

Company Number: 2710867
Charity Number: 1012804

REFUGEE LEGAL CENTRE
(A COMPANY LIMITED BY GUARANTEE WITHOUT A SHARE CAPITAL)
REPORT AND ACCOUNTS
YEAR ENDED 31 MARCH 2005



Horwath Clark Whitehill

Horwath Clark Whitehill LLP

Chartered Accountants

St Bride's House, 10 Salisbury Square

London EC4Y 8EH, UK

Tel: +44 (0)20 7842 7100

Fax: +44 (0)20 7583 1720

DX: 0014 London Chancery Lane

www.horwathcw.com

**REFUGEE LEGAL CENTRE
CONSTITUTION AND GENERAL INFORMATION
YEAR ENDED 31 MARCH 2005**

BOARD OF TRUSTEES:

Philip Rudge
John Meadway
Anthony Neuberger (Honorary Treasurer)
Jan Shaw (Vice-Chair)
Ephrem Woube
Ruth Bunday
Annie Ledger
Dot Morfett
Louise Pirouet
Joseph O'Reilly (appointed 28 September 2004)
Hilary Pinder (appointed 28 September 2004)
John Humpston (appointed 28 September 2004)
Yemane Tsegai (appointed 28 September 2004)
Leonie Hirst (appointed 28 September 2004)
Saverimuthu Stanislaus (retired 22 June 2004)
Warren Adams (retired 28 September 2004)
Christine Swabey (retired 3 June 2005)
Quader Mahmud (retired 16 April 2005)

CHIEF EXECUTIVE AND SECRETARY:

Barry Stoyle

AUDITORS:

Horwath Clark Whitehill LLP
Chartered Accountants
St Bride's House
10 Salisbury Square
London EC4Y 8EH

SOLICITORS:

Bates Wells and Braithwaite
Cheapside House
138 Cheapside
London EC2V 6BB

Olga Aikin
22 St Luker Road
London W11 1DP

BANKERS:

National Westminster Bank plc
PO Box 204
1 Hatton Garden
London
EC1P 1DU

REGISTERED OFFICE:

Nelson House
153 – 157 Commercial Road
London
E1 2DA

COMPANY NUMBER:

2710867

CHARITY NUMBER:

1012804

**REFUGEE LEGAL CENTRE
TRUSTEES' REPORT
YEAR ENDED 31 MARCH 2005**

The Trustees, who were also the directors of the charitable company, present their report and the accounts for the year ended 31 March 2005. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2000).

RESPONSIBILITIES OF THE TRUSTEES

Company law requires the directors, who are also the Trustees under charity law, to prepare accounts that give a true and fair view of the state of affairs of the charity set up as a company and of the surplus or deficit for its financial year. In doing so the directors are required to:

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

The directors are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CONSTITUTION AND ORGANISATIONAL STRUCTURE

The Refugee Legal Centre is set up under Memorandum and Articles of Association (Amended by Special Resolution on 28 September 2004) as a company limited by guarantee (Company Number 2710867), and is registered with the Charity Commission under the Charities Act 1993 (Registration Number 1012804). The liability of Members in the event of the Charity being wound up is limited to a sum not exceeding £1 each.

The Trustees are appointed directly by the Board, on the basis of the individual's particular skills and experience. Trustees and members of the senior management make up the Finance Committee and the Human Resources & Development Committee. The Board appoints the Chair's, Trustees and any other non-Trustee members of the Committees annually. The Committees operate under terms of reference agreed by the Board of Trustees, which delegates certain functions. The Board of Trustees ratifies all Committee decisions.

It is the charity's policy is to provide equal opportunities to all employees; also to endeavour to provide employment when possible for disabled persons commensurate with their skills and, where appropriate, to make available necessary training facilities.

MISSION STATEMENT

- Providing legal advice and representation for those seeking protection under international and national Human Rights and Asylum law.
- Delivering training and other support to those giving advice and representation in such cases.
- Seeking to promote the interests of our clients individually and collectively through law and public policy.

PRINCIPAL ACTIVITY

The principal activity of the charity in the year under review was the provision of legal advice and representation for asylum seekers and refugees.

FINANCIAL RESULTS

The results for the year are shown on page 7.

REFUGEE LEGAL CENTRE
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 MARCH 2005

REVIEW OF THE YEAR

The principal activity of the charity continues to be provision of legal advice and representation to those seeking asylum. Its main source of income is the Legal Services Commission (LSC). Funding is provided partly through a block grant (Grant), and partly on a unit basis for services delivered (Contract). The proportion of activities funded on a Contract basis has been increased substantially compared to the prior year, with only core costs and some litigation work funded under Grant in 2005.

The charity made a deficit of £0.3 million for the year ended 31 March 2005 compared to a surplus of £1.1million in 2004. This reduction is mainly due to a fall in total incoming resources of £1.0m.

Incoming resources

The charity's total incoming resources fell from £13.1 million in 2004 to £12.1 million in 2005. This represents a fall of 8%, and reflects underperformance against the target number of chargeable hours specified in the contract with the LSC.

Grant income at £2.8 million, accounted for 23% of total income in 2005 (2004: £8.8m, 67%). Contract funding for the provision of advice and representation services amounted to £7.0 million for the year, accounting for 58% of total income in 2005 (2004: £3.1m, 24%). The change in the LSC funding basis has meant that there has been a significant fluctuation in the level of Grant and Contract income received compared to the prior year. In addition the LSC reimbursed £2.0 million of case related costs incurred in the year (2004: £0.9m).

Other income for the year ended 31 March 2005 included fees for litigation work of £84,984 (2004: £150,124), subscriptions for our information service (EIS) £21,738 (2004: £29,649), investment income of £185,275 (£125,917) and donations of £1,423 (£2,268).

Resources expended

The charity's total expenditure for the year ended 31 March 2005 was £12.4 million (2004: £12.0m). This represents an increase of 3% from the prior year.

The direct cost of providing legal advice and representation services was £9.5 million (2004: £9.2m), representing a 3% increase on the previous year.

The Head Office in London provides support and specialist services to all offices. Costs for the year were £2.8 million (2004: £2.7m), an increase of 4%. The increase was attributable to the £180,000 paid in settlement of dilapidation costs on our former premises, for which funds had been set aside in previous years.

The cost of providing management and administration for the charity has been maintained at £0.2 million, accounting for 1.2% of total costs (2004: 1.3%).

Developments during the year

In previous years, the Home Office provided the major source of funding for the RLC. As from 1 April 2004, the responsibility was transferred to the LSC. In the course of the year, a new contract was negotiated with the LSC. We restructured some of our casework processes and improved our information systems to cope with these changes. We are still implementing some of these systems and will continue to review the processes and systems to ensure we are able to adapt to any future funding changes.

The LSC introduced a requirement that Legal Aid funded caseworkers be accredited. We developed and implemented training programmes designed to enable our casework staff to achieve accreditation. The training and support we provided, and the hard work of those sitting the exams, ensured that by the end of the financial year over 95% of casework staff had achieved the necessary accreditation status.

**REFUGEE LEGAL CENTRE
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 MARCH 2005**

Future Developments

We are nearing the end of our three-year funding cycle and are currently in discussions with the LSC regarding the basis of future funding for the charity. There are challenges facing us in 2006, as the LSC are to make possible changes to their Grant funding and the method of Contract funding. We have set up a development project to identify and develop funding options, and review the services we deliver, as well as our organisational structure.

We have reviewed and developed our strategic and regional plans for 2005/6 and have used this as a basis for selecting our strategic objectives for the year ending 31 March 2006.

RESERVES POLICY

It is the policy of the Charity to maintain unrestricted funds, which are the free reserves of the Charity, at a minimum of three months of unrestricted expenditure to provide sufficient funds to cover management, administration and support costs as well as contractual obligations to staff. The free reserves of the charity as at 31 March 2005 were £ 637,627. The Trustees are mindful that this currently does not meet the target level and are considering the Charity's future reserves policy in the light of the possible change in funding from April 2006.

Note 10 to these financial statements further explains the policy.

RISK MANAGEMENT

Over the financial year a detailed review of the risk register has been carried out. This will be implemented in conjunction with the strategic plan, setting out the major opportunities available to the charity and the risks to which it is exposed. The trustees monitor progress against the strategic objectives set out in the plan and a comprehensive review of the plan is carried out annually. As part of this process, the trustees have implemented a risk management strategy, which comprises:

- an annual review of the risks which the charity may face;
- the establishment of systems and procedures to mitigate these risks identified in the plan.

AUDITORS

A resolution will be proposed at the annual general meeting to re-appoint Horwath Clark Whitehill LLP as auditors to the charitable company for the ensuing year.

**REFUGEE LEGAL CENTRE
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 MARCH 2005**

BOARD OF TRUSTEES

The Trustees wish to place on record their thanks to the Chief Executive, management and staff of the RLC for the work and achievements of the year.

The present Board of Trustees, who are also the directors, are set out on the Constitutional page.

The current members of the Board of Trustees wish to place on record their grateful thanks for the services to the charity provided by those members who resigned during the period.

The Trustees did not have any beneficial interests in the assets of the charitable company as defined by the Companies Act 1985.

By order of the Board of Trustees on 27 September 2005.

P S Rudge

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REFUGEE LEGAL CENTRE

We have audited the accounts of Refugee Legal Centre for the year ended 31 March 2005, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes set out on pages 10 to 18. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of the trustees and auditors

The responsibilities of the directors, who are also the charity trustees for the purposes of charity law, for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities.

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

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

We read other information contained in the Trustees' Report and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of opinion

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

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

Unqualified opinion

In our opinion the accounts give a true and fair view of the state of affairs of the charitable company as at 31 March 2005 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Horwath Clark Whitehill LLP

Horwath Clark Whitehill LLP
Chartered Accountants and Registered Auditors

20 October 2005

St Bride's House
10 Salisbury Square
London
EC4Y 8EH

REFUGEE LEGAL CENTRE
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2005

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2005	Total Funds 2004
		£	£	£	£
<u>Incoming Resources</u>	1b)				
Donations and gifts		1,423	-	1,423	2,268
Activities in furtherance of the charity's objects					
Grant receivable from government		-	2,763,745	2,763,745	8,785,589
Fees and subscriptions	2	9,133,370	-	9,133,370	4,187,718
Other incoming resources		108,983	76,599	185,582	125,917
Total Incoming Resources		<u>9,243,776</u>	<u>2,840,344</u>	<u>12,084,120</u>	<u>13,101,492</u>
<u>Resources expended</u>	1d)				
Charitable expenditure					
Legal advice and representation		8,866,778	603,225	9,470,003	9,205,641
Support costs		55,055	2,742,423	2,797,478	2,675,087
Management and administration		-	151,710	151,710	156,026
Total Resources Expended	3	<u>8,921,833</u>	<u>3,497,358</u>	<u>12,419,191</u>	<u>12,036,754</u>
Net movement in funds		321,943	(657,014)	(335,071)	1,064,739
Fund balances brought forward at 1 April 2004		<u>321,837</u>	<u>3,680,844</u>	<u>4,002,681</u>	<u>2,937,945</u>
Fund balances carried forward at 31 March 2005		<u>643,780</u>	<u>3,023,830</u>	<u>3,667,610</u>	<u>4,002,684</u>

All amounts relate to continuing activities

All gains and losses are included within the Statement Of Financial Activities

The notes on pages 10 to 18 form part of these accounts.

**REFUGEE LEGAL CENTRE
BALANCE SHEET
AS AT 31 MARCH 2005**

	Notes	£	2005 £	2004 £
FIXED ASSETS				
Tangible fixed assets	5		508,461	702,941
CURRENT ASSETS				
Work in progress		100,769		83,189
Debtors	6	981,924		287,158
Cash at bank and in hand		<u>4,059,256</u>		<u>3,376,773</u>
		5,141,949		3,747,120
CREDITORS: amounts falling due within one year	7	<u>1,982,800</u>		<u>447,380</u>
NET CURRENT ASSETS			<u>3,159,149</u>	<u>3,299,740</u>
TOTAL NET ASSETS			<u>3,667,610</u>	<u>4,002,681</u>
FUNDS				
Unrestricted	8		643,780	321,837
Restricted	9		<u>3,023,830</u>	<u>3,680,844</u>
			<u>3,667,610</u>	<u>4,002,681</u>

Approved by the board on 27 September 2005
And signed on its behalf by

P S Rudge - Chair

A Neuberger - Trustee

The notes on pages 10 to 18 form part of these accounts.

**REFUGEE LEGAL CENTRE
CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2005**

	Notes	2005 £	2004 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	1	764,670	1,563,451
Capital expenditure and financial investment			
Purchase of tangible fixed assets		<u>(82,187)</u>	<u>(78,805)</u>
NET CASH INFLOW FOR THE YEAR	2	<u>682,483</u>	<u>1,484,646</u>

NOTES:

1. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2005 £	2004 £
(Deficit)/surplus for the year	(335,071)	1,064,738
Depreciation charges	276,667	429,255
(Increase) in work in progress	(17,580)	(39,877)
(Increase)/decrease in debtors	(694,767)	26,263
Increase in creditors	<u>1,535,421</u>	<u>83,072</u>
Net cash inflow from operating activities	<u>764,670</u>	<u>1,563,451</u>

2. ANALYSIS OF CASH

Balance at 1 April 2004	3,376,773	1,892,127
Net cash inflow	<u>682,483</u>	<u>1,484,646</u>
Balance at 31 March 2005	<u>4,059,256</u>	<u>3,376,773</u>

The notes on pages 10 to 18 form part of these accounts.

**REFUGEE LEGAL CENTRE
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2005**

1. ACCOUNTING POLICIES

a) Accounting convention

The accounts have been prepared under the historical cost convention, in accordance with applicable accounting standards The Companies Act 1985 and the Statement of Recommended Practice issued in October 2000, 'Accounting and Reporting by Charities' ('SORP 2000').

b) Incoming resources

Grants from government, the primary purpose trading activities and other amounts receivable are accounted for on a receivable basis. Gifts and donations are accounted for when received or accrued as income as soon as it is practicable and prudent to do so. Fees are accounted for on an accruals basis and subscriptions on a receivable basis.

c) Grants

Government grants received in respect of expenditure charged to the income and expenditure account during the year have been included in the income and expenditure account.

d) Resources expended

In accordance with the Statement of Recommended Practice 'Accounting by Charities', resources expended have been classified by function. All expenses are accounted for on an accruals basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

Legal advice and representation comprise the costs of all resources (i.e. staff, property, equipment and other assets) utilised in the fulfilment of the objective of the organisation.

Support costs comprise the costs of all resources (i.e. staff, property, equipment and other assets) utilised to directly support the organisations' primary activities.

Management and administration costs comprise the costs of the resources (i.e. staff, property, equipment and other assets) utilised in the fulfilment of the organisations' objectives to efficiently and effectively manage the organisations' activities and to comply with constitutional and statutory requirements.

Where costs could not be directly attributed to any particular function or activity, they have been allocated applying bases consistent with the use of the resource.

e) Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets over £500 so as to write off the cost over their anticipated lives at the following rates:

Leasehold improvements	- over period of lease
Computer equipment	- 33% per annum
Office equipment	- 25% per annum
Fixtures and fittings	- 25% per annum

REFUGEE LEGAL CENTRE
NOTES TO THE ACCOUNTS (Continued)
YEAR ENDED 31 MARCH 2005

1. ACCOUNTING POLICIES (continued)

f) Corporation tax

No corporation tax has been provided for in these accounts as the company being a registered charity is able to place reliance upon the exemptions granted under section 505 of the Income and Corporation Taxes Act 1985.

g) Value added tax

As the majority of the Refugee Legal Centre's activities are classified as exempt for the purposes of Value Added Tax, the Refugee Legal Centre is unable to reclaim all the VAT it suffers on its purchases. Expenditure in these accounts is therefore shown inclusive of VAT not recovered.

h) Fund accounting

Restricted funds are funds subject to specific restrictions imposed upon by the donor. The purpose and the use of the restricted funds are set out in the notes to the accounts.

Unrestricted funds comprise the accumulated surplus or deficit in the income and expenditure account. They are available for use at the discretion of the Trustees in the furtherance of the general objectives of the charity.

Designated funds comprise funds set aside out of unrestricted income by the Chief Executive and Trustees. The purpose and use of designated funds is set out in the notes to the accounts.

i) Operating leases

Rentals under operating leases are charged to the income and expenditure account as incurred.

j) Pension costs

The company operates a defined contribution scheme in respect of certain employees. Contributions are charged in the accounts as incurred.

REFUGEE LEGAL CENTRE
NOTES TO THE ACCOUNTS (Continued)
YEAR ENDED 31 MARCH 2005

		2005	2004		
		£	£		
2. INCOMING RESOURCES FROM TRADING ACTIVITIES					
LSC contract income		7,036,270	3,132,945		
LSC disbursement income		1,990,378	875,000		
Income from Judicial Review work		84,984	150,124		
Subscriptions		21,738	29,649		
		<u>9,133,370</u>	<u>4,187,718</u>		
3. RESOURCES EXPENDED					
	Staff Costs £	Other Direct Costs £	Other Allocated Costs £	2005 Total £	2004 Total £
Charitable expenditure					
Legal advice and representation	7,137,658	1,597,694	734,651	9,470,003	9,205,641
Support costs	569,861	1,265,615	962,002	2,797,478	2,675,087
Management and administration	84,016	10,629	57,065	151,710	156,026
	<u>7,791,535</u>	<u>2,873,938</u>	<u>1,753,718</u>	<u>12,419,191</u>	<u>12,036,754</u>
Other costs					
Casework costs				2,048,317	1,901,148
Property costs				1,264,446	1,262,651
Office running costs				773,184	706,493
Maintenance of former premises				180,000	-
Other costs				361,709	501,273
				<u>4,627,656</u>	<u>4,371,565</u>
Resources expended include:					
Audit services				10,000	13,000
Depreciation of fixed assets				276,667	429,255

REFUGEE LEGAL CENTRE
NOTES TO THE ACCOUNTS (Continued)
YEAR ENDED 31 MARCH 2005

4.	STAFF EMOLUMENTS AND TRUSTEE EXPENSES	2005	2004
		£	£
	a) Staff emoluments		
	Salaries	6,898,900	6,776,014
	Employer's national insurance	669,086	663,539
	Staff pension	223,549	225,636
		<u>7,791,535</u>	<u>7,665,189</u>

The average number of persons employed by the charity during the year were as follows:

	No.	No.
Full-time	243	243
Part-time	22	21
	<u>265</u>	<u>264</u>

The total staff were utilised as follows:

Legal advice and representation	229	228
Support	29	29
Management and administration	7	7
	<u>265</u>	<u>264</u>

The estimated average number of full time equivalent employees for the year is 261

The number of employees whose emoluments amounted to over £50,000 in the year were as follows:

	No.	No.
£50,001 to £60,000	1	2

The pension costs associated with employees whose emoluments were over £50,000 were £6,450 (2004 £6,277).

b)	Trustees' expenses	£	£
	Travelling expenses incurred and reimbursed	694	920
		<u>No.</u>	<u>No.</u>
	Number of Trustees reimbursed	5	4

The Trustees received no remuneration during either the current or preceding financial years.

REFUGEE LEGAL CENTRE
NOTES TO THE ACCOUNTS (Continued)
YEAR ENDED 31 MARCH 2005

5. TANGIBLE FIXED ASSETS

	Leasehold improvement £	Computer equipment £	Furniture & fittings £	Office equipment £	Total £
Cost:					
1 April 2004	1,414,867	975,074	150,341	303,536	2,843,818
Additions	-	79,991	1,336	860	82,187
31 March 2005	<u>1,414,867</u>	<u>1,055,065</u>	<u>151,677</u>	<u>304,396</u>	<u>2,926,005</u>
Depreciation:					
1 April 2004	906,953	888,424	120,187	225,313	2,140,877
Charge for the year	120,211	58,317	27,823	70,316	276,667
31 March 2005	<u>1,027,164</u>	<u>946,741</u>	<u>148,010</u>	<u>295,629</u>	<u>2,417,544</u>
Net book value					
31 March 2005	<u>387,703</u>	<u>108,324</u>	<u>3,667</u>	<u>8,767</u>	<u>508,461</u>
<i>31 March 2004</i>	<i><u>507,914</u></i>	<i><u>86,650</u></i>	<i><u>30,154</u></i>	<i><u>78,223</u></i>	<i><u>702,941</u></i>

6. DEBTORS

	2005 £	2004 £
Other debtors	41,311	20,247
Accrued grant income due from LSC	690,939	-
Prepayments	249,674	266,911
	<u>981,924</u>	<u>287,158</u>

7. CREDITORS: Amounts falling due within one year

	2005 £	2004 £
Trade creditors	241,728	178,902
Other taxes and social security costs	544,362	90,054
Other creditors	159,338	115,297
Provision: LSC fee income and disbursements	996,429	-
Accruals	34,065	52,337
Deferred income	6,878	10,790
	<u>1,982,800</u>	<u>447,380</u>

REFUGEE LEGAL CENTRE
NOTES TO THE ACCOUNTS (Continued)
YEAR ENDED 31 MARCH 2005

8. UNRESTRICTED FUNDS	Designated Maintenance Fund £	Designated Welfare Fund £	Designated Oak Fund £	General Free Reserves £	Total £
Balance at 1 April 2004	116,028	2,174	6,529	197,106	321,837
Transfer between funds	(120,485)	-	-	120,485	-
Incoming resources	4,457	1,331	307	9,237,681	9,243,776
Resources expended	-	(2,684)	(1,504)	(8,917,645)	(8,921,833)
Balance at 31 March 2005	-	821	5,332	637,627	643,780
Represented by:					
Cash at bank and in hand	-	1,676	7,927	2,267,582	2,277,185
Work in progress	-	-	-	100,769	100,769
Fixed Assets	-	-	-	5,526	5,526
Debtors	-	-	-	92,159	92,159
Creditors due within one year	-	(855)	(2,595)	(1,828,409)	(1,831,859)
	-	821	5,332	637,627	643,780

Details of the funds - refer to note 10.

REFUGEE LEGAL CENTRE
NOTES TO THE ACCOUNTS (Continued)
YEAR ENDED 31 MARCH 2005

9. RESTRICTED FUNDS

	Section 110 Fund £	Tangible Fixed Asset Reserve £	Maintenance Fund £	Total £
Balance at 1 April 2004	2,729,770	644,139	306,935	3,680,844
Transfers between funds	279,126	(141,204)	(137,922)	-
Incoming resources	2,829,357	-	10,987	2,840,344
Resources expended	<u>(3,317,358)</u>	-	<u>(180,000)</u>	<u>(3,497,358)</u>
Balance at 31 March 2005	<u>2,520,895</u>	<u>502,935</u>	<u>-</u>	<u>3,023,830</u>
Represented by:				
Tangible fixed assets	-	502,935	-	502,935
Cash at bank and in hand	1,782,071	-	-	1,782,071
Debtors	900,189	-	-	900,189
Creditors due within one year	<u>(161,365)</u>	-	-	<u>(161,365)</u>
	<u>2,520,895</u>	<u>502,935</u>	<u>-</u>	<u>3,023,830</u>

Details of the funds - refer to note 10.

REFUGEE LEGAL CENTRE
NOTES TO THE ACCOUNTS (Continued)
YEAR ENDED 31 MARCH 2005

10. UNRESTRICTED FUNDS (NOTE 8)

The Maintenance Fund is a sum apportioned at the discretion of the Trustees to provide for the maintenance of the charity's former office premises at Sussex House under the terms of the full repairing lease. Provision has been made in both the unrestricted and restricted funds and agreement was reached to pay £180,000 in full and final settlement. The balance relating to unrestricted funds was transferred to general free reserves and the balance relating to restricted funds was transferred to the Section 110 Fund.

The Welfare Fund represents funds to be used for the payments of clients' emergency travel expenses.

The Oak Fund represents monies originally donated in order to fund specific projects of assistance to asylum seekers or refugee groups. Permission has been obtained for the funds to be used at the discretion of the Chief Executive.

The Free Reserves represents the net of accumulated surpluses and deficits of income and expenditure after transfers under the Legal Aid Scheme and external services.

RESTRICTED FUNDS (NOTE 9)

The Section 110 Fund represents statutory funding under Section 110 of the Immigration and Asylum Act 1996 for the furtherance of the Refugee Legal Centre's objectives. The deficit made this year of £488,001 on grant funding from the LSC is included and offsets the sum of the surplus made in 2003/4 (£875,593).

The Tangible Fixed Asset Reserve has been set up to reflect the net book value of the tangible fixed assets originally purchased from Section 110 funding.

The Maintenance Fund

See note above under "Unrestricted Funds".

11. PENSIONS

There were no outstanding or prepaid contributions as at the balance sheet date. Pension costs charged in the year were £ 223,549 (2004: £225,636).

12. FINANCIAL COMMITMENTS

The amounts payable in the next year in respect of operating leases are shown below, analysed according to the expiry date of the leases.

	Land and Buildings £
Expiry date:	
Within two to five years	126,594
Over five years	851,103
	<u>977,697</u>

REFUGEE LEGAL CENTRE
NOTES TO THE ACCOUNTS (Continued)
YEAR ENDED 31 MARCH 2005

13. INDEMNITY INSURANCE

The company has purchased indemnity insurance in respect of all Trustees and employees to cover liability in respect of negligence, default, breach of duty or trust other than caused by wilful or criminal negligence. The cost of this insurance cover was £50,897(2004: £46,901).

14. SHARE CAPITAL

The company does not have any share capital and is limited by guarantee.

The liability of the 14 members is limited to £1.00 each.

15. THIRD PARTY FUNDS

As part of the overall service to the clients, the Refugee Legal Centre is required to hold bail monies to the order of the Immigration Appeals Authority, and money awarded to clients for damages whilst costs are settled. The following amounts are included within the cash at bank figure and creditors due within one year:

2005	2003
£	
<u>98,805</u>	<u>27,821</u>