

Refugee Action (A Company Limited by Guarantee)
Annual Report 2016-17

Registered charity number: 283660

Registered company number: 01593454

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**CHARITY REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2017**

Refugee Action's audited accounts and Trustees' report 2016 – 2017

Refugee Action is an independent, national charity. Our vision is that refugees and people seeking asylum will be welcome in the UK. They will get justice, live free of poverty and successfully rebuild their lives. We provide practical support to refugees and people seeking asylum; train and support other charities working with refugees and people seeking asylum; and make the case to government, for policies that improve their ability to access justice and rebuild their lives. Refugee Action has more than 35 years of experience of developing and delivering solutions to the challenges faced by refugees and people seeking asylum in the UK.

Registered charity number: 283660

Registered company number: 01593454

Registered office

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

Chief Executive and Secretary

Stephen Hale OBE

Trustees

Julia Meiklejohn (Chair resigned 26 May 2016)

Andy Gregg (Vice Chair, Chair May – October 2016)

Penny Lawrence (Chair Appointed 19 October 2016)

Mino Jalali (Resigned 8 December 2016)

Joe Jenkins

Frewyeni Kidane (Resigned 20 July 2016)

Jeremy Lester (Honorary Treasurer)

Stefanie Pfeil

Jon Quinn

Chris Randall

Irmani Smallwood

Amaf Yousef (Appointed 8 December 2016)

Independent Auditors

MHA MacIntyre Hudson

Chartered Accountants and Statutory Auditor

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

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FOR THE YEAR ENDED 31 MARCH 2017**

Bankers

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

Solicitors

Field Seymour Parkes LLP
1 London Street, Reading, RG1 4PN

TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2017

The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Refugee Action ('the charity') for the year ended 31 March 2017. The trustees confirm that the Annual Report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) – applicable to charities preparing their accounts in accordance with the Financial Reporting Standard, applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Structure, governance and management

The charity is governed by its memorandum and articles of association (last amended in April 2015) and is a company limited by guarantee. Refugee Action's trustees are responsible for the overall management of the charity. Trustees are chosen for their expertise and their commitment to refugees, including, where relevant, life experience as refugees. The trustees who served during this financial year are shown above. Biographical details of our current 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. Trustee vacancies are publicly advertised and new trustees are appointed by the full board following an interview process. When first appointed, they are offered an induction programme that includes the opportunity to observe our services. Trustees also hold an annual away day at which the future plans of the organisation are discussed. Refugee Action carries out an annual assessment of the risks facing the charity. Details of trustees' expenses and related transactions are disclosed in Note 6 of the accounts.

The Chief Executive is appointed by the trustees and is accountable to them for managing the charity as a whole.

Refugee Action has a Senior Management Team (SMT) that reports to the Chief Executive and manages the primary functions of the charity. SMT members in 2016/17 were:

- Stephen Hale, Chief Executive
- Lou Calvey, Head of Resettlement
- Tim Hilton, Head of Services and Good Practice
- Zoe Grumbridge (Back from maternity leave in March 2017), Head of Fundraising and Brand
- Wayne Murray (joined SMT January 2016), Head of Fundraising and Brand

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- Nicola Parker, Head of Human Resources
- Yemane Tsegai, Head of Finance, IT and Facilities
- Angelique Orr (resigned August 2016), Head of Campaigns
- Mariam Kemple Hardy (joined SMT October 2016), Head of Campaigns

The SMT is assisted by a staff team that comprised 91 staff at the end of March 2017. With the help of volunteers, the organisation delivered services in four regions of England during 2016/17. These were in London (including headquarters), the West Midlands (the main office base for all activities in the West Midlands is in Birmingham), the North-West and West Yorkshire. The organisation also carried out training and support to other charities as well as communications, advocacy and campaigning work to further the mission and objectives of the charity.

OBJECTIVES AND ACTIVITIES

About Refugee Action

Refugee Action is an independent, national charity that works to ensure that refugees and people seeking asylum in the UK can successfully rebuild their lives. In early 2016 the organisation set a three-year strategy to guide all our work and ensure that we move towards this goal. The charity defined a vision of the future we want to build and a mission statement outlining the organisation we need to be to achieve this goal. Plus specific objectives for our support to asylum seekers and refugees, our campaigning and the support we provide to other organisations.

The objectives of the Charity are to provide aid to refugees and asylum seekers, to promote the development of refugee communities, to improve access to employment and enhance opportunities for refugees and asylum seekers, and to raise awareness of refugee issues, influence policy and campaign for refugee rights.

Our vision for 2016-19

Our vision is that refugees and asylum seekers will be welcome in the UK. They will get justice, live free of poverty and be able to successfully rebuild their lives.

Our mission for 2016-19

To achieve this vision, our aim is that:

Refugee Action plays a leading role in overcoming the challenges facing refugees and asylum seekers in the UK. We work with others to develop and deliver innovative services that benefit the majority of asylum seekers and refugees. We successfully build public and political support for policy change, so they can rebuild their lives. We are a trusted partner and ally for organisations that seek to enable refugees to rebuild their lives in the UK.

Our Objectives for 2016-19

We will achieve these objectives through both direct services to asylum seekers and refugees and support and advice to other organisations. We will deliver direct services in London, the West Midlands, the North-West, and West Yorkshire.

Justice

1. Secure support for most new asylum seekers so that they can focus on their asylum case and get protection where it is needed.

2. Secure a significant increase in the quantity and quality of legal advice available to refused asylum seekers so that those who need protection get it.

Freedom from poverty

3. Reduce the level of homelessness and precarious housing among people failed by the asylum system.
4. Ensure that refugees and other migrants settling in the UK are able to avoid poverty and to thrive – in particular through employment, debt avoidance, good health and positive relationships with host communities.
5. Ensure that refugees resettled in the UK are empowered to rebuild their lives successfully.

Campaigns and Influence

6. Persuade the UK government to provide safe and legal routes for 100,000 refugees by 2020, through campaigns that reflect our experience of best practice.
7. Ensure faster, fairer asylum decisions by securing tangible improvements to the system, and defend the rights of asylum seekers and refugees to rebuild their lives in Britain without falling into poverty.
8. Build a strong and committed campaigns supporter base of at least 50,000 people, and work with a broad range of 'unusual' allies to engage up to 2 million people in campaigning – to make Britain a country that respects the rights of refugees.

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.

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 communications and advocacy that we undertake also has 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 contribution to the UK. This in turn reduces hostility towards asylum seekers and refugees, and improves understanding and cohesion between different communities.

Going concern

The trustees assess whether the use of the going concern assumption is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Financial review

For the year ended 31 March 2017 the charity made a deficit of £473K (2016: £55K surplus) decreasing total funds to £4.46m (2016: £4.94m). This resulted from deficits of £383k and £90k respectively on unrestricted and restricted funds. Details of the state of the charity's reserves are given in the Reserves Policy section below.

Income

Refugee Action's total income for the year ended 31 March 2017 has decreased to £5.2m (2016: £10.5m).

During the financial year both our restricted income for resettlement services and unrestricted fundraising income have shown a sizable increase compared to the previous financial year. However, the loss of the Home Office funding for the Assisted Voluntary Return (AVR) Programme (from the end of December 2015) was significantly higher than such increases and was the main reason for the substantial reduction in the total income.

During the financial year we received total grant funding of £1.4m (2016: £8.9m) from the Home Office.

The balance of the income for the year ended 31 March 2017 included grants £2.4m (2016: £659k), donations from the public £1.4m (2016: £943k) and investment income of £6k (2016: £8k).

Expenditure

Refugee Action's total expenditure for the year ended 31 March 2017 decreased to £5.6m (2016: £10.5m). The loss of the Assisted Voluntary Return (AVR) Programme (from the end of December 2015) was the main reason for the decrease. Out of this, the cost of providing services to our clients was £4.6m (2016: £9.8m).

Staff costs for the year ended 31 March 2017 decreased to £3.3m (2016: £5.2m) but the percentage of staff costs to total costs has increased to 59 percent (2016: 50 percent).

The cost of raising funds for the year ended 31 March 2017 increased to £1m (2016: £654k).

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 in May 2016:

The General Fund comprises 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. The Trustees consider it appropriate to retain unrestricted free reserves equivalent to three to six months of unrestricted expenditure. These funds should be enough to allow sufficient time for re-organising or closing the charity in the event of a substantial reduction in income or unexpected major financial expenditure.

The Charity's anticipated unrestricted expenditure for three and six months is £525k and £1.05m respectively.

The year-end balance in the General Fund, amounted to £430k, is currently less than the three months unrestricted expenditure. Refugee Action has started the process of withdrawing from the Pensions Trust and all savings to be achieved from the withdrawal exercise will be added to the General Fund. We thus expect the General Fund to be within the target range following the completion of the withdrawal exercise.

The trustees, as explained in Note 12 to the financial statements, have also established designated funds, out of unrestricted 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 for investment in fundraising and to fund the deficits on front-line projects and campaigns team until we achieve financial sustainability expected to be in 2019/20.

Restricted funds are those subject to specific restrictions imposed by funders, as shown in Note 12 to the financial statements.

The charity produces quarterly management accounts, thereby allowing the trustees to monitor the Reserves Policy and level of reserves including restricted and designated funds on a regular basis. The policy will be reviewed annually.

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 have been identified under the four headings suggested by the Charity Commission: Governance and Management; Operational; Financial; and Operational/External Environment. The trustees require the Senior Management Team to actively manage these risks throughout the year. The primary risks facing the charity are a failure to achieve financial stability in the medium-term, and failing to meet the necessary standards in our service delivery required by clients, funders and supporters.

Remuneration policy for key management personnel

The Board of Trustees and the Senior Management Team (SMT) make up the Key Management Personnel of the charity and are responsible for directing and controlling, running and operating the charity on a day to day basis.

All trustees give their time freely and no trustees received remuneration in the year. Details of Trustees' expenses are disclosed in Note 6 to the accounts.

All posts in Refugee Action are paid according to the level of responsibility in their roles. Refugee Action aims to pay at the median in comparison with other similar charities. Each post is classified in one of 13 salary bands. Staff are generally appointed on the bottom of the band and progress through via annual increments. As with all other posts in the charity, Refugee Action pays its SMT according to the level of responsibility in their roles.

Statement of trustees' responsibilities

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, which 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;

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- 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.

Statement of disclosure of information to auditors

- There is no relevant audit information of which the charitable company's auditor is unaware.
- 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.

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

Welcome from the Board Chair, Penny Lawrence

Welcome to our Annual Report, which I'm delighted to introduce.

Refugee Action is a relatively small organisation with a hugely ambitious vision: to enable all refugees and asylum seekers to access justice and to successfully rebuild their lives in the UK. I'm proud of the difference we made in 2016-17, and hopeful we will achieve much more in 2017-18 and beyond.

In our last Annual Report, we outlined our vision and ambitious three-year objectives, whilst recording that the closure of a government funded programme forced us to say goodbye to 75% of our staff. One year later it's a joy to report the scale of support that we now provide to both asylum seekers and refugees, the impact of our campaigns and the progress of our good practice team.

The external context for our work remains extremely challenging, with profound implications for asylum seekers and refugees. I know first-hand from my role as Deputy Chief Executive of Oxfam, the appalling scale of the global refugee crisis and the challenges refugees face. It makes it critical that every country steps up their efforts to support those who have lost everything, both through international aid and through welcoming all those who claim asylum here in the UK. It's clear that millions of people believe we should do just that, but equally that our country is more divided now than it has been for a long time.

Refugee Action's 2016-19 strategy is accompanied by a three year budget. We are working hard to ensure we are financially sustainable by the end of this period. That will only happen if there is an active community supporting our work. **A huge thank you to every single one of you who supported us in 2016-17.**

Finally, I must thank my board colleagues and the staff and volunteers of Refugee Action.

I'm delighted that the board has the skills and experience to give the Senior Management Team the stretch and support to achieve the goals we have set. Many thanks to them for their commitment, and above all huge thanks to the staff and volunteers for the tremendous passion and dedication that they bring to all we do, and the difference this makes every day to the asylum seekers and refugees for whom we exist.

Penny Lawrence

7 December 2017

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"It's a joy to report the scale of support that we now provide to both asylum seekers and refugees, the impact of our campaigns and the progress of our good practice team."

Putting our plan into action

Chief Executive, Stephen Hale OBE @shalegeneva

2016-17 was the first full year of the new Refugee Action, working to deliver the vision, mission and ambitious three year objectives that we set in early 2016. I'm incredibly proud of the difference that our front-line services, good practice team and campaigners made for people seeking asylum and refugees in the UK.

Four things stand out:

- Our staff and volunteers provided practical support and advice to over 3,300 asylum seekers. Many were homeless or destitute when they came to our asylum crisis services.
- We worked with 1,400 refugees resettling to the UK, helping them to set and achieve their personal goals and integrate successfully in their new communities.
- We increased the capacity of other organisations to support asylum seekers and refugees, by training 158 staff from 60 other charities to provide immigration advice.
- We succeeded in persuading the Government to invest an additional £10 million in English language classes for refugees.

Of course we're still a very long way from our vision. We're determined that every person seeking asylum in the UK will be able to access justice, and all refugees will successfully rebuild their lives. At present they face a system that is bewildering, often hostile, and which often minimises the prospects of successful integration. In 2017-18 and beyond, we will hold fast to our vision in our front-line services, support to other charities and campaigns.

The progress we have made to date is the result above all of three things. First, our staff and volunteers inspire me every day with the tremendous skills and deep commitment that they bring to our work. Second, our partners and allies. We achieve nothing alone. Our services, good practice and campaigning are all developed and delivered with other organisations that share our goals. The progress we make is the result of our common endeavours. Third, and most important, you, our supporters.

A huge thank you to absolutely everyone who has supported our work over the past 12 months. Without you, we would not be here. All of us at Refugee Action look forward to all we will achieve together in the future.

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"We're determined that every person seeking asylum in the UK will be able to access justice, and all refugees will successfully rebuild their lives."

Empowering people seeking asylum

Faced with endless bureaucracy, a lack of support and little information, those seeking asylum in the UK often feel overwhelmed. In the midst of such adversity, Refugee Action has provided vital support services that simply don't exist elsewhere.

Vulnerable, alone and still experiencing the trauma that drove them into exile, many refugees are then forced into a labyrinthine process that de-humanises, disempowers and damages their wellbeing. Without sufficient support and protection, many descend into homelessness, absolute poverty, rapidly increasing health and mental health problems, and vulnerability to exploitation.

In 2016-17, your support enabled Refugee Action to combat this situation by:

- Providing empowering and complex casework support for more than 3,300 people at various stages of the asylum system.
- Running 13 projects across four regions: North West, London, West Yorkshire and the West Midlands. These were delivered by 20 staff and 127 trained volunteers, who together contributed over 10,000 hours.
- Designing services to meet specific needs, and tackling some of the most entrenched problems that people in the asylum system face.

Our aim is to ensure that everyone who needs protection gets it, and that refugees and people seeking asylum can live free of poverty and homelessness.

"I didn't know about rights of asylum, or how to ask for asylum. I didn't know a whole stack of things to do with asylum."

Nicole fled her country, Ivory Coast, after her husband was executed in front of her. When she came to Refugee Action after claiming asylum, she spoke no English, had no solicitor, no date for her asylum interview and no understanding of the asylum process. She was also pregnant. It was clear that she was vulnerable and utterly overwhelmed by her situation.

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Spotlight: Across Greater Manchester, Birmingham and London, we're working to reach people at the earliest opportunity. In 2016/17, our efforts helped 1,100 people to escape homelessness and destitution. Our Asylum Crisis work was funded by Comic Relief, John Ellerman Foundation, Barrow Cadbury Trust, City Bridge and your support.

"When I came to the Asylum Crisis project I had applied for emergency housing through another organisation, but it was refused. They said there was nothing more they could do. I was sleeping in one room with my children. We had bed bugs; we couldn't afford to do anything. My landlord wanted me out. When I came to Refugee Action, they told me what they would do and what the Home Office had to do. I can't thank you enough and won't forget what you did for me."

Spotlight: Asylum Guides

Many people entering the asylum system are not given sufficient information to enable them to understand what is happening to them, why it is happening and how they can make the right decisions. Crucially, during 2016/17 in Greater Manchester and Birmingham, we began matching people entering the asylum system with a volunteer 'Asylum Guide', who had been through the asylum system themselves. The projects were funded by the Esmée Fairbairn Foundation and Legal Education Foundation. In total, we matched 29 volunteer Asylum Guides with around 100 people and hope to roll out this service model nationally, supporting other organisations to adopt it through our Good Practice and Partnerships team.

"[My asylum guide] gave me lots of useful information. It was very positive. I had ideas but I did not really know about what would happen. I didn't know that not everybody is accepted for asylum for instance, or that there are all these processes. I didn't know that at all."

Enabling better lives through resettlement

Our goal is simple: to welcome each refugee with warmth and humanity, allowing them to set and achieve their own personal goals and to build their independence. Thanks to you, we have made huge advances in the last year.

Resettlement programmes enable refugees to make safe and legal journeys to the UK and other countries where they have the opportunity to rebuild their lives, and this has been a constant theme of Refugee Action's work since we began in 1981. The support of local people and volunteers is vital to this work and it is truly humbling to see the level of dedication from everyone involved. Together, we have achieved so much:

- The expansion of the Syrian Resettlement Programme meant that we were able to provide intensive integration support to almost 1,400 vulnerable refugees, using our experience to support people often in areas welcoming refugees for the first time.
- We worked with 877 refugees resettled to North-West England through the UNHCR Gateway Protection Programme.
- We also supported 513 Syrian refugees arriving in the UK through the Syrian Vulnerable Persons Resettlement Scheme in London, Worcestershire, Shropshire and elsewhere in the West Midlands, and in the North-West of England.
- We recruited and trained 150 new volunteers to support refugees.

Campaigning for change

Despite our successes, our work is far from over. Resettled refugees face many challenges. 2016-17 saw the Benefit Cap lead to a worrying rise in poverty amongst refugees in the UK and the communities they are resettled in. This year also saw the roll out of Universal Credit, presenting more challenges for our clients and our caseworker and support teams.

However, the year also brought improvements. We persuaded the Department for Work and Pensions to end a policy that had meant disabled refugees waiting two years before receiving financial help with care and mobility. And following calls from Refugee Action and our partners, the Home Office agreed to grant resettled Syrians 'Refugee Status' rather than 'Humanitarian Protection' so they could access university funding and travel more easily to visit friends and family.

We want to use our three decades of experience of supporting resettled refugees to help ensure that every single refugee in the UK gets the best possible support. Our hope is to develop practical support and training for other organisations across the UK.

Meet Dara

A Kurdish electrician from north-eastern Syria, Dara lived there with his family including his young disabled daughter, Rania.

When war broke out, the family had no access to water and electricity. Dara's work ended and the family struggled to feed their four children. In February 2013, Dara, his wife and children packed a few small bags, said goodbye to their relatives and set off on foot to Iraq. Because Rania could not walk, Dara carried her for the entire journey. Once in Iraq, the family lived in a refugee camp. Conditions were harsh – particularly for Rania who would regularly trip and fall, hurting her elbows and face.

In 2016, Dara and his family were resettled in Stafford through the Syrian Resettlement Programme that Refugee Action set up for Staffordshire County Council. Our team met the family at the airport, gave them a meal in their new house and in the following days and months our staff, volunteers and partners supported the family with everything from tenancy agreements, to English lessons and health appointments. Dara described the family as being emotionally and mentally exhausted at the beginning but, in time, they began learning English. Rania was able to access the support she needed for her disability and Dara began volunteering with a charity fixing vacuum cleaners and other appliances.

"Refugee Action did a lot for us – they helped us register with schools and with the GP and helped Rania get into school. They did not fail us in any way."

Building a community of support

Refugee Action is proud to partner with other organisations across the country to share skills and stimulate change. Working together with a shared vision, we strive to give all those seeking asylum access to justice and the opportunity to rebuild their lives.

One of the most vital areas of our work, Refugee Action's Asylum Good Practice and Partnerships team supports organisations to increase their knowledge, skills and expertise, help them to adopt new approaches and work with others. Over the last year, the team has:

- Provided more immigration advice to those seeking asylum
- Promoted awareness and prepared for the impact of the 2016 Immigration Act roll-out
- Supported voluntary sector organisations interested in delivering independent advice on Assisted Voluntary Return
- Linked up asylum support practitioners, caseworkers and legal advisors through skill shares and peer support

By building skills and expertise across organisations, Refugee Action is driving positive change and protecting those most at risk from homelessness and poverty.

Spotlight: Frontline immigration legal advice project

To enable other organisations to provide access to good quality immigration and asylum legal advice, Refugee Action launched the Frontline project in April 2016. Supporting 50 organisations from all corners of the UK, the project carried out needs assessments, provided free, webinar-based OISC training, and mentored staff through the registration process with the OISC (Office of the Immigration Service Commissioner). Across these organisations, we achieved the following:

- 158 staff and volunteers completed a 5-day OISC training course at Level 1 or 2
- 31 advisors increased their OISC registration level and are now able to provide more complex legal advice to meet their service users' needs
- 200 advisors joined our online support forum

"PAFRAS have been working with Refugee Action's Frontline Immigration Project for around 18 months to become OISC registered. We're really pleased that all three of our caseworkers have enrolled in training at level 1. One went on to complete and pass the level 2 exam. This project has enabled us to professionalise our service and develop our advice to where our clients need us to go."

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Ruth Davany, Director, PAFRAS (Positive Action For Refugees & Asylum-Seekers), Leeds

In 2016-17, this project was funded by the Paul Hamlyn Foundation, Future Advice Fund and Refugee Action's own funds.

Spotlight: "Preparing for the Immigration Act" workshops

The 2016 Immigration Act contained a series of new measures to strengthen the 'hostile environment' for 'those with no right to be here'. These policies in fact impact negatively on the lives of a much wider range of migrant and black and minority ethnic people across the country. In addition, we see in our day-to-day work that 'those with no right to be here' often do have such a right, but have not been able to demonstrate it so far.

We brought together 95 people from 82 organisations at events in London, Manchester, Birmingham and Sheffield to help refugee, asylum and migrant support organisations prepare for the roll-out of the Act. The workshops covered issues such as changes to asylum support regulations and the rights of families who have been refused asylum. The workshops were co-organised with ASAP, Project 17, Migrant Legal Project and Coram Children's Legal Centre.

The seminars also encouraged organisations to adopt **early action** approaches. This means supporting their service users before crises have developed and reaching service users as soon as possible after crises have hit. This will be a top priority for our future work.

Championing a better future

Campaigning makes a real difference to all those seeking protection. We highlight injustice, persuade politicians to champion our cause and challenge the current system to improve the lives of refugees in the UK.

Everyone seeking protection deserves the opportunity to access justice and to rebuild their lives. But all too often the current system makes it difficult or impossible for them to do so. That's why we campaign. We work on a range of issues that matter, but as a small organisation we have to prioritise to make the most impact. This year our top priority was our Let Refugees Learn campaign.

Let Refugees Learn

In May 2016 we launched the Let Refugees Learn campaign that calls for all refugees to have better access to English language classes. Every day we work with refugees who are determined to learn English. They know that this is the key to building successful, independent lives in the UK. Without it, they are unable to find work, study, volunteer and become part of their local community. But far too many refugees are locked out of learning due to long waiting lists and lack of childcare.

Building the case

We spoke to refugees we worked with to find out more about their experience of accessing English classes. They highlighted how central learning English was to their plans but also how hard it was for many of them to access lessons. As Abdul said, "almost all of life is restricted because we don't speak English".

We then researched the state of English language provision for refugees across the country and found a system not fit for purpose, with funding cut by 60% since 2010. Our survey of providers across seven UK cities found that waiting lists were reaching into the thousands and that some colleges were having to end childcare provision or halve the number of classes in response to Government cuts.

We also polled the public and found that 60% of Brits believe the Government should invest in English lessons for all refugees and 73% believe that Britain and local communities benefit from refugees speaking English.

Hitting the headlines

Through launching a series of reports highlighting the drastic failure of the Government to support refugees to learn English, we succeeded in getting this story onto the media agenda. The BBC repeatedly covered the issue, across both broadcast and online, and we secured articles in a wide range of print from The Times to the Daily Express.

Raising our voice

Our supporters campaigned alongside us every step of the way. Thousands emailed their local MP demanding action on English language provision, signed the Let Refugees Learn petition and watched our award-winning campaign video.

We also built on support from prominent voices, with business leaders (such as Jimmy Wales, Ruth Rogers and Yotam Ottolenghi) writing to The Times to call on the Government to stop squandering the talent of refugees by failing to ensure English language provision.

Crucially, we worked in partnership with many other organisations fighting the same cause. This includes refugee activists, English language providers and other charities.

Working in Parliament

We successfully cultivated champions on Let Refugees Learn across all major parliamentary parties in both the House of Commons and House of Lords, including working with ex-Cabinet Ministers. This has enabled questions to be asked both publicly and privately of the Government by parliamentarians on the need to improve English language provision.

Success

After just three months since launching this campaign, the Government announced an additional £10 million to help resettled Syrian refugees to learn English, supported by £2.3 million to tackle childcare barriers and a new role in each region to help commission English language services. Whilst a wonderful start, this still leaves out all other refugees. We continue to work on this issue to ensure *all* refugees get the support they need to learn English.

Thank you

Everything we do at Refugee Action, all the difference we make, is with the support and participation of others. We want to record that here.

Trusts, foundations and major donors supporting our work

We are delighted to have the support of 27 trusts, foundations, companies and individuals who have made significant grants this year in support of our work. They are:

Access to Justice, Alan and Babette Sainsbury Charitable Trust, Barrow Cadbury Trust, BBC Children in Need, Big Lottery Fund, Bradford City Council, Bradford District Care Foundation Trust, Citizens UK, City Bridge Trust, Comic Relief, Diane Plamping and David Griffith, Esmee Fairbairn Trust, Future Advice Fund, Gregory Nasmyth & Samantha Rowe-Beddoe, Groundwork, John Ellerman Foundation, Joseph Roundtree Charitable Foundation, JUSACA Charitable Trust, Legal Education Foundation, Network for Social Change, Paul Hamlyn Foundation, PIMCO Foundation Europe, Segelman Trust, Sigrid Rausing Trust, The Economist Charitable Foundation, Unbound Philanthropy, Unison.

Our asylum services partners

Special thanks to Red Cross for leading two of our partnership projects (Greater Manchester Refugee Support Partnership and Liverpool Asylum Outreach & Support Partnership); also to Praxis and St Mungo's for providing the contract and project leadership respectively on the Street Legal project.

Thanks also to our other formal service delivery partners: Revive, Rainbow Haven, St Augustine's, Kirklees CALC, ASIRT, ARC, Safe Passage and Asylum Link.

Our resettlement partners

Many thanks to fourteen local authorities for giving us the opportunity to support Syrians resettling in their communities: Birmingham City Council, City of London, Hackney Council, Halton Borough Council, Herefordshire Council, Liverpool City Council, Islington Council, Preston City Council, Shropshire Council, South Ribble Borough Council, Staffordshire County Council, St. Helens Council, Wirral Council and Worcestershire County Council.

We also delivered the Gateway Resettlement Programme in partnership with five local authorities in Greater Manchester.

Many thanks also to the organisations with whom we partnered to support refugees resettling in the UK: Spring Housing Association, British Red Cross and Rethink Rebuild.

REFUGEE ACTION
(A company limited by guarantee)

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

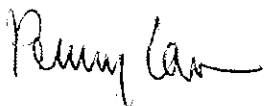
Thanks to partners who we have worked with around our Good Practice & Partnerships work: GMIAU, South Yorkshire Refugee Law & Justice and Cardinal Hume Centre on the Frontline project; fellow members of the Strategic Alliance on Migrant Destitution (SAMD), Homeless Link, NACCOM, British Red Cross, Refugee Council, Migrant Rights Network and Housing Justice; and Project 17, ASAP, Migrant Legal Project and Coram Children's Legal Centre, who jointly planned the Immigration Act workshops.

Our campaign allies

We are very grateful to all the organisations we have been able to work with across the refugee sector over the past year. In relation to our Let Refugees Learn campaign, we would like to particularly thank others who have been active in support of our campaign:

Action for ESOL; English for Action; Learning and Work; NATECLA; NUS; UCU; and Unison.

This report was approved by the Board of Trustees on 7 December 2017 and signed on their behalf by:



Penny Lawrence
Chair of the Board of Trustees

REFUGEE ACTION
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REFUGEE ACTION

For the Year Ended 31 March 2017.

We have audited the financial statements of Refugee Action for the year ended 31 March 2017 set out on pages ~~26 to 54~~^{26 to 57}. 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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities statement, the Trustees (who are also the directors of the Charity 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 Financial Reporting Council'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 Charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements 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 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

REFUGEE ACTION
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REFUGEE ACTION

For the Year Ended 31 March 2017.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

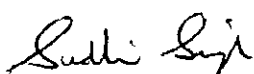
- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Annual Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report and take advantage of the small companies exemption in preparing the directors' report.



Sudhir Singh FCA (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: 20 December 2017

REFUGEE ACTION
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Restricted funds £'000	Unrestricted funds £'000	Total 2017 £'000	Total 2016 £'000
INCOME FROM:					
Donations	2	80	1,270	1,350	943
Investment and other income		1	5	6	8
<i>Charitable activities</i>	3	3,796	-	3,796	9,593
TOTAL (Total Income)		3,877	1,275	5,152	10,544
EXPENDITURE ON:					
<i>Raising funds:</i>	5	-	1,024	1,024	654
<i>Charitable activities:</i>	5				
AVR - Choices		225	-	225	7,732
Asylum advice and community development services		3,600	470	4,070	1,921
Campaigns		142	164	306	182
TOTAL (Total expenditure)		3,967	1,658	5,625	10,489
NET INCOME/(EXPENDITURE)		(90)	(383)	(473)	55
Transfers between funds		-	-	-	-
NET MOVEMENT IN FUNDS FOR YEAR		(90)	(382)	(473)	55
TOTAL FUNDS AT START OF YEAR	12	1,144	3,792	4,936	4,881

REFUGEE ACTION
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2017

TOTAL FUNDS AT END OF YEAR	12	<u>1,054</u>	<u>3,409</u>	<u>4,463</u>	<u>4,936</u>
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NOTES

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

The notes on pages 33 to 54 form part of these financial statements.

All income and expenditure derive from continuing activities.

REFUGEE ACTION
(A company limited by guarantee)

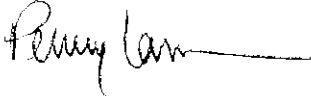
BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £'000	2017 £'000	2016 £'000	2016 £'000
FIXED ASSETS					
Tangible fixed assets	8		146		92
CURRENT ASSETS					
Debtors	9	1,715		1,090	
Cash at bank and in hand		3,037		4,070	
		<u>4,752</u>		<u>5,160</u>	
CREDITORS: amounts falling due within one year	10a	(413)		(290)	
NET CURRENT ASSETS			4,339		4,870
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS: amounts falling more than one year	10b	(22)			(26)
NET ASSETS			<u>4,463</u>		<u>4,936</u>
CHARITY FUNDS					
Restricted funds	12		1,054		1,144
Unrestricted funds:					
General Fund	12		430		530
Designated funds	12		2,979		3,262
			<u>4,463</u>		<u>4,936</u>

REFUGEE ACTION
(A company limited by guarantee)

BALANCE SHEET
AS AT 31 MARCH 2017

The financial statements were approved, and authorised for issue, by the Trustees on 7 December 2017 and signed on their behalf by:



Penny Lawrence
Chair of the Board of Trustees

The notes on pages 33 to 54 form part of these financial statements.

REFUGEE ACTION
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	2017 £'000	2016 £'000
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	(914)	839
Cash flows from investing activities (See reconciliation below):		
Dividends, interest and rents from investments	6	8
Purchase of property, plant and equipment	(125)	(76)
Net cash provided by (used in) investing activities	(119)	(68)
Change in cash and cash equivalents in reporting period	(1,033)	771
Cash and cash equivalents at the beginning of the reporting period	<u>4,070</u>	<u>3,299</u>
Cash and cash equivalents at the end of the reporting period	<u>3,037</u>	<u>4,070</u>
Reconciliation of net movement in funds to net cash flow from operating activities		
	2017 £'000	2016 £'000
Net movement in funds for the reporting period (as per the statement of financial activities)	(473)	55
Adjustment for:		
Depreciation charges	71	73
Dividends, interest and rents from investments	(6)	(8)
(Increase)/decrease in debtors	(625)	1,217
Increase/(decrease) in creditors	119	(498)
Net cash provided by (used in) operating activities	<u>(914)</u>	<u>839</u>

The notes on pages 33 to 54 form part of these financial statements

1. ACCOUNTING POLICIES

1.1 Basis of preparation under FRS 102 SORP 2015

The Financial Statements of the Charity, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Charities Act 2011 and the Companies Act 2006.

The Charity constitutes a public benefit entity as defined by FRS 102. The financial statements are prepared in sterling which is the functional currency of the Charity and rounded to the nearest £1,000.

1.2 Going concern

The trustees assess whether the use of the going concern assumption is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Company status

Refugee Action is a company limited by guarantee in the United Kingdom. The members of the company are the trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member. The address of the registered office is given in the charity information on page 1 of these financial statements.

The nature of the Charity's operations and principal activities are to provide aid to refugees and asylum seekers, to promote the development of refugee communities, to improve access to employment and enhance opportunities for refugees and asylum seekers, and to raise awareness of refugee issues, influence policy and campaign for refugee rights.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1.4 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.

1.5 Income and endowments

All income and endowments 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 and that receipt of the funds is probable. The following specific policies are applied to particular categories of income.

- Donations and legacies are included in full in the Statement of Financial Activities when probable. 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 fair value to the Charity where this can be quantified. The value of services provided by volunteers has not been included in the accounts.
- Income 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 is recognised at the time of the donation.

REFUGEE ACTION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

The Charity receives government grants in respect of Refugee Resettlement, Assisted Voluntary Return and Gateway projects. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

1.6 Expenditure

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 (which include governance 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 donations and legacies. Campaigns costs are those costs incurred to secure practical changes by government that benefit asylum seekers and refugees, and to broaden and deepen public and political support for refugees. 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 included as part of support 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. Irrecoverable VAT is charged as an expense against the activities for which expenditure arose.

1.7 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 £1,000 are capitalised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1.8 Debtors receivable and creditors payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities are recognised when there is a present obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 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.

1.12 Employee benefits

When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. Termination benefits, including redundancy costs, are recognised when the company has an obligation to pay the benefits and they can be measured reliably.

REFUGEE ACTION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1.13 Pensions

Refugee Action is a member of a defined benefit multi-employer scheme (see Note 14). There is insufficient information available to use defined benefit accounting therefore the scheme has been treated as a defined contribution scheme for accounting purposes and contributions are recognised in the period in which they relate. In addition to meeting the current cost of providing pensions for staff the Charity is making additional payments into the fund over a 10 year period in order to eliminate the deficit on the scheme. The Charity has accrued the full present value of deficit reduction payments for the current year and up to the end of the 10-year period. The pension charge for the year comprises the amount payable by the Charity to the scheme for the current cost of providing pensions – and to employees' individual pension schemes where they are not part of the scheme – in the year, along with the deficit reduction cost as above. 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, and represent a contingent liability.

As a multi-employer scheme within the definition of FRS 102, no other assets or liabilities of the scheme are included on the Charity's Balance Sheet.

1.14 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. This is detailed in Note 15.

1.15 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1.16 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

As disclosed in Note 14, The TPT Solutions Pension Scheme deficit reduction liability depends on the contributions payable over a 10 year period recognised at present value based on a 3% increase in interest p.a.

The estimated employer debt on withdrawal from the Plan is based on the Scheme's Actuarial valuation as at 30 September 2015. This valuation is based on a number of factors that are determined on an actuarial basis using a variety of assumptions. A factor of 3% has been applied to the 2015 valuation to reflect the estimated increase of the debt to 31 March 2017.

1.17 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.

2. Donations

	Restricted Funds £'000	Unrestricted Funds £'000	Total 2017 £'000	<i>Total 2016 £'000</i>
Donations from the public	80	1,270	1,350	943
	80	1,270	1,350	943

Of the total £1.35m income (2016: £943k), £1.27m was unrestricted with the balance of £80k (2016: £nil) being restricted. The £80k restricted income includes £64k received from J M T Cochrane.

REFUGEE ACTION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

3. INCOME FROM CHARITABLE ACTIVITIES

	Restricted Funds £'000	Unrestricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Home Office grants and contracts:				
Asylum advice and community development services				
Gateway Settlement services	1,352	-	1,352	1,296
Choices (Assisted Voluntary Return)	69	-	69	7,638
Grants from other public authorities:				
Liverpool City Council	184	-	184	7
The Big Lottery Fund:				
Preventing Homelessness - Manchester	59	-	59	52
Liverpool Asylum Seeker Destitution	29	-	29	30
Street Legal Project	39	-	39	-
Bristol City Council	2	-	2	39
City of Bradford MDC	59	-	59	20
NHS Bradford District Clinical Commissioning Group	86	-	86	34
Birmingham City Council	332	-	332	77
City of London	29	-	29	-
Hackney City Council	67	-	67	-
Herefordshire City Council	146	-	146	-
Islington City Council	39	-	39	53
Preston & South Ribble City Councils	122	-	122	-
Staffordshire City Council	223	-	223	10
Shropshire City Council	186	-	186	-
Worcestershire City Council	220	-	220	-
Legal Education Foundation	74	-	74	19
Comic Relief	65	-	65	78
Sigrid Rausing Trust	60	-	60	60
Unbound	-	-	-	60
Future Advice Fund	45	-	45	21
Esmée Fairbairn	52	-	52	70

REFUGEE ACTION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

Barrow Cadbury	50	-	50	10
John Ellerman Foundation	50	-	50	-
Paul Hamlyn Foundation	50	-	50	-
City Bridge Trust	27	-	27	-
Citizens UK	18	-	18	1
A & B Sainsbury	17	-	17	-
Network for social change	13	-	13	-
Joseph Rowntree	10	-	10	-
BBC Children in Need	10	-	10	-
Leri Charitable Trust	7	-	7	-
Access for Justice Foundation	5	-	5	-
Groundwork UK	-	-	-	16
London Legal Support	-	-	-	2
	3,796	-	3,796	9,593

Income from charitable activities was £3,976k (2016: £9,593k) of which the full amount (2016: £9,593k) was attributable to restricted funds.

The Charity received grants from the Home Office for the Assisted Voluntary Return project and Gateway Protection Scheme as shown in Note 3. Refugee Action has also received grants from local authorities for the Syrian Resettlement Scheme and Bristol Stronger Communities project. There were no unfulfilled conditions for any of these projects.

4. NET INCOME / EXPENDITURE

This is stated after charging:

	2017	2016
	£'000	£'000
Depreciation of tangible fixed assets	71	73
Auditor's remuneration - audit	20	22
Other fees payable to auditors	-	1

REFUGEE ACTION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

**5. ANALYSIS OF
EXPENDITURE**

	Staff costs £'000	Office costs £'000	Other direct costs £'000	Allocated Support costs £'000	Total 2017 £'000	Total 2016 £'000
Costs of raising funds						
Fundraising & publicity	326	35	577	86	1,024	654
Charitable expenditure						
AVR Choices	155	14	30	26	225	7,732
Asylum advice & community development services	2,186	264	962	658	4,070	1,921
Campaigns	183	20	53	50	306	182
Costs of activities in furtherance of Charity's objects	2,524	298	1,045	734	4,601	9,835
Support costs	472	19	329	(820)	-	-
Total expenditure	3,322	352	1,951	-	5,625	10,489

Of the total £5.63m (2016: £10.49m) expenditure £3.97m (2016: £9.36m) was restricted with the balance of £1.66m (2016: £1.13m) being unrestricted.

Details of Staff costs and Support costs are given respectively in Notes 6 and 7.

Office costs and Support costs have been allocated between activities based on head count of staff employed on those activities.

REFUGEE ACTION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

6. STAFF COSTS AND NUMBERS

Staff costs were as follows:

	2017	2016
	£'000	£'000
Salaries	2,491	3,918
Social security costs	243	382
Pension costs	240	378
Redundancy payments	10	241
Agency staff	338	238
	<u>3,322</u>	<u>5,157</u>

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

	2017	2016
	No.	No.
Fundraising and publicity	7	4
AVR - Choices	2	85
Asylum advice and community development services	65	39
Campaigns	4	1
Support costs	13	14
	<u>91</u>	<u>143</u>

REFUGEE ACTION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

Trustees and Key Management Personnel remuneration and expenses:

The total amount of employee benefits received by key management personnel, as defined within the Trustees' Report, is £429,023 (2016: £432,337). The Chief Executive's salary was £85,159. All other employees earned less than £60,000.

6 Trustees (2016 – 7) received reimbursements for travel and subsistence expenses amounting to £1,937 (2016 - £1,685). No Trustees received any remuneration (2016 – Nil).

The Charity contributes 8 percent 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 yearend there were outstanding contributions amounting to £3,611 (2016 - £69), which are included in Creditors.

7. SUPPORT COSTS

	2017	2016
	£'000	£'000
Finance	169	288
Human Resources	204	226
Information Technology	247	290
Chief Executive's office	161	258
Governance costs	39	42
	820	1,104

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Governance costs

	2017 £'000	2016 £'000
Staff costs	16	16
Overhead allocation	1	1
Audit and accountancy fees	20	23
Trustee expenses	2	2
	39	42

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

8. TANGIBLE FIXED ASSETS

	Furniture, fittings and equipment £'000	Leasehold improve- ments £'000	Total 2017 £'000	Total 2016 £'000
Cost				
At start of the year	456	50	506	685
Additions	125	-	125	76
Disposals	(114)	-	(114)	(255)
At end of the year	467	50	517	506

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Depreciation

At start of the year	364	50	414	596
Charged for the year	71	-	71	73
Eliminated on disposal	(114)	-	(114)	(255)
At end of the year	321	50	371	414
Net book value at start of the year	92	-	92	89
Net book value at end of the year	146	-	146	92

9. DEBTORS - Amounts falling due within one year

	2017 £'000	2016 £'000
Grants and contracts receivable	1,610	973
Prepayments	66	66
Other debtors	39	51
	1,715	1,090

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10a. CREDITORS - Amounts falling due within one year

	2017 £'000	2016 £'000
Trade creditors	191	163
Taxes and social security	157	82
Accruals	65	45
	413	290

10b. CREDITORS - Amounts falling due after more than one year

	2017 £'000	2016 £'000
Pension deficit liability	22	26
	22	26

11. COMMITMENTS

At 31 March 2017 the Charity had future minimum lease payments under non-cancellable operating leases on its premises as follows:

	2017 £'000	2016 £'000
Expiry date:		
Within 1 year	159	146
Within 2 to 5 years	449	29
	608	175

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12. STATEMENT OF FUNDS

	Brought Forward £'000	Income £'000	Expen- diture £'000	Transf- ers In/(out) £'000	Carried Forward £'000
DESIGNATED FUNDS					
Fixed assets	87	-	29	-	116
Pension fund	882	-	-	100	982
Premises leases	243	-	-	-	243
Sickness & maternity leave	50	-	-	-	50
Front-line services, Donor acquisition and campaigns fund	2,000	-	(412)	-	1,588
TOTAL	3,262	-	(383)	100	2,979
GENERAL FUND	530	1,275	(1,275)	(100)	430
UNRESTRICTED	3,792	1,275	(1,658)	-	3,409
RESTRICTED FUNDS					
Asylum advice services	197	3	(144)	-	56
Community development	50	-	(50)	-	-
Voluntary return project	294	69	(225)	-	138
Community development projects	296	885	(715)	-	466
Gateway Settlement	41	1,352	(1,354)	-	39
VPRS projects	6	1,545	(1,393)	-	158
Campaigns	60	21	(81)	-	-

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Other projects	2	1	(1)	-	2
Redundancy fund	198	1	(4)	-	195
RESTRICTED	1,144	3,877	(3,967)	-	1,054
TOTAL FUNDS	4,936	5,152	(5,625)	-	4,463

Designated funds

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

As explained in Note 14, Refugee Action has been notified by TPT Retirement Solutions that an estimated liability of £982,000 would be payable should it have to withdraw from the pension scheme. This is based on the valuation as at 30 September 2016 and updated to 31 March 2017. A designated fund has been established to reflect this potential liability, with the transfer in the year representing the movement between the two year ends' estimated debt on withdrawal balances.

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 1.7 FTE staff being on sick leave for six weeks and 1.7 FTE staff being on maternity leave for twenty weeks.

Following the loss of a substantial Home Office funding the Board of Trustees have approved a strategy to achieve financial sustainability by 2019/20. The strategy is based on investing our reserves to enable us to substantially increase our public funding base, run campaigns and deliver front-line services. Trustees have thus established the Front-line services, Donor acquisition and campaigns fund to help finance the investments required for these activities until 2019/20.

RESTRICTED FUNDS

Asylum advice services grants were received from the Home Office's UK Border Agency (UKBA) to provide a one-stop advice service (including operating a reception service and

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providing accommodation advice) to new refugees and to assist in-country asylum seekers.

Community development programme grants were 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 were also provided by the Home Office. The programme provided advice, information and counselling to individuals considering returning to their country of origin. As this project has now finished due to the termination of the funding by the Home Office, the balance carried forward will be used to deliver Choices related activities.

Various funders have contributed towards the Charity's front-line services, which provide practical support and advice to asylum seekers and the successful integration of resettled refugees in different parts of the UK. This includes the Gateway Settlement Project, funded by the Home Office, which 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 won contracts for the Syrian resettlement scheme from different local authorities in England. The project provides integration support to Syrian refugees who arrive in the UK under the government's Syrian Vulnerable Persons Resettlement programme.

The Campaigns fund is financed by various funders is used to contribute towards the costs of the team that leads on Refugee Action's campaigning work.

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. Interest arising on the fund is credited to it.

The balances on all the funds except for the Redundancy fund are due to be spent in the period to March 2018, except to the extent that they are represented by fixed assets (see Note 13).

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13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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.

	Tangible fixed assets £'000	Net current assets £'000	Non current liabilities £'000	Total £'000
Restricted funds:				
Asylum advice services	2	54	-	56
Voluntary return project	-	138	-	138
Community development projects	3	463	-	466
Gateway Settlement	12	27	-	39
VPRS projects	13	145	-	158
Other projects	-	2	-	2
Redundancy fund	-	195	-	195
Total restricted funds	30	1,024	-	1,054
Total unrestricted funds	116	3,271	22	3,409
Total	146	4,295	22	4,463

**NOTES TO THE FINANCIAL STATEMENTS
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14. PENSION SCHEME

The Charity participates in the TPT Retirement Solutions (previously known as The Pensions Trust) Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a defined benefit multi-employer pension plan. 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. As the Plan is a multi-employer scheme, 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 FRS 102 represents the employer contribution payable.

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 84 (2016 – 83) active members of the Plan employed by the Charity, which continues to offer membership of the Plan to its employees.

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

The rules of the Plan give the Plan's 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. 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 participating employers, investment returns or a combination of these.

The actuarial valuation results at 30 September 2014 were completed in 2015. 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 £793 million and the Plan's Technical Provisions (i.e. past service liabilities) were £970 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £177 million, equivalent to a funding level of 82%, and thus the Trustee was required to prepare a recovery plan setting out the steps to be taken to make up the shortfall.

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Refugee Action was notified that additional contributions of £3,726 +3% interest p.a. are payable in the 10 years from 1 April 2013 in order to eliminate its share of the deficit in the Plan. The Charity has made an accrual for the present value of the total outstanding deficit contributions and the balance payable in over one year at the balance sheet date was £22,000 (2016: £26,000). This is not discounted on the basis that the effect of discounting would not be material.

CONTINGENT LIABILITY

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 buyout 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 has been 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.

Refugee Action has been notified by TPT Retirement Solutions of its estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30

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September 2016. As of this date the estimated employer debt for Refugee Action was £955k (30 September 2015: £856k) including Series 3. Refugee Action has designated funds to the value of £982k to represent the estimated liability which would be payable should the charity withdraw from the Plan.

15. Financial instruments

At the balance sheet date the charity held the following:

Financial assets

Debt instruments measured at amortised costs

	2017 £'000	2016 £'000
Grants and other contracts receivable	1,610	973
Other debtors	39	51
Total	1,649	1,024

Cash at bank and in hand of £3,037,000 (2016: £4,070,000) is held at face value.

Financial liabilities

Measured at amortised costs

	2017 £'000	2016 £'000
Trade creditors	191	163
Accruals	65	45
	256	208

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Head Office

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Refugee Action is an independent, national charity. Our vision is that refugees and people seeking asylum will be welcome in the UK. They will get justice, live free of poverty and successfully rebuild their lives. We provide practical support to refugees and people seeking asylum; train and support other charities working with refugees and people seeking asylum; and make the case to government for policies that improve their ability to access justice and rebuild their lives. Refugee Action has more than 35 years' experience of developing and delivering solutions to the challenges faced by refugees and people seeking asylum in the UK.

Company no. 01593454 Registered charity no. 283660

To make a donation towards our work please go to
www.refugee-action.org.uk/give or call 0845 894 2536

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