

Company Number:
Charity Number:

2710867
1012804

REFUGEE AND MIGRANT JUSTICE
(Formerly Refugee Legal Centre)
ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2009

WEDNESDAY



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REFUGEE AND MIGRANT JUSTICE (Formerly Refugee Legal Centre)

CHARITABLE OBJECTIVES AND ACTIVITIES

Charitable Objectives

The objectives for which Refugee and Migrant Justice was established as a charitable company are in summary:

- To provide legal advice and representation to people seeking entry, or leave to remain in the United Kingdom, who are unable to fund such advice from their own resources.
- To use our experience arising from our casework activities to educate and provide information to the public and opinion formers in matters relating to immigration law, practice and procedure.

Activities

The charity's main activity is to provide legal advice and representation for asylum seekers and refugees. This advice is provided to all who request it providing they meet the LSC requirements of being unable to fund such advice from their own funds and there are merits in their claim. RMJ is committed to securing justice for asylum seekers and other vulnerable migrants in the UK who need protection or help to secure their human rights and fair treatment under the law. We provide high quality free legal advice and representation to some of the most disadvantaged people in Britain, many of whom have fled war and may have experienced rape or torture.

Good legal advice can mean the difference between life and death to our clients and also brings significant benefit to society in general. Our work helps to ensure a just decision, early in the process. This can help our clients rebuild their lives in the UK and integrate more swiftly, helping to aid community cohesion as well as enabling them to work and support themselves; or, if they are unsuccessful, good advice means that it is more likely that they will return to their country of origin voluntarily, feeling that their claim has been fairly dealt with. The quality legal advice we give also saves money because more of our clients are successful at the initial decision than on average, reducing the need for costly appeals.

RMJ also uses its extensive expertise and knowledge to ensure that the public and opinion formers are better informed about asylum and migration and to argue for improvements in policies and practices that will lead to a fairer, more humane system in which fewer people fall through the net.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Our Key Goals and Achievements for 2008/2009

The table below summarises our key goals and achievements for 2008/09.

2008/09 OUR GOALS; <i>our achievements and how they deliver public benefit</i>
Goal 1: Providing high quality help to even more people: developing more efficient and effective working practices (known as the "smarter working" initiative) to help more people at the same cost, whilst preserving quality; widening our services to provide a more comprehensive service to asylum seekers and providing support in more immigration cases; and providing services in more locations.

2008/09

OUR GOALS; *our achievements and how they deliver public benefit*

Key achievements:

RMJ continues to demonstrate the quality of its work through its outstandingly high success rates. Between February 2008 and March 2009, 36% of our clients seeking asylum were successful at the initial hearing by the Home office, a third higher than the national average; over 50% of our cases on appeal are won, which is double the national average.

We believe this not only benefits our clients and society more widely but also represents excellent value for money, as the more quickly the cases are resolved, the more quickly successful clients can start to work and integrate and the lower the support and legal costs for the taxpayer as a result.

The value of good quality legal representation early on in the case was brought home in Solihull through the Early Legal Advice Pilot, in which RMJ was a major participant, taking part as a provider as well as being an active member of the Evaluation Group. We continued to advocate for the process to be applied across the country and were delighted when the Home Office announced that it would apply in a whole UK Border Agency (UKBA) region from 2010.

During the year, RMJ have made the case to the Ministry of Justice, the Legal Services Commission (LSC) and the UKBA that cuts in legal services funding would threaten standards: RMJ is experiencing cuts of over 30% to be phased in from April 2009. In December 2008, the Baring Foundation awarded a grant of up to £200,000 to RMJ and its partners to undertake research into the cost of quality legal representation; and this work continues. We hope this will provide clear evidence that quality legal representation comes at a price that is well worth any additional expenditure.

At the same time as arguing for better funding, we have been doing what we can to increase our efficiency, whilst maintaining quality, through our "smarter working" initiative, which was piloted during 2008-09. It includes new working practices and better training and is now operating in all of our offices.

To help widen the services available to our clients and improve accessibility:

- Over recent years, RMJ has been highly successful in reaching new clients in new locations and, as a result of development work in 08-09, we opened a new office in Ashford, Kent in May 09, bringing, bringing our national network of offices at that point to 12; and
- We have continued to reach clients beyond our permanent offices through outreach services, sometimes in partnership with other organisations, and this wider network is continuing to grow. We also work in many of the UK's Immigration Removal Centres and in prisons.
- We gained a new contract to provide telephone advice to clients in police cells across the country.
- We increased the number of solicitors to work in our Head Office and offices across the country so that we can take on more judicial review and other complex procedures in house including Litigation work in the higher courts.
- We significantly increased the proportion of immigration cases as a total of our work to 21% by March 2009

In 2008-09, RMJ helped significantly more people, increasing the number of new cases opened in the course of the year compared with the previous year.

2008/09

OUR GOALS; *our achievements and how they deliver public benefit*

Goal 2: Ensuring RMJ is sustainable over the medium term: increasing LSC income through delivery of a larger contract; developing income from non-LSC sources; reducing RMJ costs, where possible; improving the quality of internal services and becoming an employer of choice. We have given a formal commitment to achieving the Investors in People standard within the next 12 to 18 months and have developed an action plan to assist with this goal.

Key achievements:

In 2008-09, we delivered 23,567 more hours than in the previous year under an expanded contract, which brought in significant additional income and secured economies of scale. To achieve this, we successfully recruited additional caseworkers and our caseworkers also significantly increased their productivity.

During the year, RMJ began to actively seek grants and donations for the first time and secured future commitments to £262k of which £25k was spent in 2008-09; and we continue to seek further grants and donation to help pay for policy and research as well as maintain the quality of legal advice work, as LSC funding diminishes. RMJ also increased its income from "certificated work" outside the LSC legal aid contract.

Over the course of the year, costs were reduced wherever possible. A new pay system was implemented and reviews began of our internal support services and senior management structure. A new appraisal system was introduced. We have given a formal commitment to achieving the Investors in People standard within the next 12 to 18 months and have developed an action plan to assist with this goal.

Goal 3: Raising RMJ's profile and successfully influencing the wider framework: including clarifying RMJ's mission and developing specific policy and litigation goals, building wider partnerships and undertaking campaigns; developing media work and modernising the website.

Key achievements:

In March 2009, the Refugee Legal Centre was re-named Refugee and Migrant Justice at a reception held at the House of Lords. The change of name reflected our intention to use our unparalleled legal expertise to become a key voice in the often ill-informed and antagonistic debate around migration and asylum. It also marked the fact that we are increasingly working with vulnerable migrants as well as asylum seekers.

At the same time, we launched "Campaigning for Change: Fairer decisions, more humane treatment, wider protection," which set out our priorities for change and clarified our mission.

In March 09, we also published "Does Every Child Matter? Children seeking asylum in Britain" which demonstrated through research into our active casework the wide gap between the commitments made by Government to protect children and what happens in practice. As a result of this work, the UKBA has agreed to pilot improvements and to provide better statistics on children in detention.

The website was also modernised and re-launched.

Work is continuing on new research and to seek funding for future policy and media work.

2008/09

OUR GOALS; *our achievements and how they deliver public benefit*

Our media profile grew throughout the period. For example, our report on children secured impressive media coverage on Channel 4 News and elsewhere; and our Chief Executive secured two comment pieces in the Guardian. The successful case of our client x also received widespread coverage, highlighting unlawful practices of removal by the UKBA.

RMJ continued to take important strategic cases with a wider impact on asylum seekers, including the case of AH (Iraq) which, together with a related case QD (Iraq) led to a Court of Appeal judgement in June 09 which may mean that more people who have fled generalised violence due to armed conflict in countries like Iraq, Afghanistan and Somalia may gain protection in the UK.

We have continued to build our strategic relationships with government, opinion formers, the media, charitable trusts and voluntary sector and other groups and individuals. We are playing an active role in the UKBA's National Asylum Stakeholders Forum; and have been campaigning with others in Still Human Still Here to end the destitution of asylum seekers. We are members of Immigration Law Practitioners Association and European Council for Refugees and Exiles.

STRUCTURE AND GOVERNANCE

The Constitution

Refugee and Migrant Justice is a registered charity, number 1012804, and a company limited by guarantee, number 2710867. It has one subsidiary company. It is registered with both the Charity Commission and Companies House. The charity currently has a Trustee Board of 7 Trustees, with each Trustee having a personal liability as members of the company limited to £1 each. Additional Trustees are appointed by the Board using a combination of advertising and sector contacts. RMJ inducts all new Trustees ensuring they are briefed on the charity's objectives, strategy and activities. Training is available on request and the Trustees are provided with information on external training when appropriate.

Details of our Trustees, senior management and advisors are attached in **Annex A** on pages 28 and 29.

All Trustees give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in note 6b to the accounts.

The subsidiary company, Immigration Legal Centre Ltd, which was set up on 13 April 2007, currently provides services to the Charity by way of the provision of interpreters and translators. It also seeks to provide these services to other independent parties. The company gift aids all of its profits to the Charity.

Governance

The Trustees' key role is to determine the strategy of RMJ, agree its business plan and monitor performance against its financial and other goals, and ensure good governance, including preparing this financial statement. The Trustees meet four times a year. The Trustee Board delegates powers to sub-committees which meet at least quarterly. These currently are:

- The Finance Committee
- The Human Resource Committee

Management

The Charity currently has an Executive Board consisting of a Chief Executive; Director of Operations and Deputy Chief Executive; Director of Resources; Director of Policy and Communications; and Head of Finance and Performance.

FUNDING AND EMPLOYMENT POLICIES

Funding

Most of our funding is provided by the Legal Services Commission through a contract for services. The financial review is addressed later in this report. Our total income from the LSC in 2008/2009 amounted to **£15.8m** (2008: £13.1m), £15.5m of which came through a contract for services.

Financial Review

The charity's main source of income continues to be from the Legal Services Commission (LSC), largely in the form of a service contract based on the number of hours of legal advice we deliver.

Income

The group's total income increased to **£16.1m** (2008: **£13.3m**). We received contract funding of **£12.5m** (2008: **£9.5m**) and reimbursement of other expenses, of **£3m** (2008: **£3.4m**).

Other income for the year included fees for litigation work of **£251k** (2008: **£239k**), investment income of **£100k** (2008: **£165k**) and donations of **£206k**.

Expenditure

The charity's total expenditure for the year ended 31 March 2009 was **£15.8m** (2008: **£13.5m**) including disbursements. Within this, the cost of providing legal advice and representation was **£14.2m** (2008: **£11.9m**).

Trading Subsidiary

The turnover for the ILC was **£1.7m** (2008: **£1.9m**) with costs of **£1.6m** (2008: **£1.7m**). The surplus of **£47k** (2008: **£182k**) has been gift aided to the charity.

Reserves Policy

The Charity aims to maintain where possible its unrestricted reserves at a minimum of three months of operating expenditure (**£3.2m** excluding disbursements) to provide sufficient funds to cover unexpected events in relation to costs and income. The unrestricted reserves of the charity as at 31 March 2009 were **£3.7m** (2008: **£3.4m**). Reserves of this order are needed to ensure a smooth financial transition over the coming years due to changes in our funding which started to take effect from 1 April 2009 and which will continue into 2010/11, including providing for an expansion of activities to achieve further economies of scale and modernization of our infrastructure. Note 12 to these financial statements provides further analysis.

Designated Reserves

Details of the designated reserves are set out in note 12A. The main reserve, the Maintenance and Property Fund, has been set up to fund future repairs and dilapidations on the various offices and possible office relocation and expansion. These amounts (£1.5m) will fall to be paid over the period of the various leases and could therefore be utilised between 2009 and 2016.

Risk

The Trustees have considered the major risks faced by the Charity and systems or procedures have been established to manage those risks. The risk register which records those risks is reviewed by the Finance Committee and then by the Trustee Board on a quarterly basis to monitor progress with a comprehensive review carried out annually. The Board currently considers the principal challenges for RMJ are:

- the reduction from April 09 of legal aid funding given to us by the LSC, linked to a new payment for a closed case rather than by the hour, which will be phased in over 2009-10, together with the new requirement to tender for all our LSC contract work during 2010;
- managing a contract based for the first time on new cases opened rather than hours of service, and particularly estimating income when it may be at least a year before it is clear what income closed cases will generate; and
- ensuring staff motivation and good levels of retention in the face of the changes to working practices required to meet the first two challenges.

RMJ's strategic plan is designed to respond to these risks.

Employee Consultation

We place considerable value on the involvement of our employees and have continued to keep individuals informed on matters affecting them as employees and on the various matters affecting our performance. This is achieved through formal and informal meetings and written and verbal briefings, together with regular visits by the members of the Executive Board to individual offices, and a staff newsletter.

Equal Opportunities in employment

RMJ is committed to treating everyone with respect and dignity and aims to be an inclusive employer and service provider which values individuals and recognises that we assist clients from and operate within diverse communities. The nature of our work and our passion for justice and human rights demonstrates that we genuinely embrace equality as a core element of our values and belief.

Our aim is to create an environment that welcomes diversity and values the differences that individuals bring. RMJ is committed to ensuring that all employees and applicants for employment receive equal treatment without discrimination on the grounds of gender, ethnic origin, disability, age, religion or belief, sexual orientation, marital status or gender reassignment. Relevant and reasonable adjustments are also made to the working environment for prospective or existing employees with a disability.

Third Party Funds

As part of the overall service to clients, RMJ 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 (Note 16 gives further details of these monies).

FUTURE PLANS

During 2007-08, consultation was undertaken with Trustees, staff and stakeholders to develop a three year strategy to run from April 2008 to March 2011. The strategy is designed to help RMJ deliver its mission in the context of the challenges it faces, especially a reduction in fees from the Legal Services Commission from 2009 onwards. Each year an annual plan is agreed by the Board of Trustees in order to deliver the three strategic goals set out in the Strategic Plan. The key elements for 2009-10 are:

1. **Providing high quality help to even more people:** continuing to extend our high quality services to more people, whilst maintaining quality, by increasing the number of people helped; providing services in more locations; assisting more vulnerable migrants as well as our core client group of asylum seekers; and providing a comprehensive service to our clients where we can;
2. **Ensuring RMJ is sustainable over the medium term:** ensuring the best outcome for RMJ from the competitive tendering exercise for LSC contracts taking place during 2009-10 and developing new flexible ways to deliver our services through partnership with others; developing income beyond our contract with the LSC; reducing our central costs, where possible, whilst improving the quality of internal services to improve our efficiency; and moving towards gaining Investors in People;
3. **Raising RMJ's profile and successfully influencing the wider framework:** completing our research on the cost of quality legal representation, in partnership with others, and using it to argue for adequate legal aid funding; helping to ensure the successful roll out of the Early Legal Advice Process into a new UKBA region as we believe this will improve the quality of decision-making; working with the UKBA and others to develop improvements in the decision-making process and legal and other support for children; conducting research and other policy work on asylum and migration issues and influencing for change through wider advocacy, including in the media; raising grants and donations to support this work; and developing our legal strategy and continuing to take important test cases.

Our Contract with the LSC – our future funding

The majority of our current funding is under an overall contract with the LSC, which is due to expire in 30 September 2010. Our total income from the LSC in 2008/2009 amounted to £15.8m, of which £15.5m was generated under this contract. During the latter part of this year we, along with all other providers of Immigration and Asylum services, will be invited to bid for new contracts with the Legal Services Commission, which will come into force on current plans from 1 October 2010. Given the bidding timetable, there are currently uncertainties over the level of our future income from the LSC after 30 September 2010. It is our intention to bid for at least the same volume of work as we currently undertake and, in our view, there is no reason to believe we will be unsuccessful. The LSC has stated that it expects 97% of current providers to be successfully awarded a contract.

If we were to be unsuccessful either in whole or in part, the LSC have confirmed that they would allow us to finish all cases already opened under the current contract which expires on 30 September 2010. As such, income would continue to be generated after 30 September 2010 as such cases are completed, but it is not possible to estimate the level of such income with any degree of certainty. In addition, we would continue to receive income from other sources.

The Trustees have concluded that on the basis of the combination of these circumstances, it is appropriate to adopt the going concern basis of accounting.

RESPONSIBILITY OF THE TRUSTEES FOR THE ACCOUNTS

The Trustees (who are also the directors of Refugee and Migrant Justice for the purposes of company law) are responsible for the preparation of the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law require the Trustees to ensure the preparation of financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements the Trustees are required to ensure that:

- Suitable accounting policies are consistently applied;
- Judgements and estimates are reasonable and prudent;
- Applicable accounting standards have been followed with any material departures disclosed and explained in the financial statements;
- The financial statements are prepared on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for ensuring proper accounting records are maintained 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 1985. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

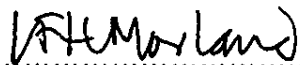
In so far as the Trustees are aware:

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

BOARD OF TRUSTEES

By order of the Board of Trustees on 13 October 2009



Charles Morland (Chairman)

Report of the independent auditor to the members of Refugee and Migrant Justice

We have audited the group and parent charitable company financial statements (the 'financial statements') of Refugee and Migrant Justice for the year ended 31 March 2009 which comprise the principal accounting policies, the group statement of financial activities, the group and charitable company balance sheets, the group cash flow statement and notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of Refugee and Migrant Justice for the purposes of company law) 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) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 trustees' remuneration and transactions with the charitable company is not disclosed.

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

Basis of audit opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent charitable company's affairs as at 31 March 2009 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
London

14 October2009

REFUGEE AND MIGRANT JUSTICE
(Formerly Refugee Legal Centre)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2009

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Group Total Funds 2009 £'000	Group Total Funds 2008 £'000
INCOMING RESOURCES	1d)				
Incoming resources from generated funds:					
Donations, grants and gifts		1	205	206	0
Investment income		100	0	100	165
Legal advice and representation to asylum seekers and other migrants	2	15,755	0	15,755	13,075
Other incoming resources:					
Other income		30	0	30	12
Total Incoming Resources		<u>15,886</u>	<u>205</u>	<u>16,091</u>	<u>13,252</u>
RESOURCES EXPENDED	1e)				
Cost of charitable activities:					
Legal advice and representation to asylum seekers, other migrants and related activities		14,127	25	14,152	11,883
Cost of generating funds					
Provision of Interpreting and Translation services (disbursements)		1,615	0	1,615	1,588
Governance costs		24	0	24	60
Total Resources Expended		<u>15,766</u>	<u>25</u>	<u>15,791</u>	<u>13,531</u>
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		120	180	300	(279)
Transfer of funds		154	(154)	0	0
Funds at 1 April 2008		3,438	154	3,592	3,871
Total funds at 31 March 2009		<u>3,712</u>	<u>180</u>	<u>3,892</u>	<u>3,592</u>

All of the above results were derived from continuing activities and there were no recognised gains and losses other than those shown above.

The notes on pages 16 to 27 form part of these financial statements.

REFUGEE AND MIGRANT JUSTICE
(Formerly Refugee Legal Centre) - company number 2710867
BALANCE SHEETS
AS AT 31 MARCH 2009

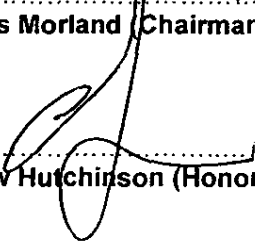
	Notes	Group 2009 £'000	Charity 2009 £'000	Group 2008 £'000	Charity 2008 £'000
FIXED ASSETS					
Tangible fixed assets	7	<u>982</u>	<u>982</u>	<u>948</u>	<u>948</u>
CURRENT ASSETS					
Debtors	9	1,494	1497	868	1,147
Cash at bank and in hand		<u>2,562</u>	<u>2,500</u>	<u>3,166</u>	<u>2,896</u>
		<u>4,056</u>	<u>3,997</u>	<u>4,034</u>	<u>4,043</u>
CREDITORS: amounts falling due within one year	10	<u>(1,020)</u>	<u>(961)</u>	<u>(1,256)</u>	<u>(1,265)</u>
NET CURRENT ASSETS		<u>3,036</u>	<u>3,036</u>	<u>2,778</u>	<u>2,778</u>
PROVISION FOR LIABILITIES AND CHARGES	11	<u>(126)</u>	<u>(126)</u>	<u>(134)</u>	<u>(134)</u>
TOTAL NET ASSETS		<u>3,892</u>	<u>3,892</u>	<u>3,592</u>	<u>3,592</u>
FUNDS					
Restricted	12	180	180	154	154
Unrestricted	12	<u>3,712</u>	<u>3,712</u>	<u>3,438</u>	<u>3,438</u>
		<u>3,892</u>	<u>3,892</u>	<u>3,592</u>	<u>3,592</u>

Approved by the Board on 13 October 2009

And signed on its behalf by



 Charles Morland (Chairman)



 Andrew Hutchinson (Honorary Treasurer)

The notes on pages 16 to 27 form part of these financial statements.

REFUGEE AND MIGRANT JUSTICE
(Formerly Refugee Legal Centre)
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2009

	Notes	2009 £000	2008 £000
Net Cash (Outflow)/Inflow/ from Operating Activities	1	(316)	232
Returns on investments		100	165
Capital expenditure			
Purchase of tangible fixed assets		(388)	(378)
NET CASH (OUTFLOW)/INFLOW	2	(604)	19

NOTES:

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES

	2009 £'000	2008 £'000
Net movement in funds excluding investment income	200	(444)
Depreciation	353	343
Loss on Sale of Assets	1	20
(Increase) in debtors	(626)	(130)
Increase/(Decrease) in creditors	(244)	443
Net Cash Inflow From Operating Activities	(316)	232

2. ANALYSIS OF NET FUNDS

	At 1 April 2008 £'000	Cash Flow £'000	At 31 March 2009 £'000
Cash at Bank and in Hand	3,166	(604)	2,562

REFUGEE AND MIGRANT JUSTICE
(Formerly Refugee Legal Centre)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

1. ACCOUNTING POLICIES

a) Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, The Companies Act 1985 and the Statement of Recommended Practice on Accounting and Reporting by Charities ('SORP 2005' revised). The accounting policies have remained unchanged from the prior year.

b) Going concern

The majority of our current funding is under an overall contract with the LSC, which is due to expire in 30 September 2010. Our total income from the LSC in 2008/2009 amounted to £15.8m, of which £15.5m was generated under this contract. During the latter part of this year we, along with all other providers of Immigration and Asylum services, will be invited to bid for new contracts with the Legal Services Commission, which will come into force on current plans from 1 October 2010. Given the bidding timetable, there are currently uncertainties over the level of our future income from the LSC after 30 September 2010. It is our intention to bid for at least the same volume of work as we currently undertake and, in our view, there is no reason to believe we will be unsuccessful. The LSC has stated that it expects 97% of current providers to be successfully awarded a contract.

If we were to be unsuccessful either in whole or in part, the LSC have confirmed that they would allow us to finish all cases already opened under the current contract which expires on 30 September 2010. As such, income would continue to be generated after 30 September 2010 as such cases are completed, but it is not possible to estimate the level of such income with any degree of certainty. In addition, we would continue to receive income from other sources.

The Trustees have concluded that on the basis of the combination of these circumstances, it is appropriate to adopt the going concern basis of accounting.

c) Group financial statements

These financial statements consolidate the results of the charity and its wholly owned subsidiary, Immigration Legal Centre Limited on a line by line basis. A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by section 230 of the Companies Act 1985 and paragraph 397 of the SORP.

REFUGEE AND MIGRANT JUSTICE
(Formerly Refugee Legal Centre)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 31 MARCH 2009

1. ACCOUNTING POLICIES (continued)

d) Incoming resources

Gifts and donations which are unrestricted are accounted for when received or accrued as soon as it is practicable and prudent to do so.

Grants and donations which are for restricted purposes are accounted for either when the expenditure to which they relate is incurred or in the period in which we receive confirmation of the grant or donation depending on the terms of the grant or donation. During this year we received one donation for specific purposes where only some of the expenditure had been incurred in the year and the balance of this donation has been included in creditors at the year end. Additionally we awarded a grant for research into the "cost of quality" and we have recognised the full amount of this grant as restricted income in this year.

Income from judicial review work represents the fair value of services provided during the year on client assignments. Income is recognised as contract activity progresses and the right to consideration is earned. Fair value reflects the amount expected to be recoverable from clients and is based on the time spent, skills and expertise provided and expenses incurred. Income excludes Value Added Tax.

Unbilled income on individual client assignments is included as accrued income within debtors.

e) Resources expended

In accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities', resources expended have been classified by charitable activity. All expenses are accounted for on an accruals basis.

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' charitable activities.

Governance costs comprise costs addressing constitutional and statutory requirements.

Where costs could not be directly attributed to any particular function or activity, they have been allocated using an average staff number basis consistent with the use of the resource.

REFUGEE AND MIGRANT JUSTICE
(Formerly Refugee Legal Centre)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 31 MARCH 2009

1. ACCOUNTING POLICIES (continued)

f) Depreciation of tangible fixed assets

Tangible fixed assets costing more than £500 are capitalised and included at cost. Depreciation is provided on all tangible fixed assets using a straight-line basis 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

g) Corporation tax

No corporation tax has been provided for in these financial statements 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. The trading subsidiary has gift aided its entire profit to the charity and therefore no tax is payable by that company.

h) Value added tax

The charity's activities are classified as business for the purposes of Value Added Tax and the charity is able to reclaim all the VAT it suffers on purchases. Expenditure in these financial statements is therefore shown net of VAT.

i) Funds

Restricted funds are funds subject to specific restrictions imposed by the donors. The purpose and the use of the restricted funds are set out in the notes to the financial statements.

Unrestricted funds comprise the accumulated surplus or deficit in the statement of financial activities. 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 Trustees. The purpose and use of designated funds is set out in the notes to the financial statements.

j) Operating leases

Instalments on operating leases are charged to the statement of financial activities as incurred over the life of the lease.

k) Pension costs

The company operates a multi-employer defined contribution scheme with the Pensions Trust. Contributions are charged to the statement of financial activities as incurred.

REFUGEE AND MIGRANT JUSTICE
(Formerly Refugee Legal Centre)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 31 MARCH 2009

	2009 £'000	2008 £'000
2. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES		
LSC contract income	12,507	9,477
Disbursement cost recovery	2,997	3,359
Income from Judicial Review work	251	239
	<u>15,755</u>	<u>13,075</u>

3. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the consolidated statement includes those of the charity's wholly owned subsidiary, Immigration Legal Centre Limited.

A summary of the financial activities undertaken by the charity is set out below.

	2009 £000	2008 £000
Gross incoming resources	14,476	13,564
Total expenditure on charitable activities	(14,152)	(13,783)
Governance costs	(24)	(60)
Net incoming resources	300	(279)
Total funds brought forward	3,592	3,871
Total funds carried forward	<u>3,892</u>	<u>3,592</u>
Represented by:		
Restricted funds	180	154
Unrestricted funds	3,712	3,438

4. FINANCIAL ACTIVITIES OF THE TRADING COMPANY

On 13 April 2007 a wholly owned trading subsidiary, The Immigration Legal Centre Limited, was set up to provide Interpreting and Translation services to the RMJ and other parties.

A summary of the financial activities of the trading subsidiary is set out below.

	2009 £000	2008 £000
Turnover	1,662	1,901
Expenditure	(1,615)	(1,719)
Net profit	47	182
Amount gift aided to the charity	(47)	(182)
Retained in the subsidiary	<u>-</u>	<u>-</u>
The assets and liabilities of the company were:		
Current assets	123	424
Current liabilities	123	424
Total net assets	<u>-</u>	<u>-</u>

REFUGEE AND MIGRANT JUSTICE
(Formerly Refugee Legal Centre)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 31 MARCH 2009

5. RESOURCES EXPENDED

	Direct Costs	Support Costs (Note A)	2009 Total £'000	2008 Total £'000
Expenditure by activity				
Governance costs		24	24	60
Legal advice and representation	12,369	1,783	14,152	11,883
Provision of Interpreting and Translation services	1,615		1,615	1,588
	<u>13,984</u>	<u>1,807</u>	<u>15,791</u>	<u>13,531</u>

Support costs analysis:

Staff costs	1,304	1,385
Property costs	280	310
Office running costs	112	106
Depreciation	41	50
Other	70	181
	<u>1,807</u>	<u>2,032</u>

Governance costs

Audit fees	24	24
Consultancy services	0	36

Resources expended includes:

Fees payable to the charity's auditor:		
Audit services	17	18
Other services		
Audit of the subsidiary	6	6
Other services	1	1
Depreciation of fixed assets	<u>353</u>	<u>343</u>

Note A: Support services totalling £1,807,000 (2008: £2,032,000) have been allocated across activities. These include costs associated with providing IT, personnel, payroll, finance, property, administration and other central services to the charity's 266 staff across the UK. Costs have been allocated on average staff numbers across the various departments.

REFUGEE AND MIGRANT JUSTICE
(Formerly Refugee Legal Centre)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 31 MARCH 2009

6. STAFF EMOLUMENTS AND TRUSTEE EXPENSES	Group 2009 £'000	Charity 2009 £'000	2008 £'000
a) Staff emoluments			
Salaries	6,880	6,737	6,001
Employer's national insurance	658	644	551
Staff pension	172	172	183
Temporary staff	281	272	626
	<u>7,991</u>	<u>7,825</u>	<u>7,361</u>

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

	Group 2009 £'000	Charity 2009 £'000 No.	2008 No.
Full-time	236	230	204
Part-time	30	30	31
	<u>266</u>	<u>260</u>	<u>235</u>

The estimated average number of full time equivalent employees for the year is **255** (2008: 224) all supporting the activity of providing legal advice and representation to asylum seekers.

One staff member had emoluments in the band £60,000 - £69,999, two had emoluments in the band £70,000 - £79,999 and one in the band £100,000 - £109,999 this year. In addition pension contributions of £8,663 were paid in respect of one of these members of staff.

b) Trustees' expenses	2009 £'000	2008 £'000
Travelling expenses incurred and reimbursed	<u>1</u>	<u>4</u>
	No.	No.
Number of Trustees reimbursed	<u>3</u>	<u>3</u>

No Trustees received remuneration during either the current or prior financial year.

REFUGEE AND MIGRANT JUSTICE
(Formerly Refugee Legal Centre)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 31 MARCH 2009

7. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Leasehold improvement £'000	Computer equipment £'000	Furniture & fittings £'000	Office equipment £'000	Total £'000
Cost:					
1 April 2008	2,167	1,509	159	309	4,144
Additions	108	272	8	0	388
Disposals	0	(1)		0	(1)
Cost at 31 March 2009	2,275	1,780	167	309	4,531
Depreciation:					
1 April 2008	1,490	1,250	153	303	3,196
Charge for the year	156	191	4	2	353
Disposals				0	0
Depreciation at 31 March 2009	1,646	1,441	157	305	3,549
Net book value at 31 March 2009	629	339	10	4	982
<i>31 March 2008</i>	<i>677</i>	<i>259</i>	<i>6</i>	<i>6</i>	<i>948</i>

8. Trading subsidiary

On 13 April 2007 the Immigration Legal Centre Limited was incorporated as a trading subsidiary of the RMJ. This company is limited by guarantee and therefore has no authorised or issued share capital. The liability of the member is limited to £1.00.

All the directors of the ILC are either Trustees or Executive Board members of the RMJ and therefore it is considered a subsidiary by virtue of exercise of control.

The profits of the company for the year to 31 March 2009 have been gift aided to the RMJ.

9. DEBTORS

	Group 2009 £'000	Charity 2009 £'000	Group 2008 £'000	Charity 2008 £'000
VAT reclaimable	156	155	143	140
Prepayments & accrued income	1,221	1,160	522	673
Other debtors	117	117	203	51
Amounts due from group undertakings		65		283
	1,494	1,497	868	1,147

REFUGEE AND MIGRANT JUSTICE
(Formerly Refugee Legal Centre)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 31 MARCH 2009

10. CREDITORS: Amounts falling due within one year

	Group	Charity	Group	Charity
	2009	2009	2008	2008
	£'000	£'000	£'000	£'000
Trade creditors	328	328	378	247
Other taxes and social security costs	214	211	196	194
Provision: LSC fee income and disbursements	0	0	160	160
Accruals and deferred income	399	342	384	529
Other creditors	79	80	138	135
	1,020	961	1,256	1,265

11. PROVISION FOR DILAPIDATIONS

	Group	Charity	Group	Charity
	2009	2009	2008	2008
	£'000	£'000	£'000	£'000
At 1 April 2008	134	134	71	71
(Released)/ Provided in Year	(8)	(8)	63	63
At 31 March 2009	126	126	134	134

In accordance with FRS12 a provision has been included in the accounts for the estimated cost of restoring the Charity's various offices to their original conditions at the end of the leases.

REFUGEE AND MIGRANT JUSTICE
(Formerly Refugee Legal Centre)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 31 MARCH 2009

12. FUNDS**A. UNRESTRICTED FUNDS – GROUP AND CHARITY**

	Maintenance and Property Fund £'000	Welfare Fund £'000	Tangible Fixed asset Reserves £'000	Unrecoverable case costs Reserves £'000	General Free Reserves £'000	Total £'000
Balance at 1 April 2008	1,520	7	845	160	906	3,438
Transfer between funds						
Incoming resources	8	0	137	(33)	42	154
Resources expended					15,886 (15,766)	15,886 (15,766)
Balance at 31 March 2009	1,528	7	982	127	1,068	3,712

The **Maintenance and Property Fund** is a designated fund with a sum apportioned at the discretion of the Trustees to provide for the future dilapidations (other than as provided in the Statement of Financial Activities) and office refurbishments of the charity's office premises under the terms of the leases for which no contractual liability exists at present. Additionally, funds are being set aside for the possible expansion and/or relocation of our existing offices and for the expansion of our office network by opening new offices

The **Welfare Fund** is a designated fund representing funds to be used for the payments of clients' emergency travel expenses.

The **Tangible Fixed Asset Reserve** has been set up to reflect the net book value of tangible fixed assets purchased. This excludes fixed assets purchases from Section 110 funding which are reflected in the restricted reserves section.

Unrecoverable case cost Reserve is a designated fund representing a sum providing for case costs that are unrecoverable.

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.

REFUGEE AND MIGRANT JUSTICE
(Formerly Refugee Legal Centre)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 31 MARCH 2009

B. RESTRICTED FUNDS – GROUP AND CHARITY

	Section 110 Fund £'000	Tangible Fixed Asset Reserve £'000	Grants And Donations £'000	Total £'000
Balance at 1 April 2008	51	103	0	154
Transfers between funds	(51)	(103)	0	(154)
Incoming resources	0	0	205	205
Resources expended			(25)	(25)
Balance at 31 March 2009	<u>0</u>	<u>0</u>	<u>180</u>	<u>180</u>

The **Section 110 Fund** represents statutory funding under Section 110 of the Immigration and Asylum Act 1996 for the furtherance of the Refugee and Migrant Justice's objectives.

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.

A sum of £51k has been transferred between the restricted and unrestricted reserves under the transitional funding arrangement agreed with the LSC in March 2006.

The Grants and Donations represent sums of money to which we became entitled during the year. The majority of this income relates to a grant for research into the cost of quality legally aided legal representation. The research is anticipated to take a period of twelve months and commenced in January 2009. The balance is in relation to a donation to assist with fund raising.

C. TOTAL FUNDS – GROUP AND CHARITY

Total funds at 31 March 2009 were represented by:

	Unrestricted funds £'000	Restricted funds £'000	Total 2009 £'000	Total 2008 £'000
Tangible fixed assets	982	0	982	948
Cash at bank and in hand	2,562	0	2,562	3,166
Debtors	1,294	200	1,494	868
Creditors	(1,126)	(20)	(1,146)	(1,390)
	<u>3,712</u>	<u>180</u>	<u>3,892</u>	<u>3,592</u>

REFUGEE AND MIGRANT JUSTICE
(Formerly Refugee Legal Centre)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 31 MARCH 2009

13. PENSION OBLIGATIONS

The company participates in the Pensions Trust Growth Plan and the Pensions Trust Ethical Plan.

The Growth Plan is a multi-employer pension plan, which is in most respects a money purchase arrangement, but it does have some guarantees. Because of the guarantees, there is now deemed to be a defined benefit obligation following a change in legislation in September 2005.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The Trustee commissions an actuarial valuation of the Growth Plan every 3 years. The main purpose of the actuarial valuation is to determine the funding position of the Plan and so determine the future prospects for discretionary bonuses and/or investment credits.

The last formal valuation of the Scheme was performed 30 September 2008 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £742 million and the Plan's Technical Provisions (i.e. past service liabilities) were £771 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £29 million, equivalent to a past service funding level of 96%.

The financial assumptions underlying the valuations as at 30 September 2005 were that the investment return pre retirement was 7.6% and the investment return post retirement was 4.5% (actives/deferreds) and 5.6%(pensioners). The bonus on accrued benefits was 0.0% and the rate of price inflation 3.2%. The next full actuarial valuation will be carried out as at 30 September 2011.

The Ethical Plan is a defined contribution scheme.

There were no outstanding or prepaid contributions as at the balance sheet date. Pension costs charged in the year were £172K (£183K)

14. 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.

	As at 31 March 2009 Plant & machinery £'000	At 31 March 2009 Land & buildings £'000	As at 31 March 2008 Plant & machinery £'000	At 31 March 2008 Land & buildings £'000
Expiry date:				
Within one year	11			3
Within two to five years	11	115	25	86
Over five years		1092		1,086
	<u>22</u>	<u>1207</u>	<u>25</u>	<u>1,176</u>

**REFUGEE AND MIGRANT JUSTICE
(Formerly Refugee Legal Centre)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 31 MARCH 2009**

15. SHARE CAPITAL

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

The liability of the 7 members is limited to £1.00 each.

16. THIRD PARTY FUNDS

As part of the overall service to the clients, Refugee and Migrant Justice 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:

2009 £'000	2008 £'000
<u>52</u>	<u>63</u>

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**REFUGEE AND MIGRANT JUSTICE
(Formerly Refugee Legal Centre)
INFORMATION ABOUT TRUSTEES AND ADVISORS
YEAR ENDED 31 MARCH 2009**

REGISTERED CHARITY NUMBER: 1012804

REGISTERED COMPANY NUMBER: 2710867

PRESIDENT:

Professor Guy S Goodwin-Gill

BOARD OF TRUSTEES:

Charles Morland (Chairman)

Andrew Hutchinson (Honorary Treasurer) ¹

Annie Ledger

Retired 22 September 2009

Hilary Pinder ²

Retired 6 January 2009

John Humpston ²

Lewis Orr ¹

Lorraine Denny ²

Ruth Bunday

Retired 30 June 2009

Stefanie Grant ²

Yemane Tsegai ¹

¹ members of the Finance Committee

² members of the Human Resource Committee

CHIEF EXECUTIVE:

Caroline Slocock

SECRETARY

Elaine Box

EXECUTIVE TEAM:

Vanessa Davies

Director of Operations & Deputy Chief Executive

Deputy Director of Operations and London
Regional Manager

To 20 October 2008

Deri Hughes-Roberts

Director of Policy and Communications

From 20 October 2008

Elaine Box

Head of Finance & Performance

Wayne Donaldson

Director of Resources

Nick Oakeshott

Head of Policy and Communications

To 9 October 2008

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**REFUGEE AND MIGRANT JUSTICE
(Formerly Refugee Legal Centre)
INFORMATION ABOUT TRUSTEES AND ADVISORS (CONTINUED)
YEAR ENDED 31 MARCH 2008**

SOLICITORS:	Bates Wells and Braithwaite 2-6 Cannon Street London EC4M 6YH
AUDITORS:	Grant Thornton Grant Thornton House Melton Street Euston Square LONDON NW1 2EP
BANKERS:	National Westminster Bank plc 3 rd Floor Cavell House 2a Charing Cross Road London.WC2H 0NN
REGISTERED OFFICE:	Nelson House 153 – 157 Commercial Road London E1 2DA