

2020



2021

*Annual Report*

## Our Vision

is that every refugee and person of refugee background can fulfill their potential and integrate into their new home through employment that matches their skills, experience, and aspirations.

## Our Mission

is to help refugees and people of refugee background to acquire knowledge, confidence and experience to get stable, fulfilling employment. We give a central role to businesses, involving them directly in finding employment solutions and providing support that gets refugees into work.

## Our Values

Our values reflect who we are as a charity and what our clients, donors and staff can expect from us:

### Mission-led

Our clients come before everything else.



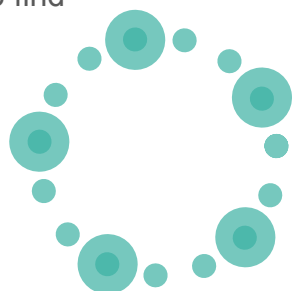
### Welcoming

We want all people to feel happy, comfortable and secure with us.



### Collaborative

We are supportive and considerate, curiously exploring other viewpoints to find solutions.



### Enterprising

We are discerningly bold, entrepreneurial and have the courage to give things a go.





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# Foreword

## A message from our Chair and CEO

Welcome to Breaking Barriers' Annual Report for the financial year 2020 – 2021.

It's been another exciting year of growth at Breaking Barriers. Despite the anxieties and uncertainties that Covid-19 continues to present for our refugee clients and the sector, we've been successful in demonstrating our impact by adapting and innovating.

After suspending our service delivery in March 2020, we were thrilled to bring back an entirely online service in July 2020. We're incredibly proud of our employment team who have delivered over 2800 hours of one-to-one employment support to people of refugee background, as well as 33 workshops and 12 different education courses (June 2020 – May 2021).

We also hosted our first ever online photography exhibition. Leave Home, Save Lives celebrated the contribution that refugees and people of refugee background made on the front-line during the pandemic with stunning portraits taken by world-renowned photographer, Rankin. The exhibition was seen by over 6,000 people and featured on BBC London News, ITV News, and Channel 5 News.

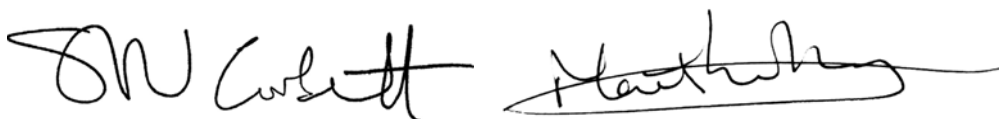
We remained committed to the important work of understanding our clients' needs by conducting and publishing our second client needs assessment – One Year Later, The Impact of Covid-19 on Refugees in March 2021. This knowledge has been shared widely with the sector to support other organisations with creating impactful and relevant programming.

Other highlights from this year include the development of our new business network, Fuse, preparing to launch it in June 2021. Fuse unites our new and existing partners to achieve more for refugees through employment in the UK.

And lastly, it was a privilege to be the recipient of the prestigious Queen's Award for Enterprise for Promoting Opportunity through Social Mobility. We are delighted by this recognition and acknowledgement of the importance of our mission and all we've achieved.

Breaking Barriers is as committed as ever to our vision of every refugee being able to fulfil their potential and integrate into their new home through employment that matches their skills, experience, and aspirations.

We want to thank everyone who has supported us this year and we look forward to continuing our work together.



Sue Corbett and Matthew Powell

**Chair of Trustees and Chief Executive**

## Tua's story

**Tua is a Breaking Barriers client who also participated in our Leave Home, Save Lives photography exhibition, which celebrated the contributions of people of refugee background who worked on the front line during the pandemic.**



**This is Tua's story as told to us in November 2020, we're proud to say that she's now enrolled at university studying mental health nursing.**

Before the lockdown I was volunteering as a domiciliary carer, going from house-to-house. I love cooking and I cook well for my clients. Now I work as a live-in carer in Milton Keynes with a client who has a spinal cord injury and mental health problems.

I try to make English food for her – she likes roast chicken, mashed potatoes, and I'm an expert in making scrambled eggs the way she likes them. I stay there for two weeks at a time. There are some days that are really stressful, some days are really busy. If my client becomes a bit stressed, it's difficult for me as well as for her.

I've had a lot of challenges for many years. I waited for 15 years for my refugee status eventually getting my documents in 2019. I started looking for jobs, but it was a bit difficult because of the pandemic and because I had been unemployed for so many years. I was so stressed and knew that so many people were now also applying for jobs because of the pandemic.

I want to go to university to study mental health nursing. I took my job as a placement, to learn. When the nurses come to visit my client I ask a lot of questions. Little by little they always respond. Mental health is not an easy course at university. But I will get there, by the grace of God.

Essential workers are unique. We are saving clients' lives. Without us, they would not be here. I'm doing it from the bottom of my heart. It's not about money — it's about your care, your love.

I'm really grateful, and I really appreciate meeting Breaking Barriers. My caseworker has been like a sister to me, and has helped me so much with my university application.

Working as a refugee in the UK, some people think that maybe we don't have rights. I'm very proud to be a refugee in this country though, and to go to school in this country, and to study at university to get my job. Of course you have to be proud of who you are. That's me.



## *Diversity and inclusion*

At Breaking Barriers, we have continued our work on diversity and inclusion and tackling racism, prioritising it at all levels of the organisation.

In this financial year, the internal Diversity and Inclusion (D&I) group have led on a number of initiatives such as delivering all staff training on Unconscious Bias and Four Seasons behavioural preferences to facilitate team working. They also set up a regular newsletter and created an inclusive calendar that enables us to appropriately mark key cultural dates and diversity events.

Breaking Barriers also conducted its first ever diversity and inclusion survey to understand the make-up of our organisation in terms of protected characteristics. The findings helped us devise a set of board and senior leadership objectives focused on areas of improvement relating to representation.

The senior leadership team, and the D&I group continue to review and update all policies to incorporate best practice and we have created a new recruitment policy that ensures a consistent and inclusive process and integrates techniques such as diverse panels and greater awareness of bias.

We're committed as ever to being an organisation that celebrates its diverse team and clients, as well as actively tackling racism and inequality, and we now have a new role, Head of People, Projects and Strategy, that will lead and champion Breaking Barriers' diversity and inclusion work going forward.



# Our highlights: June 2020 – May 2021

## Understanding client needs

During the first wave of the pandemic we surveyed our clients and in June 2020 published the results in our first client needs assessment – **The Impact of Covid-19 on Refugees in London**. The findings highlighted the disproportionate impact the pandemic was having on refugees, who were experiencing higher levels of furloughing and less likely to have the digital access and skills required for the new world of work many of us were experiencing.

## Our first Impact Report

In October we published our first ever Impact Report for FY19/20. The report showed that since our inception we had supported **1,045 people of refugee background** – 50% of whom have achieved their goal of entering employment, education, training, or volunteering. **This figure is now well over 1,300.**



## Summer

## Bringing back our support

After months of closure due to Covid-19, in July 2020 we were thrilled to **bring back support for our clients through a safe, accessible, and entirely remote service**. Based on the findings from the needs assessment we were able to incorporate digital training into our offering, helping clients to build new and essential digital skills such as document sharing and video calling.

## Autumn

## Big Give success

For our Christmas 2020 fundraiser we took part in the Big Give Christmas Challenge for the second time, setting ourselves an ambitious target of raising £20,000. **We were thrilled to reach the target in just 6 hours**, raising much needed funds for our employment support. We were so thankful to our clients Abdulrahman, Beilqes, Gobika and Murat for helping us achieve the target by sharing what Breaking Barriers support means to them.







## Leave Home, Save Lives

In January 2021, Breaking Barriers was proud to present **Leave Home, Save Lives** — an online exhibition in collaboration with world-renowned photographer, Rankin, to **celebrate the inspirational stories of seven refugees and asylum seekers**, their journeys to the UK, their lives, and their roles in essential frontline services during the pandemic. It was the first time Breaking Barriers annual photography exhibition was hosted online and it received over 25 pieces of national and local press coverage, as well as **over 6,000 visits to the website** in the first month.

## Winning a Queen's Award

We were extremely proud to have our work recognised in April by **receiving the Queen's Award for Enterprise** for Promoting Opportunity through Social Mobility.

The Queen's Award is an incredibly prestigious prize and we were especially grateful to the committee for believing in our work and our mission, especially at such a challenging time for refugees who were disproportionately impacted by the pandemic.



## Winter

### One Year Later

In March 2021, a year on since the start of the pandemic, we conducted and published our second client needs assessment **One Year Later – The Impact of Covid-19 on Refugees**. Following on from our first report, the key highlights were how the tough labour market, and a continuing lack of digital access and literacy was impacting the opportunities, experiences, and support needs for people of refugee background.



## Spring

### Creation of the Fuse network

After months of development and working closely with our partners **we launched the Fuse Network**, with the aim of uniting businesses in common goals to improve the lives of refugees through meaningful and sustainable employment. After a workshop with founding partners such as Grant Thornton, Mayer Brown and Western Union, we created the Fuse Action Plan as a simple tool to **help businesses take action to support refugees** into meaningful employment and foster a diverse, inclusive and thriving workplace.

# Fuse

## Awais' story

**Awais Ahmad did a six month placement at Grant Thornton and is now employed full-time as a Tax assistant in the Global Mobility Services Tax team. He shared his story with us in June 2021, as part of Refugee Week and to launch the Fuse network.**



Before my placement, I hadn't spoken with British people at length. Nor had I worked in a large company. I didn't understand the little things about British working culture, like business language or having coffee with colleagues.

When my case worker at Breaking Barriers recommended I apply for a work placement at Grant Thornton, it was risky, but too good an opportunity to miss. I gave up a permanent job, which wasn't fulfilling my potential. Instead, I wanted a role where I could apply my ACCA qualification and build upon six months' experience as an accountant.

It was a real culture shock and sometimes I questioned whether I would last the whole six months, but when I asked for support, Grant Thornton and Breaking Barriers were so helpful and patient.

Gradually, I built enough confidence to speak up more, take extra responsibility and greater risks. Work placements like this are rare, so I worked hard and put myself under pressure to perform. Thankfully, my efforts and contribution were noticed, which led to an offer of a role with the firm's Global Mobility Solutions team and my life changed forever.

I feel I belong now. I'm more settled and can begin dreaming about the future in a way I couldn't before. I'm proud that, in such a competitive environment where businesses can pick and choose talent, Grant Thornton embraces talent from diverse backgrounds. I want to encourage other businesses to look beyond the usual approach to recruitment.



# *Impact Report*



*2020 – 2021*





## The Challenge

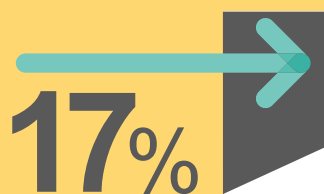
The UK offered protection to 9,113 people in 2020. In 2019 it was estimated that 374,000 people of refugee background were living in the UK, and approximately 50% of these are in London.<sup>1</sup> Refugees face great hardship in fleeing war, violence and persecution, but upon arriving in the UK they face additional setbacks in the form of marginalisation, racial discrimination, lack of language support and other significant barriers to integration.

We know that refugees can and do make valuable contributions to society, and that employment can be a crucial factor in helping them integrate into their new home. However, UK refugees currently suffer from much higher rates of unemployment than the general population and no national strategy to aid the transition of refugees into the labour market exists.

## The impact of Covid-19

The Covid-19 pandemic had a significant impact on all aspects of our charity and the services we provide. We conducted two client needs assessments to understand in more detail how the pandemic was affecting our clients.

17% of clients who were in work prior to the pandemic lost their job, significantly higher than the 5% of people who had lost their jobs by October 2020 in the UK overall and over 80% of clients told us that they still urgently needed employment and English support during the pandemic.<sup>2</sup> As a result, we spent the first quarter of the financial year setting up remote delivery for all our existing services.



**17% of clients who were in work prior to the pandemic lost their job**

We also adapted our support structure to meet the additional needs of clients that had been caused or amplified by the pandemic. For example, we increased the flexibility of our appointments and introduced a Conversation Café to help reduce social isolation and improve wellbeing.

We found that 54% of clients had access to a laptop, compared to 88% of the UK population having access to a computer at home.<sup>3</sup> And 1 in 5 (19%) of clients said they could not easily work from home, and a quarter of survey respondents (26%) reported low digital literacy.<sup>4</sup>

To ensure that as many clients as possible could access our new remote services effectively, we developed a package of digital support and resources. Furthermore, we introduced additional education courses on digital skills for work, and digital skills for life, building on the beginner's IT course that was already available. These new support packages have been vital in building the digital literacy of clients to ensure they can both access our support and independently navigate an increasingly online world.

Moving to remote delivery was a positive development for some of our clients. We found more female clients were able to access our services, 48% attended remote education classes compared to 34% last year, and 80% of clients said they'd like to access remote employment support in the future, giving us a clear indication that we should continue with remote delivery.<sup>5</sup>

1 Refugees and the UK Labour Market (2019), COMPAS

2 All percentage figures relating to survey responses are percentages of respondents, not percentages of overall clients. Figures from [The impact of Covid-19 on the support needs of refugees and people of refugee background – One year later, \(March 2021\), Breaking Barriers](#)

3 [The impact of Covid-19 on the support needs of refugees and people of refugee background – One year later, \(March 2021\), Breaking Barriers](#)

4 Internal survey on face to face and remote delivery, completed by 185 clients.

5 Internal survey on face to face and remote delivery, completed by 185 clients.

## Our support

We've experienced a high demand for our services from refugees and people of refugee background since 2015, and as a result of this, and from investing in our infrastructure and working with businesses to develop bespoke recruitment pathways for refugee employment, we've been able to expand our services rapidly.

This expansion slowed in FY 20 and 21 due to Covid-19, which led to very reduced delivery in the last and first quarter of the past two financial years respectively.

Nevertheless, the number of clients supported each quarter has continued to increase and we have increased the depth of our services through new programmes and initiatives, such as BB grants and the introduction of digital skills support.

The reduced labour market resulting from Covid-19 restrictions has led to fewer clients achieving an outcome than in previous years.

### From June 2020 – May 2021:

- 462 people of refugee background accessed our services. 41% were new enrolments, 47% were continuing to receive support from the previous financial year, 12% had re-engaged in our services
- 133 accessed our education programme
- 133 accessed one or more of our 33 corporate partner workshops
- 78% actively engaged in our services.

# 94%

**94% of clients were satisfied or very satisfied with the support we provided to them**



“

**The best thing about Breaking Barriers is they don't allow you to work alone. They work with you every step of the way – Kemi**

”

### How we supported our clients:

- Clients received an average of 7.6 hours of employment support <sup>6</sup>
- Clients on the education programme on average participated in 7.5 hours of classes
- 145 clients received one-to-one digital technology support within one or more of their appointments.

### Overall we delivered:

- 2,867 hours of one-to-one employment support
- 1,443 hours of education classes
- 630 hours of corporate workshops and training.

### All with the support of:

- 254 highly skilled volunteers who delivered 3,145 hours of support.

### And:

- 94% of clients were satisfied or very satisfied with the support we provided to them.

.....  
<sup>6</sup> Employment support includes IAGs, mentoring, informational interviews, workshops, external training (short), BB meetings.

## Our clients

One of the strengths of our clients is that they are incredibly diverse and come from a variety of backgrounds. This year we supported clients from 55 different countries, 89% of clients were BAME/Global majority ethnicities, 45% were female, 7% had a disability, and 6% were gay, lesbian or bisexual.<sup>7</sup>

### All have skills to bring to the UK economy:

- 47% have completed higher education
- 40% have good to advanced English
- 57% have 4+ years of work experience.

### However, they also face many barriers to integration:

- 58% have never worked in the UK
- 54% have no immediate family in the UK
- 24% have mental health concerns
- 19% are homeless<sup>8</sup>
- 68% have been unemployed for over a year.<sup>9</sup>

## Achieving outcomes

At Breaking Barriers, our employment and integration advisers work one-to-one with our clients on developing their skills, knowledge, and confidence to progress towards their employment goals. When someone finds a job, enters education or training, or takes up a volunteering role, we call it an outcome.

**184 employment, education, training, and volunteering outcomes were achieved overall**

**184**



**68%**

**68% of clients have been unemployed for over a year**



### Employment, education, training and volunteering outcomes:

- 28% of all clients entered employment, education, training or volunteering
- 19% of clients achieved multiple employment goals in FY 21
- 184 employment, education, training, and volunteering outcomes were achieved overall, this included nine job starts with one or more of our corporate partners

### Outcomes by type:

- 46% employment<sup>10</sup>
- 48% training/education
- 6% volunteering

We saw a large increase in the proportion of training and education outcomes – 48% in FY 21 compared to 32% in FY 20. This was to be expected given the challenges of the labour market.

7 For comparison, only 2.7% of the UK population identified as gay, lesbian or bisexual in 2019 – see [Sexual orientation, UK - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/peoplepopulationandcommunity/sexualorientationandgender/articles/sexualorientationandgenderintheuk/2019)

8 Broad government definition

9 Excludes clients who received their status within a year prior to enrolment as unemployment time is not counted beyond the date status is received. Nearly all clients were unemployed for a significant period of time before receiving refugee status in the UK as asylum seekers cannot work in the UK and many refugee camps and host communities do not allow refugees to work.

10 Includes apprenticeships, paid internships/work placements, new employment, changing employment and promotions.



People at all stages of their employment journey access our services. For those further away from the job market and those already in employment, the biggest impact we can have is often on self-perceptions and knowledge of life in the UK. These impacts have the potential to benefit people throughout their lives and last way beyond achieving that first employment goal, and help them to build the foundation for lifelong success.

- 92% of clients are more motivated to reach their goals
- 88% are more confident that they will reach their goals
- 80% think their chances of finding a job have improved.



“

**Without Breaking Barriers' support, a lot of things would not have happened in my life. – Abdulrahman**

”

## Impact of our partnerships

We are passionate about the role the private sector can play in supporting refugees into meaningful employment. Our partners offer funding, expertise and opportunities for our clients in the form of workshops, mentoring, paid work placements and permanent jobs.

We work with companies of all sizes to develop bespoke shared-value partnerships and activities that work towards the goals of the organisation, employees, customers and community.

**88% of clients are more confident that they will reach their goals**

**88%**



### This year:

- 26 corporate partners directly supported Breaking Barriers clients
- Overall, there were 133 workshop attendees and 9 clients started work placements with one of our partners
- 17 corporate partners supported our clients through work opportunities and training.

**Utilising the skills of our corporate partners through employability workshops had a huge impact on our clients. Of clients attending our workshops:**

- 92% said they improved their professional skills
- 87% said they increased their confidence in meeting their goals
- 87% said that they improved their knowledge of UK work culture.

We also use our workshops to raise awareness in the corporate world of the barriers that refugees face. Workshops were highly successful in this regard, with 90% of corporate volunteers at our workshops saying that the experience improved their understanding of the needs of people of a refugee background.

In addition, our workshops proved beneficial for employee engagement – 88% of corporate volunteers attending workshops said that the experience increased their pride in working for their employer, and 100% of participants said they would recommend the experience to a friend.

## Pinar's story

**Pinar was a Breaking Barriers client who participated in the Leave Home, Save Lives photography exhibition, which celebrated the contributions of people of refugee background who worked on the front line during the pandemic.**



I remember people talked about Coronavirus since the beginning of January, but it came to the UK around March. At first, I thought that I was going to lose my job. I thought that if there's a lockdown, I can't go out — and if I can't go to work, then that means I will be unemployed. And so I thought that I could be made redundant. But I just kept working.

My manager took the decision that we could work from home for a short time. We started doing everything virtually. I work in recruitment HR for a care company. I contact our candidates to see if they need to complete online training and practical skills training and I respond to their emails if they have any queries.

After a while we had to return to the office to give PPE to our carers. Travelling to work, most of the time I was alone on the bus during the lockdown. There was no one around me. It would be nice if people noticed that what we are doing is not an easy thing.

I have learned how to deal with problems during these times. We are living in such a difficult world; anything can happen, and no one could have imagined this current situation would happen two years ago.

I never had a chance to work in Turkey. I graduated in 2019 and straightaway came to the UK. I did my internship in Human Resources for a non-profit organisation that

helps children. Starting my working life in a different country with a totally different environment and learning a new language has been a challenge.

I normally don't tell people that I am a refugee and prefer if my colleagues don't know. I think some people have quite a bad impression of refugees and asylum seekers in their minds, and that automatically will have a negative image towards me. That's why I keep it a secret as much as I can.

When you work as a refugee, many people don't even know that you have the right to work in the UK. It would be nice if people understood our rights more.

**As told to Breaking Barriers in Nov 2020.**

# *Trustees’ Annual Report*

*For the year ended  
28 May 2021*



# *Trustees' Annual Report*

## **For the year ended 28 May 2021**

The trustees present their report and financial statements for the year ended 28 May 2021.

The trustees confirm that 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 applicable to charities preparing their accounts in accordance with FRS 102.

## **Objectives and activities**

### **Purposes and aims**

The objects of the Charitable Incorporated Organisation, as defined in its governing document, are:

- To advance the education and training of those granted refugee status, their dependants and those seeking asylum in the United Kingdom so as to advance them in life and assist them to adapt within a new community;
- The relief of unemployment and financial hardship of those granted refugee status, their dependants and those seeking asylum in the United Kingdom, by the provision of vocational skills training, advice and support;
- To advance the education of the public in general about the issues relating to refugees and those seeking asylum; and
- The promotion of social inclusion for the public benefit among people who are refugees, their dependants or seeking asylum in the United Kingdom, who are socially excluded on the grounds of their social and economic position.

Breaking Barriers provides a comprehensive support service for refugees seeking employment. Through our various programmes, we provide bespoke support to accommodate all refugees whatever their needs, circumstances and aspirations.

### **Public benefit**

When planning Breaking Barriers' activities each year, the Trustees take due regard of the Charity Commission's general guidance on public benefit. Within the constraint of resources, and subject to any eligibility criteria for a specific service, Breaking Barriers' services, described above, are available to all refugees and people of refugee background. Services are offered without charging fees. Our work to help refugees gain meaningful employment is a key contributor to integration for refugees themselves and for members of the host population.

## Achievements and performance

Over the last 12 months we have successfully adapted all of our programmes to be delivered online, as well as launched new support services to adapt to the needs of our clients. In doing so we supported 462 (2020: 474) refugees on their integration journeys. 128 of these progressed into employment, education, training or volunteering (2020: 191). We have also made significant investments and improvements in our infrastructure, including our fundraising, IT, finance and HR. We have worked with 254 volunteers (2020: 293) to deliver our vital employment and education services.

## Covid-19

The impacts of Covid-19 struck at the beginning of the final quarter of the previous year (March 2020). We took the decision to furlough almost all staff and suspend all service delivery for a few months shortly before the national lockdown was implemented in March. The suspension of our services resulted in the reduction in clients supported and outcomes for the financial year compared with the previous one. During the year, Breaking Barriers received £62K of income from the Coronavirus Job Retention Scheme.

Whilst a difficult decision to furlough staff and suspend our services, this period allowed our senior leadership team to develop strategies for adapting our services and securing funding, while protecting our staff, volunteers and clients. We also took this time to conduct a needs assessment of the impact of Covid-19 on refugees, which we disseminated in the summer. Staff who were furloughed were phased back through June and July, with all of our services fully resumed in July 2020.

Our services operated fully remotely for the remainder of the financial year. Our Employment and Integration Advisers took remote 1:1 meetings with clients who have the digital literacy to work over Zoom. For clients who were less able to use technology, we developed a package of digital support to help them with basics like accessing a Zoom meeting, and staying safe online. Our Education programme has also moved online, with smaller class sizes, an updated curriculum and the introduction of informal 'Conversation Cafés' to help clients practice English. Remote support has continued to be the norm as we entered the current financial year with face-to-face support likely to be re-introduced in January 2022.

Despite the financial threats of the pandemic, we financially over-performed against our revised budget. We increased our funding, making good use of the flexibility offered by some existing funders and the crisis funds offered by others to adapt our programming as described above. With good cost control, we were also able to bolster our reserves and thus position ourselves for a future expansion of our services. In an increasingly competitive fundraising landscape, we take comfort that our delivery is strong and our offerings attractive to funders as well as clients.

## Financial review

Total income for the year ended 28 May 2021 was £1.83m (2020: £1.43m) representing an increase of £408k or 29% from the previous year. This includes a donation by WeWork in respect of education classroom rental equivalent to £36K and the corresponding costs are included in expenditure. This also includes £150K income in Breaking Barriers Trading Ltd. The main income sources for Breaking Barriers during the year were donations from corporate partners, trusts, foundations and statutory sources. 2021 was Breaking Barriers' sixth year of operation and the charity has continued to experience growth despite the pandemic. The investment in a Senior Leadership Team made in 2019 to provide a platform for future growth has been a success, with the team now well established. Investments in fundraising over the past two years enabled us to expand our programmes and to continue to diversify our income, further reducing reliance on corporate partners. The increase in restricted income from prior year is due to the first full year receipt of the Asylum, Migration and Integration Fund (AMIF) project grant and the CJRS furlough income. In line with one of our strategic aims we will continue to invest in the diversification of our income in order to provide a solid platform for future growth and mitigate against the impact of any economic crises, such as Covid-19.

Total expenditure during the year was £1.56m (2020: £1.28m). This increase reflects our investment in key middle-management hires, expansion of our programme staff, and further development of our infrastructure to ensure we are operating as effectively and efficiently as possible.

Breaking Barriers' services are delivered directly by its staff, with assistance from a group of volunteers. Staff costs are thus the largest portion of the organisation's costs at 77% of total expenditure. The average number of staff employed during the year was 40, an increase of 10 from last year, reflecting the investment in capacity noted above.

Expenditure on raising funds was £252K in the year (2020: £165K) which represents 16% of total expenditure. This mainly reflects the staff costs of the Philanthropy team, an allocation of a proportion of support costs and the cost of fundraising events.

## Principal risks and uncertainties

### **Breaking Barriers has the following strategy for dealing with risks:**

The Board of Trustees meets every three months to review financial plans, budgets and forecasts, to review the adequacy and appropriateness of controls and policies and the long-term security of Breaking Barriers. Performance against delivery targets is reviewed by trustees quarterly. The Audit and Risk sub-committee reviews the risk register quarterly and there is an annual review by the Board as a whole.

The Chair and Treasurer also meet monthly with the CEO and Head of Finance to review income, costs and cash flow against the budget. A formal re-forecast is prepared at least on a quarterly basis the purpose of which is to identify major financial risks, to consider the potential outcome and impact on the charity's current and forecasted performance, and to take any necessary action to mitigate the impact of identified risks.

A Fundraising sub-committee meets monthly to review progress against the fundraising target and to consider the risks of current funding proposals. An Audit and Risk Committee and a Nominations and Remuneration Committee both meet quarterly.



## Liquidity risk

The objective is to manage liquidity risk in order to ensure that the charity can meet its financial obligations as they fall due. Breaking Barriers expects to be able to meet its financial obligations through tight control of cash flow. At present, Breaking Barriers does not have access to any funding sources outside the grants and donations received through the charity and the income generated from the trading subsidiary.

## Income risk

A substantial proportion of Breaking Barriers' income is from annual corporate donations, some of which are large though none exceeds 20% of total income. Renewal of these contracts can be uncertain and in some cases is based on performance criteria. Breaking Barriers' objective is to achieve as wide a range of income streams as possible in order to reduce the reliance on any one stream of income and to protect the charity from not being able to fulfil its objectives.

## Safety and safeguarding risk

The safety and welfare of our clients, volunteers and staff is of paramount importance. We have a formal safeguarding policy and all staff and volunteers have been trained to meet its requirements. The safeguarding policy is updated annually and reviewed with sign off by the Board.

## Funding Strategy

The charity is growing rapidly with the goal of supporting as many refugees as possible. This requires a continued emphasis on building capacity in the programmes that are delivered and in ensuring that there is in place a suitable administrative and management structure to support the delivery of the programmes.

Breaking Barriers Trading Ltd, a wholly owned subsidiary of Breaking Barriers CIO, was set up in 2019 to help the charity provide employment services to refugees to help them find meaningful work and to assist their successful settlement in, and integration with, local communities. In 2019, 2020 and 2021, its only source of income was income from these employment services. The results of Breaking Barriers Trading Ltd are fully consolidated in these accounts. The business has made a small loss reflecting the continued building of capacity within the operation in order to deliver primary purpose trading to support the aims of the charity in the future.

There are two types of funds, General Fund and Restricted Fund.

**General Fund:** the overall aim is to distribute funds quickly to our charitable activities whilst maintaining a prudent level of reserves to ensure stability and continuity. At this stage, our aim is to attract a majority of unrestricted funding to allow the development of our total programme offering and to build the core infrastructure capacity to operate at greater scale. We have developed a fundraising strategy which aims to create a balanced mix of funds from corporate partners and from trusts and foundations. Donations from individuals, although less significant, also enable us to grow our core capacity.

**Restricted Fund:** this fund is subject to specific conditions imposed by donors. Restricted funds formed 6.8% of our total funds in 2021 (2020: 5%). Where appropriate, such funds are linked to the specific programme delivery targets which may run from one year to the next. The impact of this is reflected in a balance of restricted funds carried to future years.

### **Covid-19**

In order to ensure we remain a going concern and our financial position remained strong, we decided to further invest in our fundraising team with the approval of two key fundraising roles – a Senior Business Development Manager and a Senior Philanthropy Manager – both of whom will join at the beginning of the next financial year. We made this decision on the assumption that the economic impacts of Covid-19 and subsequent ability for charities to generate income would be longer-lasting and mostly felt in 2021 and 2022. Both roles will enable us to further grow and diversify our income in order to maintain and expand our services in what is likely to be a very competitive fundraising climate for some time.

### **Reserve policy**

Breaking Barriers' policy is to work towards a General Fund which represents three months of total expenditure. General Reserves at the year-end were £655K (2020: £407K) representing approximately 5 months' expenditure, providing an additional buffer in these uncertain times. In addition to this General Fund the charity has restricted funds of £48K for specific programmes carrying forward to 2022.

### **Covid-19**

When setting the budget for 2021, the Trustees recognised the uncertainty caused by the coronavirus pandemic and in order to mitigate against the loss of any future income streams agreed that any additional surplus achieved in 2021 will be used to bolster reserves in the future. This did not constitute a formal change of policy but was designed to ensure, as far as possible, that the charity has sufficient reserves to meet its objectives during a period of major disruption. The surplus income we did generate in 2021 was fully invested in our reserves as agreed and has provided a stronger platform for us heading in to 2022.

## Plans for the future

For the coming year financial year, our three key aims are:

### **1) Regional Expansion to extend our work beyond London**

Initially we will use our remote working model to start providing our services in Manchester and Birmingham, with a view to introducing a hybrid model in due course.

### **2) Refining our model to maximise our impact in London**

by continuing to evaluate and innovate within our existing programmes, re-introducing face-to-face support, piloting new ways of working with our volunteers and increasing our capacity to reach more clients.

### **3) Securing our place as Thought Leaders**

through our new Thought Leadership strategy. We will develop our position as experts to positively influence the quality of support received by refugees and people of refugee background across the sector and within businesses, as well as changing public narratives about refugees and their experiences.

## **Covid-19**

Any economic crisis that leads to mass unemployment disproportionately impacts those already most marginalised in society. Through 2021 it became very difficult to support our clients into work in a more competitive labour market. Our work has had to continue to adapt to ensure we are equipping refugees with the skills to compete as best they can and ensure that when the economy picks up they are well placed to secure meaningful work. Our clients have required more intensive support and longer journeys into work. This impacted the overall number of clients we were able to support. There were signs towards the end of 2021 that more clients were getting employment outcomes, a trend we hope to continue through 2022.

Staff continued to work from home as default throughout 2021 and will not return until we deem it safe and necessary for the office to be re-opened. The world of work will look different long-term and we are exploring what our office situation will be when the pandemic draws to a close.

Covid-19 will clearly have an impact on the way charities deliver their services – especially through periods of tight restrictions – and Breaking Barriers is no different. We will continue to offer our services remotely and increase digital access wherever possible. For us, remote support is not just a stop-gap until face-to-face delivery can resume. We view it as a key part of a long-term hybrid support model combining both remote and face-to-face delivery. Thus, Covid-19 has had some real positive impact on Breaking Barriers – significantly speeding up our journey of digitalisation.

## Structure, governance and management

The charity is constituted as a Charitable Incorporated Organisation (CIO) and is governed by its 'Foundation' model constitution governing document dated 22 April 2015. The charity wholly owns its trading subsidiary, Breaking Barriers Trading Ltd, incorporated in December 2018 and which exists to raise funds for the charity to use for its charitable purposes. Both the charity and subsidiary have entered into a Resource Sharing Agreement in order to define and agree the framework within which dealings between them shall be carried on. The results of Breaking Barriers Trading Ltd are fully consolidated in these accounts.

The charity is governed by its board of trustees which meets a minimum of four times during the year to approve budgets, operational plans and key organisational policies. The board also reviews finances, fundraising, risks, impact data and feedback from beneficiaries. The board and the CEO collaborate in the formulation of the strategy which is then formally approved by the trustees.

Day-to-day management of the charity is delegated by the trustees to the Chief Executive Officer, Matthew Powell, supported by his Senior Leadership Team. This group meets monthly to review income, expenditure and cashflow, recruitment and monitor organisational risks. It also reviews any other matter which might materially impact the financial position or reputation of the charity and where necessary notifies the trustees of any issues arising.

## Appointment, induction and training of trustees

Trustees are chosen for their expertise and commitment to support refugees. Potential new trustees are identified either from suitable candidates known to the board or CEO or through open search. All candidates submit an application with a CV and personal statement and appointments are approved by majority vote of existing trustees. A formal induction plan is in place to ensure that new trustees are fully informed about their responsibilities, the current position of the charity and the key questions they will need to address.

As part of the Board Effectiveness Review, it was decided that trustee terms should be changed from the current rolling basis in which one third retire each year to fixed terms of three years with optional extensions. This change will take full effect in the current financial year.



## Related parties and relationships with other organisations

The charity has one subsidiary undertaking, Breaking Barriers Trading Ltd, which is wholly owned by the charity and was established in 2019. No loans have been made by the charity to the trading subsidiary.

There are no formal relationships between the charity and any other organisation.

During the year, restricted donations totalling £16,250 and unrestricted donations totalling £1,250 were received from certain trustees.

IT consultancy was commissioned on a pro-bono basis from BNY Mellon. One trustee is a director at BNY Mellon. A donation of £154,262 was received from BNY Mellon in the year.

During part or all of the year, one trustee was employed by Apax Partners and one by BNY Mellon. Both organisations have made donations to the charity. There were no other related party transactions during the year under review.

Breaking Barriers maintains active contact with a range of other charities who are able to provide support for refugees that is not within its remit. It receives and makes referrals wherever that is deemed in the interests of an individual refugee.

## Remuneration policy for key management personnel

Annual pay awards for the organisation are approved by the Board. The Board considers the CEO and the rest of the Senior Leadership Team's salaries separately, taking into account performance and any growth in responsibilities consequent on the growth of the charity as well as the remuneration levels in other charities. In this Financial Year, a Nominations and Remuneration sub-committee was established and the Board delegated these responsibilities to this sub-committee.

## Statement of responsibilities of the trustees

The trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. 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.

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

## Statement as to disclosure to our auditors

In so far as the trustees are aware:

- There is no relevant audit information of which the charity's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

## Auditors

Goldwins limited were re-appointed as the auditors of the charity for a fourth year and have expressed their willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 7th December 2021 and signed on their behalf by:



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**Sue Corbett**

Chair of Trustees

# *Independent Auditors Report*

*For the year ended  
28 May 2021*

# *Independent Auditors Report*

*To the members of the Charity*

**For the year ended 28 May 2021**

## **Opinion**

We have audited the consolidated financial statements of Breaking Barriers (the 'charity') for the year ended 28 May 2021 which comprise the consolidated statement of financial activities, the group and parent Charity's Balance Sheets, the group's statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 28 May 2021 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.
- Have been prepared in accordance with the requirements of the Charities Act 2011.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.



## Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

## Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

### Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

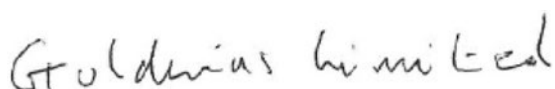
- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's Trustees 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 Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in dark ink that reads "Goldwins Limited". The signature is written in a cursive, slightly stylized font. Below the signature is a solid blue horizontal line.

### **Goldwins Limited**

Statutory Auditor  
Chartered Accountants  
75 Maygrove Road  
West Hampstead  
London NW6 2EG

Dated: 7 December 2021

# *Financial Statements*

*For the year ended  
28 May 2021*



# Consolidated statement of financial activities

## For the year ended 28 May 2021

	Note	Unrestricted £	Restricted £	2021 Total £	2020 Total £
<b>Income from:</b>					
Donations and legacies	3	38,460	-	38,460	64,857
Charitable activities	4	748,869	1,046,709	1,795,578	1,361,524
<b>Total income</b>		<b>787,329</b>	<b>1,046,709</b>	<b>1,834,038</b>	<b>1,426,381</b>
<b>Expenditure on:</b>					
Raising funds	5	(252,007)	-	(252,007)	(165,458)
Charitable activities	5	(292,505)	(1,016,773)	(1,309,278)	(1,112,367)
<b>Total expenditure</b>		<b>(544,512)</b>	<b>(1,016,773)</b>	<b>(1,561,285)</b>	<b>(1,277,825)</b>
<b>Net income / (expenditure) for the year</b>	6	<b>242,817</b>	<b>29,936</b>	<b>272,753</b>	<b>148,556</b>
Transfers between funds		5,000	(5,000)	-	-
<b>Net movement in funds</b>		<b>247,817</b>	<b>24,936</b>	<b>272,753</b>	<b>148,556</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	13	407,199	23,305	430,504	281,948
<b>Total funds carried forward</b>		<b>655,016</b>	<b>48,241</b>	<b>703,257</b>	<b>430,504</b>

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The attached notes form part of these financial statements.

# Consolidated balance sheet

As at 28 May 2021

	Note	2021 £	2021 £	2020 £	2020 £
<b>Current assets:</b>					
Debtors	9a	83,167		27,533	
Cash at bank and in hand		959,270		849,456	
		<b>1,042,437</b>		<b>876,989</b>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	10a	(339,180)		(446,485)	
<b>Net current assets</b>			<b>703,257</b>		<b>430,504</b>
<b>Net assets</b>			<b>703,257</b>		<b>430,504</b>
<b>Funds</b>	13				
Restricted funds			48,241		23,305
Unrestricted funds:			655,016		407,199
<b>Total funds</b>			<b>703,257</b>		<b>430,504</b>

Approved by the trustees on 7 December 2021 and signed on their behalf by:



**Sue Corbett**

Chair of Trustees

The attached notes form part of the financial statements.

# Charity balance sheet

As at 28 May 2021

	Note	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets:</b>					
Investments			1		1
<b>Current assets:</b>					
Debtors	9b	237,367		318,923	
Cash at bank and in hand		804,499		500,276	
		<b>1,041,866</b>		<b>819,199</b>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	10b	(301,681)		(378,984)	
<b>Net current assets</b>			<b>740,185</b>		<b>440,215</b>
<b>Net assets</b>			<b>740,186</b>		<b>440,216</b>
<b>Funds</b>					
Restricted funds			48,240		23,305
Unrestricted funds:					
General funds		691,946		416,911	
<b>Total Unrestricted funds</b>			<b>691,946</b>		<b>416,911</b>
<b>Total funds</b>			<b>740,186</b>		<b>440,216</b>

Approved by the trustees on 7 December 2021 and signed on their behalf by:



**Sue Corbett**

Chair of Trustees

The attached notes form part of the financial statements.

# Consolidated statement of cash flows

For the year ended 28 May 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities:</b>			
Net cash provided by / (used in) operating activities	14	109,814	544,155
<b>Change in cash and cash equivalents in the year</b>		109,814	544,155
Cash and cash equivalents at the beginning of the year		849,456	305,301
<b>Cash and cash equivalents at the end of the year</b>	15	<b>959,270</b>	<b>849,456</b>



# *Notes to the consolidated financial statements*

**For the year ended 28 May 2021**

## **1. Accounting policies**

### **Basis of preparation**

The financial statements have been prepared in accordance with 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 - effective 1 January 2015) - (Charities SORP FRS 102) and the Companies Act 2006.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

### **Basis of consolidation**

The statement of financial activities (SOFA) and balance sheet fully consolidate the financial statements of the charity and its subsidiary undertaking. Subsidiary's accounts are fully consolidated from the time the control is acquired.

No separate SOFA has been presented for the charity.

### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

### **Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

Income from donations for specific programmes is recognised on receipt of the donation: however, income on certain programmes is received in advance for the provision of specified services. In these cases income is deferred until the criteria for income recognition are met.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when

a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

### **Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

### **Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

### **Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

### **Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise of trading costs and the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services and other activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

## **Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity and its activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 5.

## **Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

## **Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Freehold property 2%
- Fixtures and fittings 25%
- Computer equipment 33%
- Motor vehicles 25%

## **Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Prepayments are valued at the amount prepaid net of any trade discounts due.

## **Cash at bank and in hand**

Cash at bank and cash 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.

## **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

## **Pensions**

Breaking Barriers operates a defined contribution pension scheme managed by NEST in accordance with current auto-enrolment rules.

## 2. Detailed comparatives for the consolidated statement of financial activities

	2020 Unrestricted £	2020 Restricted £	2020 Total £
<b>Income from:</b>			
Donations and legacies	64,857	-	64,857
Charitable activities	706,921	654,603	1,361,524
<b>Total income</b>	<b>771,778</b>	<b>654,603</b>	<b>1,426,381</b>
<b>Expenditure on:</b>			
Raising funds	(165,458)	-	(165,458)
Charitable activities	(409,555)	(702,812)	(1,112,367)
<b>Total expenditure</b>	<b>(575,013)</b>	<b>(702,812)</b>	<b>(1,277,825)</b>
<b>Net income / (expenditure)</b>	196,765	(48,209)	148,556
Transfers between funds	-	-	-
<b>Net movement in funds</b>	<b>196,765</b>	<b>(48,209)</b>	<b>148,556</b>
Total funds brought forward	210,434	71,514	281,948
<b>Total funds carried forward</b>	<b>407,199</b>	<b>23,305</b>	<b>430,504</b>

## 3. Income from donations and legacies

	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Total £
Donated services	38,460	-	38,460	64,857
	<b>38,460</b>	<b>-</b>	<b>38,460</b>	<b>64,857</b>

Donated services income relates to Gift in Kind for office space and classrooms for Education classes.

## 4. Income from charitable activities

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Charitable activities	748,869	1,046,709	1,795,578	1,361,524
<b>Total income from charitable activities</b>	<b>748,869</b>	<b>1,046,709</b>	<b>1,795,578</b>	<b>1,361,524</b>



## 5. Analysis of expenditure

	Charitable activities								2021 Total £	2020 Total £
	Basis of allocation	Cost of raising funds £	BB Employment £	BB Prospects £	Thought Leadership £	BB Grants £	Support costs £	Governance costs £		
Direct costs	Direct	(5,406)	(41,080)	(34,892)	-	(4,850)	-	-	(86,228)	(148,439)
Shared staff costs	Direct	(192,572)	(636,081)	(150,013)	(156,217)	-	(71,889)	-	(1,206,772)	(917,867)
Support costs	Staff time	(42,527)	(158,835)	(39,006)	(27,917)	-	-	-	(268,285)	(211,519)
Governance costs							4,000	(4,000)	-	-
		(240,505)	(835,996)	(223,911)	(184,134)	(4,850)	(67,889)	(4,000)	(1,561,285)	(1,277,825)
Support costs		(10,862)	(40,055)	(10,183)	(6,789)	-	67,889	-	-	-
		16%	59%	15%	10%	0%				
Governance costs		(640)	(2,360)	(600)	(400)	-	-	4,000	-	-
		16%	59%	15%	10%	0%				
<b>Total expenditure 2021</b>		<b>(252,007)</b>	<b>(690,161)</b>	<b>(215,860)</b>	<b>(206,346)</b>	<b>(206,346)</b>	<b>-</b>	<b>-</b>	<b>(1,561,285)</b>	<b>(1,277,825)</b>
Total expenditure 2020		(165,458)	(906,021)	(206,346)	-	-	-	-		(1,277,825)
			83%	17%	19%	19%				

Of the total expenditure, £544,512 was unrestricted (2020: £575,013) and £1,016,773 was restricted (2020: £702,812).

Governance costs relate mainly to the cost of annual audit.

## 6. Net income / (expenditure) for the year

This is stated after charging / (crediting):

### Operating lease rentals:

Property

### Auditor's remuneration:

Audit fees

2021 £	2020 £
(12,720)	(153,543)
(4,000)	(4,000)

## 7. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

Salaries and wages

Social security costs

Employer's contribution to defined contribution pension schemes

2021 £	2020 £
1,073,095	822,059
111,789	81,095
21,888	14,623
1,206,772	917,777

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £376,277 (2020: £312,000).

The charity trustees were not paid or received any other benefits from employment with the charity or its subsidiary in the year (2020: £nil) neither were they reimbursed expenses during the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

The following number of employees received compensation (excluding employer pension) during the year between:

£60,000 – £69,999

£70,000 – £79,999

£80,000 – £89,999

2021 Number	2020 Number
-	1
1	1
-	-

### Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

Raising funds

Charitable activities

2021 Number	2020 Number
5	3
35	27
40	30

## 8. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

### 9a. Debtors – Group

	2021 £	2020 £
Trade debtors (net of provisions)	6,039	9,466
Other debtors	68,778	16,370
Prepayments	8,350	1,697
	<b>83,167</b>	<b>27,533</b>

### 9b. Debtors – Charity

	2021 £	2020 £
Trade debtors (net of provisions)	6,039	9,466
Other debtors	10,495	16,370
Prepayments	8,350	1,697
Amounts owed by group undertakings	212,483	291,390
	<b>237,367</b>	<b>318,923</b>

### 10a. Creditors: amounts falling due within one year – Group

	2021 £	2020 £
Taxation and social security	(93,190)	(24,837)
Accruals	(24,454)	(63,828)
Deferred income	(216,418)	(327,820)
Other creditors	(5,118)	(30,000)
	<b>(339,180)</b>	<b>(446,485)</b>

### Deferred income

	2021 £	2020 £
Balance at the beginning of the year	(327,820)	(44,000)
Amount released to income in the year	261,402	144,684
Amount deferred in the year	2	(428,504)
Balance at the end of the year	<b>(216,418)</b>	<b>(327,820)</b>

Deferred income comprises amounts received in advance for annual programmes.

## 10b. Creditors: amounts falling due within one year – Charity

	2021 £	2020 £
Taxation and social security	(33,628)	(24,837)
Accruals	(24,455)	(73,828)
Deferred income	(178,918)	(280,319)
Other creditors	(64,680)	-
	<b>(301,681)</b>	<b>(378,984)</b>

### Deferred income

	2021 £	2020 £
Balance at the beginning of the year	(280,319)	(1,000)
Amount released to income in the year	101,401	1,000
Amount deferred in the year	-	(280,319)
Balance at the end of the year	<b>(178,918)</b>	<b>(280,319)</b>

Deferred income comprises amounts received in advance for annual programmes.

## 11. Pension scheme

Breaking Barriers has a defined contribution scheme operated by NEST.

## 12. Analysis of net assets between funds

	General Unrestricted £	Designated £	Restricted £	Total funds £
Net current assets	655,016	-	48,241	<b>703,257</b>
Net assets at the end of the year	<b>655,016</b>	<b>-</b>	<b>48,241</b>	<b>703,257</b>

### 13. Movements in funds

	At the start of the year £	Income and gains £	Expenditure and losses £	Transfers £	At the end of the year £
<b>Restricted funds:</b>					
Raising Funds	-	52,598	(52,598)	-	-
BB Employment – Aspire	-	148,671	(148,671)	-	-
BB Employment – First Steps	-	345,592	(345,592)	-	-
BB Employment – Futures	14,805	193,138	(169,552)	-	<b>38,391</b>
BB Prospects – Academy	-	72,261	(72,261)	-	-
BB Prospects – Opportunities	-	28,273	(28,273)	-	-
BB Education – English	-	88,569	(88,569)	-	-
BB Education – IT	-	73,208	(73,208)	-	-
BB Grants	8,500	11,200	(4,850)	(5,000)	<b>9,850</b>
Research and Information	-	13,555	(13,555)	-	-
Fuse	-	5,596	(5,596)	-	-
Awareness Raising	-	14,048	(14,048)	-	-
<b>Total restricted funds</b>	<b>23,305</b>	<b>1,046,709</b>	<b>(1,016,773)</b>	<b>(5,000)</b>	<b>48,241</b>
<b>General funds</b>	407,199	787,329	(544,512)	5,000	<b>655,016</b>
<b>Total unrestricted funds</b>	<b>407,199</b>	<b>787,329</b>	<b>(544,512)</b>	<b>5,000</b>	<b>655,016</b>
<b>Total funds</b>	<b>430,504</b>	<b>1,834,038</b>	<b>(1,561,285)</b>	<b>-</b>	<b>703,257</b>

#### Purposes of restricted funds

Restricted funds brought forward from prior year were spent in full in the year. At the end of the year, the Restricted funds balance carried forward related to the remainder of the funds received for BB Futures of £38K relating to FY22 and BB Grants funding programme of £10K which was delayed in 2020 due to COVID-19 with some income carried forward to 2022. In addition, a small number of restricted donations were relaxed to mitigate the effect of the pandemic and were used towards the general running of the Charity during the year. The increase in restricted income from prior year is due to the first full year receipt of the Asylum, Migration and Integration Fund (AMIF) project grant and the CJRS furlough income.

During the year, the Charity received restricted grants from: the London Community Response Fund (provided by City Bridge Trust) towards our Employment programme; £40K from Children in Need & Youth Futures Foundation as part of a multi-year grant towards our Futures programme; the Barrow Cadbury Trust through their Covid-19 Support Fund towards our Employment programme; the National Lottery Community Fund through their Coronavirus Community Support Fund; The Rayne Foundation towards caseworkers' salaries; £36K from Trust for London as part of a multi-year grant of £108,000 towards our Aspire programme; Swire Charitable Trust towards our Education programme; and Peter Stebbings Memorial Charity towards our First Steps programme. All these grants were spent in full in the year under review.

Breaking Barriers' reserves policy is to work towards a General fund which represents approximately three months of total expenditure. General Reserves at the year-end were £655K (2020: £407K) representing approximately 5 months' expenditure, providing an additional buffer in these uncertain times.



## Movement in funds previous year

	At the start of the year £	Incoming resources and gains £	Outgoing resources and losses £	Transfers £	At the end of the year £
<b>Restricted funds:</b>					
BB Employment	70,172	447,194	(502,561)	-	<b>14,805</b>
BB Prospects	-	99,915	(99,915)	-	-
BB Education	1,342	98,994	(100,336)	-	-
BB Grants	-	8,500	-	-	<b>8,500</b>
<b>Total restricted funds</b>	<b>71,514</b>	<b>654,603</b>	<b>(702,812)</b>	-	<b>23,305</b>
<b>General funds</b>	210,434	771,778	(575,013)	-	<b>407,199</b>
<b>Total unrestricted funds</b>	<b>210,434</b>	<b>771,778</b>	<b>(575,013)</b>	-	<b>407,199</b>
<b>Total funds</b>	<b>281,948</b>	<b>1,426,381</b>	<b>(1,277,825)</b>	-	<b>430,504</b>

## Purposes of restricted funds

Restricted funds brought forward from prior year were spent in full in the year. At the end of the year, the Restricted funds balance carried forward related to the remainder of the funds received from Bank of America Merrill Lynch for BB Futures relating to 2021 and £8.5K from Big Yellow Foundation for BB Grants funding programme which was delayed due to COVID-19 with a planned start in 2021.

During the year, the Charity received the following restricted grants: a grant from Trust for London of £36K as part of the multi-year grant of £108K for the period from 2020 to 2022 contributing to caseworkers' salaries for our Aspire programme; a grant of £6K from Trust Swire Charitable Trust as part of the multi-year grant of £18K for the period from 2018 to 2021 for our English Education classes; and a grant of £10K from London Borough of Hammersmith and Fulham Council towards our work in Hammersmith. The Charity also received grants from The Rayne Foundation towards caseworkers' salaries, The Jack Petchey Foundation to hire a member of staff into our partnerships team through Jack Petchey's internship programme and East End Community Foundation and Allen and Overy Ben Ogden Community Fund for their support of our work in Hoxton. All these grants were spent in full in the year under review.

Unrestricted General funds are made of the remaining unrestricted income and expenditure. Breaking Barriers' reserves policy is to work towards a General fund which represents approximately three months of total expenditure. General reserves at the year-end were £407K (2019: £210K) which represents 3.8 months of expenditure in line with the reserves policy.

## 14. Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2021 £	2020 £
<b>Net income / (expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>272,753</b>	148,556
(Increase)/ decrease in debtors	2,649	28,437
Increase/ (decrease) in creditors	(165,588)	367,162
<b>Net cash provided by / (used in) operating activities</b>	<b>109,814</b>	544,155

## 15. Analysis of cash and cash equivalents

	At 29 May 2020 £	Cash flows £	Other changes £	At 28 May 2021 £
Cash at bank and in hand	849,456	109,814	-	<b>959,270</b>
<b>Total cash and cash equivalents</b>	<b>849,456</b>	109,814	-	<b>959,270</b>

## 16. Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Property 2021 £	Property 2020 £
Less than 1 year	76,320	153,543
1 – 5 years	44,520	-
	<b>120,840</b>	153,543

## 17. Legal status of the charity

The charity is constituted as a Charitable Incorporated Organisation (CIO) and is governed by its foundation model constitution. The Trustees are chosen for their expertise and commitment to support refugees.

## 18. Related party transactions

During the year, restricted donations totalling **£16,250** and unrestricted donations totalling **£1,250** were received from certain trustees.

IT consultancy was commissioned on a pro-bono basis from BNY Mellon. One trustee is a director at BNY Mellon. A donation of **£154,262** was received from BNY Mellon in the year.

During part or all of the year, one trustee was employed by Apax Partners and one by BNY Mellon. Both organisations have made donations to the charity. There were no other related party transactions during the year under review.

At the end of the year, a provision was raised in the parent charity's accounts in relation to Breaking Barriers Trading's use of shared resources which totalled £2,700 for the Use of Rights and Data and £1,500 for the Use of Name. In addition, recharges for resources deployed by the parent charity to fulfil the IKEA contract totalled £150,000 to the wholly owned subsidiary.

## 19. Subsidiary undertaking

Charitable Incorporated Organisation has the following share holding at 28 May 2021:

Entity	Type	Number of shares	Value	Interest
Breaking Barriers Trading Ltd	Ordinary	1	£1	100%

**Results of the subsidiary were as following:**

	Period Ended 28 May 2021 £
Income	150,000
Expenditure	(177,218)
<b>Net deficit for the period</b>	<b>(27,218)</b>
The aggregate of the assets, liabilities and deficits was:	
Assets	213,055
Liabilities	(249,983)
	<b>(36,928)</b>

Subsidiary's accounts are fully consolidated and all intra-group balances, transactions, income and expenses are eliminated on consolidation.

# Reference and Administrative Information

## Trustees

**Chair:** Sue Corbett    appointed July 2016

**Treasurer:** Ian Chard    appointed October 2016

### Trustees:

Stephanie Biden    appointed September 2016 –  
resigned November 2020

Sajid Hussein    appointed October 2016

Rachel Harrington    appointed August 2017

Nishant Nayyar    appointed October 2017 –  
resigned February 2021

James Newell    appointed June 2018

Hani Kablawi    appointed July 2020

Julia Onslow-Cole    appointed July 2020

Prudence Mwanza    appointed September 2020

Andrew Waidhofer    appointed February 2021

Katie Rickard    appointed March 2021

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## Chief Executive

Matthew Powell

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## Charity number

1161901

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## Registered office

Breaking Barriers  
71–91 Aldwych  
Aldwych House  
London WC2B 4HN

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## Auditors

Goldwins Limited  
75 Maygrove Road  
West Hampstead  
London NW6 2EG

[www.goldwins.co.uk](http://www.goldwins.co.uk)

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## Bankers

Barclays  
9 High St  
Sutton  
Surrey  
SM1 1DR

## *With thanks*

We are grateful to our donors, supporters, partners and those who prefer to remain anonymous, for their support which has made our success possible.

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The Sir Jules Thorn  
Charitable Trust

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## About Breaking Barriers

Breaking Barriers supports refugees and people of refugee background in London to acquire the knowledge, confidence and experience they need to secure stable and fulfilling jobs.

We offer bespoke, intensive and flexible employment support to enable refugees to rebuild their lives in the UK.

We also give a central role to businesses in the UK, involving them directly in finding employment solutions and providing support that gets refugees into work.



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**BREAKING  
BARRIERS**

*Integrating refugees through employment.*