17 none of the assets or liabilities of the scheme are included on the Charity's Balance Sheet.

1.9 Foreign currencies

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

REFUGEE ACTION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

2. VOLUNTARY INCOME - GRANTS AND DONATIONS

| | Restricted Funds £'000 | Unrestricted Funds £'000 | Total 2014 £'000 | Total 2013 £'000 |
|---|------------------------------|--------------------------------|------------------------|------------------------|
| Grants from government and other public authorities: | | | | |
| Liverpool City Council | 22 | - | 22 | 23 |
| The Big Lottery Fund: | | | | |
| TRIO | 19 | - | 19 | 46 |
| Liverpool Asylum Seeker Destitution | 36 | - | 36 | - |
| Bristol City Council | 22 | - | 22 | 68 |
| Home Office Returns Reintegration Fund | 94 | - | 94 | - |
| Other grants and donations: | | | | |
| Sigrd Rausing Trust | - | - | - | 65 |
| Lankelly Chase | - | - | - | 15 |
| M & M Constantine | - | - | - | 20 |
| Trust For London | 7 | - | 7 | 20 |
| Greater Manchester Centre for Vol Org | - | - | - | 24 |
| Refugee Council | - | - | - | 106 |
| BBC Children in Need | - | - | - | 29 |
| Citizenship Foundation | - | - | - | 4 |
| Red Cross | 10 | - | 10 | 10 |
| Caritas Austria | 24 | - | 24 | 50 |
| Comic Relief | 47 | - | 47 | 47 |
| St Mungo's Housing Association | 35 | - | 35 | 8 |
| Groundwork UK | 30 | - | 30 | 43 |
| Pilkington CT | - | - | - | 5 |
| Sundry donations | 5 | 283 | 288 | 337 |
| | 351 | 283 | 634 | 920 |

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

REFUGEE ACTION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | Restricted Funds £'000 | Unrestricted Funds £'000 | Total 2014 £'000 | Total 2013 £'000 |
|---|------------------------------|--------------------------------|------------------------|------------------------|
| Home Office grants and contracts: | | | | |
| Asylum advice and community development services | 1,830 | - | 1,830 | 1,690 |
| Gateway Settlement services | 1,353 | - | 1,353 | 1,016 |
| Choices (Assisted Voluntary Return) | 16,395 | - | 16,395 | 14,030 |
| Keyworker Pilot | - | - | - | (25) |
| | <u>19,578</u> | <u>-</u> | <u>19,578</u> | <u>16,711</u> |

4. NET INCOMING RESOURCES

This is stated after charging:

| | 2014 £'000 | 2013 £'000 |
|---------------------------------------|---------------|---------------|
| Depreciation of tangible fixed assets | 210 | 211 |
| Audit fees (net of VAT) | 22 | 22 |
| Other fees payable to auditors | 1 | 1 |
| | <u>233</u> | <u>234</u> |

5 Trustees (2013 – 8) received reimbursements for travel and subsistence expenses amounting to £3,349 (2013 - £3,062). No Trustees received any remuneration (2013 – Nil).

REFUGEE ACTION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

5. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

| | Staff costs £'000 | Office costs £'000 | Other direct costs £'000 | Support costs £'000 | Total 2014 £'000 |
|---|-------------------------|--------------------------|--------------------------------|---------------------------|------------------------|
| Costs of generating funds | | | | | |
| Fundraising & publicity | 187 | 22 | 191 | 35 | 435 |
| Charitable expenditure | | | | | |
| AVR Choices | 5,366 | 778 | 8,877 | 1,035 | 16,056 |
| Asylum advice & community development services | 2,071 | 461 | 656 | 385 | 3,573 |
| Communications | 142 | 15 | 33 | 22 | 212 |
| Costs of activities in furtherance of Charity's objects | 7,579 | 1,254 | 9,566 | 1,442 | 19,841 |
| Governance | 17 | 1 | 26 | 1 | 45 |
| Support costs | 922 | 125 | 431 | (1,478) | - |
| Total expenditure | 8,705 | 1,402 | 10,214 | - | 20,321 |

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

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

6. STAFF COSTS AND NUMBERS

Staff costs were as follows:

| | 2014 £'000 | 2013 £'000 |
|-----------------------|---------------|---------------|
| Salaries | 6,689 | 5,811 |
| Social security costs | 647 | 570 |
| Pension costs | 575 | 503 |
| Redundancy payments | 128 | 35 |
| Agency staff | 666 | 757 |
| | 8,705 | 7,676 |

REFUGEE ACTION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

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

| | 2014 No. | 2013 No. |
|---|-------------|-------------|
| Fundraising and publicity | 5 | 4 |
| AVR - Choices | 141 | 120 |
| Asylum advice and community development services | 53 | 60 |
| Communications | 3 | 3 |
| Support costs | 15 | 15 |
| Governance costs | 1 | 1 |
| Interpreters (cost included in Asylum advice and AVR Choices) | 63 | 63 |
| | 281 | 266 |

One member of staff (2013 – one member of staff) received a gross salary in the range of £60,000 to £70,000, and one member of staff (2013 – one member of staff) received a salary in the range £70,000 to £80,000. Pension contributions at 8 per cent of salary plus £600 per annum were also payable. All other employees earned less than £60,000.

The Charity contributes 8 per cent of basic salaries plus £600 per annum to an independently operated, voluntary, non-contributory, money purchase scheme open to those of its permanent employees who wish to participate (see also Note 14). The Charity pays contributions for those employees who opt to participate in the scheme but has no liability to provide pensions to former employees. Staff can opt for the contribution to be made to their own personal pension schemes instead of the Charity's scheme. At the year-end there were outstanding contributions amounting to £62,973 (2013 - £26,463), which are included in Creditors.

7. SUPPORT COSTS

| | 2014 £'000 | 2013 £'000 |
|--------------------------|---------------|---------------|
| Finance | 359 | 267 |
| Human Resources | 216 | 228 |
| Information Technology | 302 | 342 |
| Chief Executive's office | 301 | 282 |
| Other support costs | 300 | 350 |
| | 1,478 | 1,469 |

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

REFUGEE ACTION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

8. TANGIBLE FIXED ASSETS

| | Furniture, fittings and equipment £'000 | Leasehold improve- ments £'000 | Total 2014 £'000 | Total 2013 £'000 |
|-------------------------------------|--|---|------------------------|------------------------|
| Cost | | | | |
| At start of the year | 736 | 307 | 1,043 | 1,050 |
| Additions | 19 | - | 19 | 76 |
| Disposals | (77) | - | (77) | (83) |
| At end of the year | <u>678</u> | <u>307</u> | <u>985</u> | <u>1,043</u> |
| Depreciation | | | | |
| At start of the year | 466 | 234 | 700 | 572 |
| Charged for the year | 137 | 73 | 210 | 211 |
| Eliminated on disposal | (77) | - | (77) | (83) |
| At end of the year | <u>526</u> | <u>307</u> | <u>833</u> | <u>700</u> |
| Net book value at start of the year | <u>270</u> | <u>73</u> | <u>343</u> | <u>478</u> |
| Net book value at end of the year | <u>152</u> | <u>-</u> | <u>152</u> | <u>343</u> |

9. DEBTORS - Amounts falling due within one year

| | 2014 £'000 | 2013 £'000 |
|-------------------|---------------|---------------|
| Grants receivable | 4,713 | 5,690 |
| Prepayments | 249 | 172 |
| Other debtors | 319 | 383 |
| | <u>5,281</u> | <u>6,245</u> |

10. CREDITORS - Amounts falling due within one year

| | 2014 £'000 | 2013 £'000 |
|---------------------------|---------------|---------------|
| Trade creditors | 1,030 | 1,390 |
| Taxes and social security | 184 | 168 |
| Accruals | 731 | 269 |
| | <u>1,945</u> | <u>1,827</u> |

REFUGEE ACTION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

11. COMMITMENTS

At 31 March 2014 the Charity had annual commitments under non-cancellable operating leases on its premises as follows:

| | 2014 £'000 | 2013 £'000 |
|---------------------|---------------|---------------|
| Expiry date: | | |
| Within 1 year | 97 | 276 |
| Within 2 to 5 years | 184 | 74 |
| | <u>281</u> | <u>350</u> |

12. STATEMENT OF FUNDS

| | Brought Forward £'000 | Incoming Resources £'000 | Resources Expended £'000 | Transfers In/(out) £'000 | Carried Forward £'000 |
|--------------------------------|-----------------------------|--------------------------------|--------------------------------|--------------------------------|-----------------------------|
| DESIGNATED FUNDS | | | | | |
| Fixed assets | 114 | - | (91) | 10 | 33 |
| Pension fund | 863 | - | - | (33) | 830 |
| Premises leases | 900 | - | - | - | 900 |
| Sickness & maternity leave | 178 | - | - | - | 178 |
| Destitution fund | 40 | - | - | - | 40 |
| Top Up fund | 200 | - | - | - | 200 |
| Donor acquisition fund | 300 | - | - | - | 300 |
| Tendering fund | 150 | - | - | - | 150 |
| TOTAL | <u>2,745</u> | <u>-</u> | <u>(91)</u> | <u>(23)</u> | <u>2,631</u> |
| GENERAL FUND | <u>1,616</u> | <u>310</u> | <u>(396)</u> | <u>33</u> | <u>1,563</u> |
| UNRESTRICTED | <u>4,361</u> | <u>310</u> | <u>(487)</u> | <u>10</u> | <u>4,194</u> |
| RESTRICTED FUNDS | | | | | |
| Asylum advice services | 213 | 1,830 | (1,790) | - | 253 |
| Community development | 66 | - | - | - | 66 |
| Voluntary return project | 147 | 16,395 | (16,239) | - | 303 |
| Choices overseas conference | - | 94 | (94) | - | - |
| Community development projects | 250 | 218 | (296) | - | 172 |
| Gateway Settlement | 25 | 1,353 | (1,356) | - | 22 |
| Refugee awareness | 1 | - | - | - | 1 |
| Fresh Start | 8 | 10 | (14) | - | 4 |
| Erso | 20 | 24 | (44) | - | - |
| Other projects | (2) | 5 | (1) | - | 2 |
| Redundancy fund | 161 | 1 | - | - | 162 |
| RESTRICTED | <u>889</u> | <u>19,930</u> | <u>(19,834)</u> | <u>(10)</u> | <u>975</u> |
| TOTAL FUNDS | <u>5,250</u> | <u>20,240</u> | <u>(20,321)</u> | <u>-</u> | <u>5,169</u> |

REFUGEE ACTION NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

DESIGNATED FUNDS

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

As explained in Note 14, the Charity has been notified by The Pensions Trust that an estimated liability of £830,000 would be payable should it have withdrawn from the pension scheme as at 30 September 2013. Although the Charity has no intention of withdrawing, a fund has been set aside to provide against this liability should it crystallise in the future. The Pensions Trust have also indicated that that this liability would have decreased by approximately 6% between 30 September 2013 and 31 March 2014, but, on a prudent basis, the 30 September valuation has been used to determine the designated fund balance above.

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

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

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

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

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

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

RESTRICTED FUNDS

Asylum advice services grants are received from the Home Office's UK Border Agency (UKBA) to provide a one-stop advice service (including operating a reception service and accommodation advice) to new refugees and to assist in-country asylum seekers. The balance on the Asylum advice services fund and all the other funds except for the Redundancy fund are due to be spent in the period to March 2017.

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

Voluntary return project (Choices) grants are also provided by the Home Office. The programme provides advice, information and counselling to individuals considering returning to their country of origin. The fund includes £49,000 from the general fund to provide for costs potentially deemed ineligible by the Home Office. At the time of signing of the accounts, the expenditure up to 31 March 2014 had already been subject to an audit by the Home Office, which found little ineligible expenditure. On that basis the provision appears adequate. Expenditure shown against the fund includes some Communication and Governance costs as allowed by the Home Office.

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

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

REFUGEE ACTION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

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

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

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Tangible fixed assets £'000 | Net current assets £'000 | Total £'000 |
|-------------------------------------|--------------------------------------|-----------------------------------|----------------|
| Restricted funds: | | | |
| Asylum advice services | 32 | 221 | 253 |
| Community development | | 66 | 66 |
| Voluntary return project | 76 | 227 | 303 |
| Liverpool Asylum Seeker Destitution | - | 2 | 2 |
| Community development projects | - | 160 | 160 |
| Gateway Settlement | 7 | 15 | 22 |
| Refugee awareness | - | 1 | 1 |
| Fresh Start | 4 | - | 4 |
| Other projects | - | 2 | 2 |
| Redundancy fund | - | 162 | 162 |
| Total restricted funds | 119 | 856 | 975 |
| Total unrestricted funds | 33 | 4,161 | 4,194 |
| Total | 152 | 5,017 | 5,169 |

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

14. PENSION SCHEME

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

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

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

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

REFUGEE ACTION NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

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

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

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

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

As at the balance sheet date there were 173 (2013 – 167) active members of the Plan employed by the Charity, which continues to offer membership of the Plan to its employees. Refugee Action continues to offer membership of the Plan to its employees.

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

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

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

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

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

The Scheme Actuary has prepared a funding position update as at 30 September 2013. The market value of the Plan's assets at that date was £772 million and the Plan's Technical Provisions (i.e. past service liabilities) was £927 million. The update, therefore, revealed a shortfall of assets compared with the value of liabilities of £155 million, equivalent to a funding level of 83%. If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall. If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which

REFUGEE ACTION NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012, as is required by legislation.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up. The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

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

When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). Due to a change in the definition of money purchase contained in the Pensions Act 2011 the calculation basis that applies to the Growth Plan will be amended to include Series 3 liabilities in the calculation of an employer's debt on withdrawal.

The Growth Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore, jointly and severally liable for the deficit in the Growth Plan. As at 30 September 2013 the total deficit calculated on the buy-out basis was £219.9m.

The Charity has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2013. As of this date the estimated employer debt for the Charity was £829,229 including Series 3. However, the Scheme Actuary has advised that the figure quoted as at 30 September 2013 is likely to have decreased by approximately 6% to £779,475 as at 31 March 2014.

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

REFUGEE ACTION

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

Company no. 01593454 Registered charity no. 283660

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working with refugees to build new lives