



**Breaking  
Barriers**

Meaningful employment  
for refugees



# Annual report

## 2021–2022

**For the year ended  
31 May 2022**

Registered charity number 1161901

## Our vision

We're Breaking Barriers so every refugee can access meaningful employment and build a new life.

## Our mission

We welcome refugees into meaningful employment with advice, experience, and education. We believe in the power of responsible business to change society for the better through our innovative partnerships.

## Our values

### Mission-led

We put refugees first in everything we do. We listen and respond. We act with integrity. We're focussed on impact.



### Welcoming

We welcome people of all backgrounds with an open mind. We will make everybody feel comfortable working with us every step of the way. We treat everybody fairly. We champion diversity, equality, and inclusion.



### Entrepreneurial

We believe in the entrepreneurial spirit of every individual to build a better life. We believe in the power of responsible businesses to achieve social change. We're brave and bold enough to give new things a go. We're driven by making a lasting impact.



### Collaborative

We believe in the power of teamwork and partnerships. We work collaboratively with colleagues to find creative solutions for the greater good. We're proud to share our expertise and knowledge with partners to further our positive impact.



## Contents

<b>Foreword</b>	<b>3</b>	<b>Collaboration</b>	<b>12</b>	<b>Trustees' annual report</b>	<b>18</b>
<b>Diversity and inclusion</b>	<b>4</b>	<b>Face-to-face support</b>	<b>12</b>	<b>Independent auditors' report</b>	<b>25</b>
<b>Sherehan's story</b>	<b>5</b>	<b>Our clients</b>	<b>12</b>	<b>Financial statements</b>	<b>29</b>
<b>Our strategy</b>	<b>6</b>	<b>Client outcomes</b>	<b>14</b>	<b>Reference and administrative information</b>	<b>49</b>
<b>Loujean's story</b>	<b>9</b>	<b>The impact of our corporate partnerships</b>	<b>15</b>	<b>With thanks</b>	<b>50</b>
<b>Our impact</b>	<b>10</b>	<b>Kizzy's story</b>	<b>16</b>		
Our reach	10	<b>Looking ahead</b>	<b>17</b>		
Our support for clients	11				

# Foreword

## A message from our Chair and CEO

Breaking Barriers is now in its seventh year of operation, and we've grown from a small group of people sat around a kitchen table to a £3 million organisation employing nearly 70 people, working with hundreds of volunteers across three major cities, and most importantly we've supported over 1,800 refugees and people of refugee background since our inception.

We're in the final year of our three-year strategy and it's exciting to see in this report that we've made considerable progress towards meeting the goals we set in 2020 (pre-pandemic):

1. provide the most effective and inclusive support model in the sector,
2. increase our impact by expanding our services,
3. continue to improve and refine our organisational infrastructure,
4. diversify the impact of our corporate partner offering,
5. continue to increase and diversify income, and
6. develop our position as experts within the sector.

We want to take a moment to celebrate this achievement and praise our team of staff and volunteers who work tirelessly to support refugees into meaningful employment every day.

However, it would be remiss of us not to recognise that the external environment we're working in continues to challenge us humanitarially, politically, socially, and economically. In this period alone we've seen Afghan and Ukrainian refugees forced to flee in their thousands, lives uprooted by war and persecution. It's devastating to think of these communities and many more that need our support.

What has been bolstering throughout these tough times is to see the public outpouring of support and welcome from individuals and businesses for those seeking safety in the UK, and we've been able to forge new relationships that will mean we can better respond to the growing and urgent need for our services.

We are now looking ahead and planning our vision and strategy for 2030 and what scaling our organisation looks like to meet the need for high quality employment, education, and training support for refugees nationally.

Breaking Barriers is committed as ever to ensuring refugees can access meaningful employment and build a new life. We want to thank everyone who has supported us this year and we look forward to continuing our work together.



**Matt Powell**, CEO and Founder

**James Newell**, Chair of Trustees

# Diversity and inclusion

At Breaking Barriers, we have continued to prioritise our work on diversity and inclusion by scaling up the work across the year

The Diversity and Inclusion (D&I) Group continued to support organisational-wide initiatives. They continued a quarterly newsletter and regular communications, for example, highlighting festivals such as Ramadan, Easter, and Passover and supporting our Breaking Barriers ‘Ramadan Greetings’ campaign. The group also outlined the importance of feedback and shared resources to support the personal development of staff at Breaking Barriers.

The D&I group also prepared a survey to gather statistics on protected characteristics of the organisation which is completed yearly and enables us to monitor and evaluate the diversity of our organisation but also makes clear plans for progression for those from global majority and refugee backgrounds.

As part of an increased focus on D&I through a new role of Head of People, Projects, and Strategy – the recruitment process was updated to be more consistent and include inclusive resources for hiring managers. We also developed guidance for hiring managers on how to hire individuals that were previous clients of Breaking Barriers.

Breaking Barriers is committed as ever to being an organisation that celebrates its diverse team and clients. We endeavour to tackle racism and inequality through our work, and now have a specific D&I strategy that focuses on how we include people from a refugee background in our work.



66

## Sherehan's story

My name is Sherehan and before I came to the UK I used to live with my family in Cairo and work as a human rights lawyer. I moved to Europe to do my Masters in 2016.

While I was studying in London, the Egyptian Government began to target individuals working in human rights and arrested some of my colleagues because of our work, some people I know were given a death sentence and my manager was given a ten-year prison sentence. I was advised not to return and to seek asylum in the UK. This was such a hard decision as I had to leave behind my family, my career, and my whole life.

Once I completed my studies and achieved my refugee status, I found it incredibly hard to find a job matching my skills and previous career. You apply for thousands of jobs and hear nothing from them. Trying to understand how the UK job market works is very difficult, add to that, the cost of transferring qualifications here with no access to jobs or low-paid jobs makes things even harder. For example, to practice as a qualified solicitor here in the UK I need to do specialised study and exams to be able to practice, and it costs thousands, which isn't easy to afford with the retail jobs I had.

When I found Breaking Barriers, they helped me in so many ways. I had personalised mentoring sessions that helped me to improve my application and interview skills. My caseworker helped me to arrange sessions with professional volunteers to advise on what is needed for the jobs I was applying for. Also, I attended different employability workshops related to my experience and field helping to improve my knowledge of the job market in my sector.



Through Breaking Barriers partnership with Barbri, I was able to access a course that is helping me to prepare for the SQE exam, which will enable me to qualify as a solicitor here in the UK.

To gain the experience I needed, I was then able to get a work placement as a litigation paralegal through Breaking Barriers Academy programme. It was an amazing experience that helped me to use my knowledge in human rights and environmental issues and helped me to network with other solicitors and professionals in the legal field.

I'm now employed at the law firm in a permanent full-time paralegal role, and it feels incredible to see how far I have come. Breaking Barriers has helped me to feel part of a community and less alone, and I look forward to rebuilding my future and being able to help other refugees, which has always been my passion.

99



## Our strategy

In 2019 we developed an ambitious three-year strategy (2020–2023) with six strategic objectives that would enable us to have a clear focus for the future of the charity and meet the needs of our clients. This impact report covers the midway point of the strategy, so we wanted to review our progress and share the highlights of this year.

### Our objectives:

**1** Provide the most inclusive and effective support model in the sector, increasing the accessibility of our services whilst maintaining a high-level of impact for all clients no matter where they are on their employment journey.

This year we achieved our 1,000th outcome in August 2021 and since then our clients have gone on to achieve nearly 200 additional outcomes across employment, education, training, and volunteering. After nearly two years of remote-only support because of Covid, we were able to reintroduce face-to-face appointments for the clients who wanted it. Whilst only 14% of clients requested this type of interaction, we recognise its importance in making our service as accessible and inclusive as possible.

**2** Increasing our impact through the expansion of our services, making our services more geographically inclusive, and developing programmes that take a holistic and long-term approach to ensuring our clients achieve their employment goals.

We are thrilled that this year we expanded our programmes outside of London into Greater Manchester and Birmingham. Enabled by the first Refugee Social Impact Bond in the UK, we started receiving client referrals and recruited our first regional volunteers in January 2022, and by the end of May 2022 had enrolled over 100 clients offering them our bespoke employment and education support.

We introduced a structured employment foundations training programme to increase client engagement. We found that our clients understanding of employment skills and how they valued our support increased if we set out sharing knowledge and learning new skills in structured way. Working towards a milestone of completing the course gave our clients a sense of achievement and increased their likelihood of securing employment.



**3** Continue to improve and refine our organisational infrastructure using learnings and technological innovations to create lean processes and a fruitful working environment, whilst maintaining a level of flexibility that leads to enterprising and efficient programming.

In the past year our team has grown by 30%, reflecting not only our expansion into new cities but also investment in our capacity to deliver on our ambitions. To meet the needs of this growing workforce we've created a People team and invested in training for all staff and managers on topics such as unconscious bias, how to have difficult conversations etc. We also invested in an employee engagement platform which gives our staff additional benefits such as access to a 24/7 employee assistance programme, as well as discounts and recognition.

**4** Diversify the impact of the corporate partner offering to increase the range of opportunities available and the proportion of people from refugee backgrounds benefitting from them.

We are passionate about the role the private sector can play in supporting refugees into meaningful employment and in Refugee Week 2021 we launched our business network, Fuse, with the aim of uniting businesses in a common goal to improve the lives of refugees through meaningful and sustainable employment.

In August 2021 thousands were forced to flee Afghanistan as the Taliban took power. Aware of the urgent and growing need in the UK we launched Business Behind Refugees to harness the power of the business community to respond to international and humanitarian crises. The demand and urgency only grew in February 2022 when the war in Ukraine began. Over 100 businesses got in touch, and we're now actively working with over 50 companies that provide financial and pro-bono support, hiring opportunities through direct job opportunities, work placements, and bespoke recruitment pathways, alongside skills-based volunteering such as mentoring, and employability skills workshops.



**5** Continue to increase and diversify our income and improve infrastructure to ensure we can support more clients and continue meeting the needs of refugees and individuals of refugee background over the long term.

Over the past year, we have worked hard to develop diverse and stable income streams, and to strengthen our organisational infrastructure to meet the growing needs of refugees across the UK. Our income increased by more than 30% from the previous year, including a doubling of income from our Philanthropic partners including charitable trusts and foundations, and major donors. We also continued the development of our work with statutory sources, including acting as a delivery partner for the first refugee-focused social impact bond in the UK.

Working closely with key partners, we invested in crucial infrastructure roles and projects in the organisation that have enabled our regional growth and will enable further growth in the future. We are grateful to our donors and funders for the trust they place in us by funding these essential aspects that will form the basis of our support for refugees across the whole UK.



**6** Develop our position as experts in the sector to maintain the highest quality of support and raise awareness of the needs of refugees and those of refugee background among stakeholders.

We know that alongside meaningful employment the path to successful integration and meaningful employment is one affected by many interconnected issues, and it requires a joined-up, evidence-led response not just by ourselves, but with our corporate partners and funders, our sector partners, government, and the wider population who support refugee causes. Our thought-leadership strategy, developed and launched in December 2021, focusses on the many ways in which we can achieve this, from working in partnership with the business community, to sharing our knowledge with the sector, and changing existing narratives about refugees for the public and media.



66

## Loujean's story

I'm Loujean, a Syrian refugee who came to the UK after the war in Syria in 2014. During my time in the UK, I studied Media, Public Relations and Advertising at the University of Westminster in London, and I'm currently employed at a well-renowned public relations agency in London.

Breaking Barriers has supported me a lot on my journey, especially when applying for jobs, CV writing and preparing and practising for job interviews. It's worth mentioning Breaking Barriers introduced me to mentors in similar career fields, who gave me useful information and who were very helpful when it came to pursuing my career. Thanks to the support I've been receiving, I hope to upskill myself, and eventually be promoted within my career and be a role model in the media and PR world.

Adjusting to the cultural norms of a new country, as well as learning the local language isn't easy. That's why I would encourage

employers to be patient with employees from refugee backgrounds and give them the time and space to learn. Employers should also remember that refugees can bring a variety of skills to companies, one of which includes different perspectives and way of looking at things.

I'm proud of who I am and I'm proud to share my story. I think of it as one way to empower other refugees to not give up despite the difficulties and barriers they might face. Asking for help is a very powerful thing, and it's great to have charities in the UK who are working hard to create opportunities for people of refugee background. I heard about Breaking Barriers from a friend who told me they could help me with university and job applications.

If anyone reading this is of a refugee background and feels like they are not getting anywhere, don't give up! Keep chasing your dreams and remind yourself that one day you will be where you need to be.



99

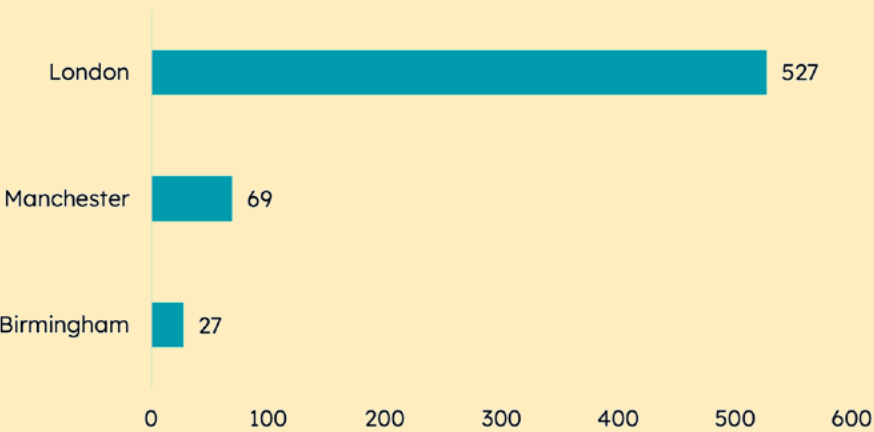
# Our impact

## Our reach

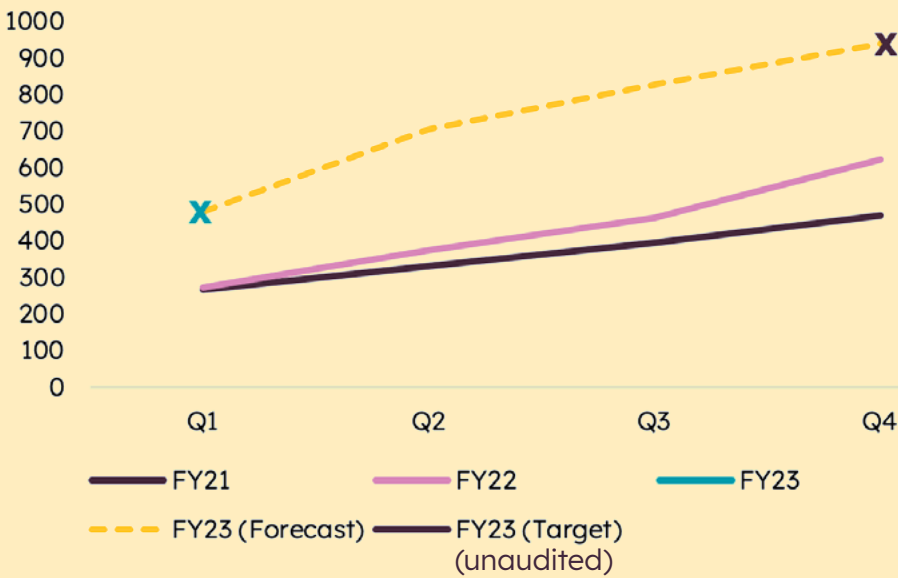
During the year we supported **623 clients**, of whom 314 were newly enrolled between June 2021 and May 2022. 223 clients completed their support with Breaking Barriers during the year. This is the greatest number of clients we have ever supported in a one-year period.

For the first time, this year we supported clients outside London, starting our delivery in Birmingham and Greater Manchester in January 2022. We supported 96 clients in these two cities, with the remainder in London.

Clients supported per region



Cumulative clients supported per quarter by financial year



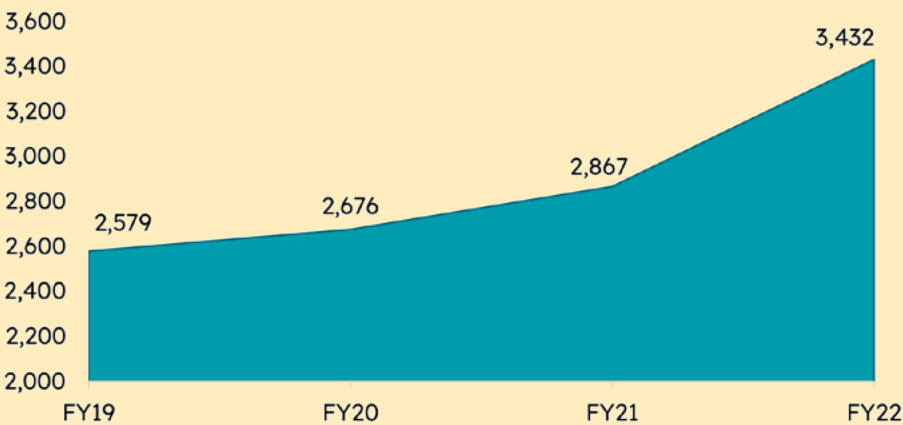
# Our support for clients

During the year, Breaking Barriers provided these clients with over **3,432 hours** of one-to-one employment support (through Information, Advice and Guidance sessions, or IAGs). This is a 20% increase on last year and 27% higher than average for the last three years. We also delivered **401 education classes** (covering English language, IT and employability skills) and **31 workshops** with volunteers from our corporate partners. More than a quarter of clients (167) attended at least one education class, and one in five (132) attended at least one workshop.

We could not have provided this level of support without our roster of excellent volunteers. During the year, **288 volunteers** supported our clients, including 156 volunteers from corporate

partners, 52 English language teachers, 17 operations volunteers, and 63 volunteers who provided almost 430 hours of one-to-one support for clients in IAGs.

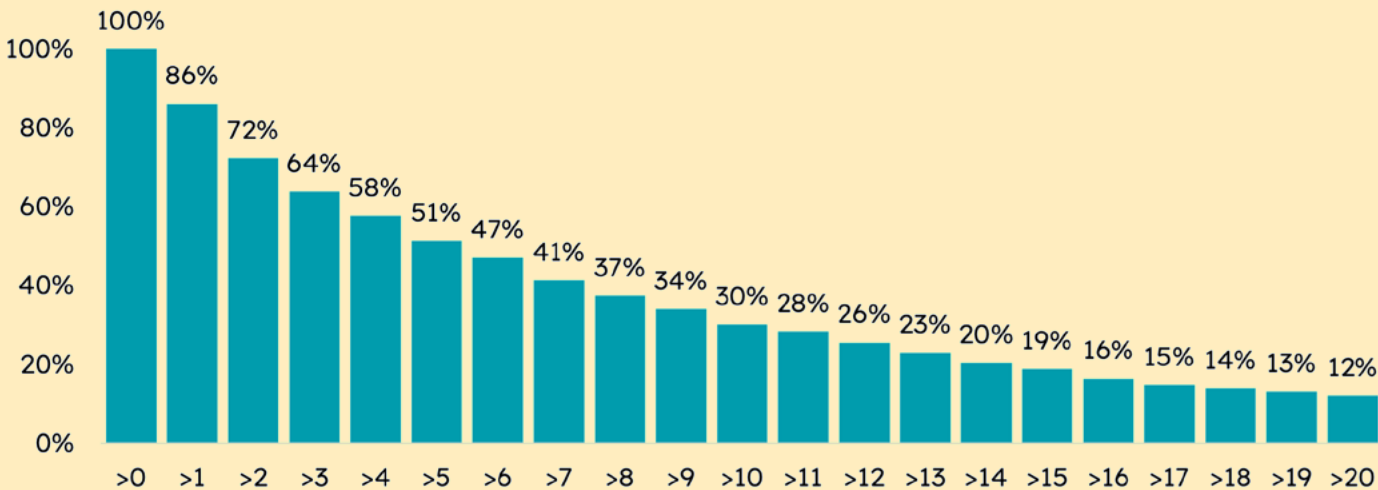
One-to-one support hours delivered per year



On average, clients received **nine hours of support** from Breaking Barriers during the year, of which six were one-to-one employment support sessions (IAGs), with the remainder being education classes and workshops. However,

the average is affected by more than one in ten clients completing more than 20 hours of support. Most clients received six hours of support or less during the year.

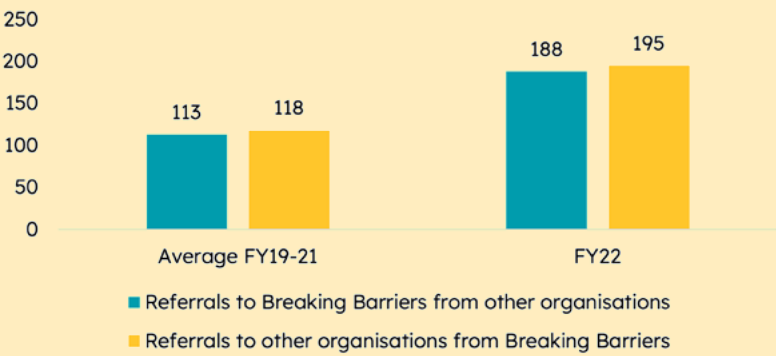
Clients by total number of support hours received



# Collaboration

Breaking Barriers also provided support in closer collaboration with other organisations than ever before. More clients were referred to us by other organisations than at any point in the last three years, and, similarly, we also referred more of our clients to receive additional support from other organisations than ever before.

Clients referred to and from Breaking Barriers



# Face-to-face support

Finally, this year allowed us to return to providing face-to-face support to clients for the first time since March 2020. Over one in ten clients (14%) opted to receive face-to-face support. In total, 219 hours of support were delivered face-to-face this year.

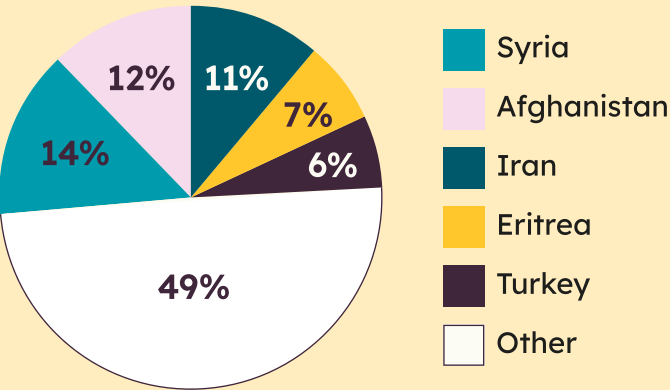
When surveyed, a sample of clients who attended face-to-face sessions said that they found them more beneficial in helping them achieve their goals. The majority of these clients also said that they felt “much closer” to their advisor as a result of seeing them face-to-face and cited improved emotional wellbeing as a reason for preferring face-to-face support.

In addition, face-to-face sessions were more accessible for clients with lower levels of digital skills, who benefitted a great deal from being able to share a device with their advisor. There is early evidence that clients who attended face to face sessions were more likely to report that Breaking Barriers “improved” (or “greatly improved”) their ability to use digital technology in daily life.

# Our clients

Clients came from **63 different countries of origin**, highlighting the diversity of their experiences and the troubling range of circumstances that can lead to someone being forcibly displaced. The five most common countries of origin among our clients were Syria, Afghanistan, Iran, Eritrea, and Turkey. However, collectively, these top five still only account for half of the clients we supported, with the remainder from elsewhere.

Clients by country of origin



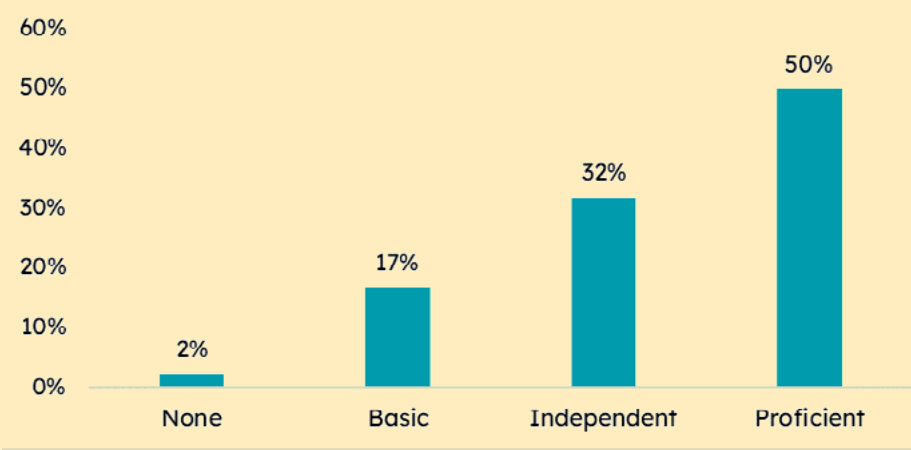


The majority of all clients (50%) identified as Muslim, and a further 32% of clients identified as Christian, with the remaining 18% identifying with other religions or no religion.

45% of clients identified as women, and 6% of clients identified as either gay, lesbian, or bisexual (nearly double the proportion for the UK population as a whole).

Most clients had quite good levels of English language, with 82% able to speak English at least independently, and 50% of clients ranked as proficient in English.

Clients by English language-speaking ability



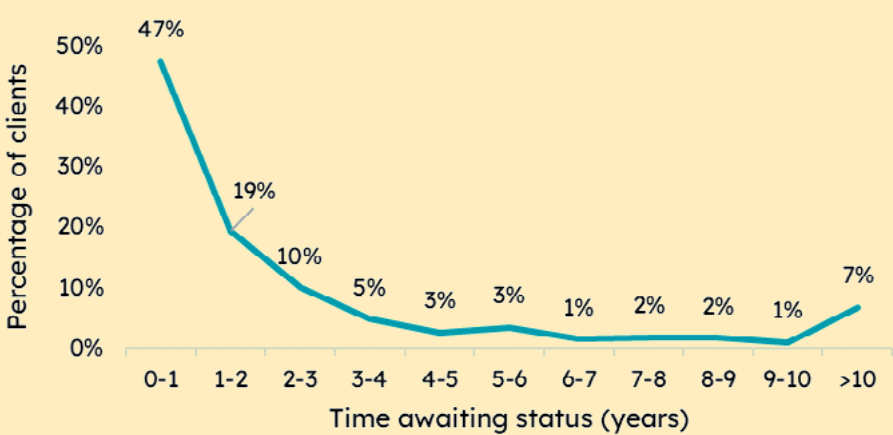
Similarly, most clients were well-educated. 50% of all clients had an undergraduate degree, and 20% had a postgraduate degree. However, **82% of clients were unemployed** when they enrolled with Breaking Barriers, showing how even the most highly educated clients face significant barriers to finding work.

More than a quarter of clients **(26%) reported having a mental health problem**, and, worryingly, a quarter of clients (24%) were formally homeless when they enrolled with Breaking Barriers. 50% of all clients also had an immediate family with them in the UK when they enrolled.

Another disturbing characteristic of our clients’ experience was how long some of them had spent awaiting their refugee status. While nearly half either received status within a year (or arrived with refugee status as part of a resettlement scheme), one in ten clients were waiting more than 8 years for refugee

status. As those awaiting the outcome of asylum applications are prohibited from working in almost all circumstances, and must survive on very limited funding (at the time of writing, £5.84 per day), this is a deeply distressing length of time for clients to have had to wait for these decisions.

Clients by duration of time awaiting refugee status after UK arrival

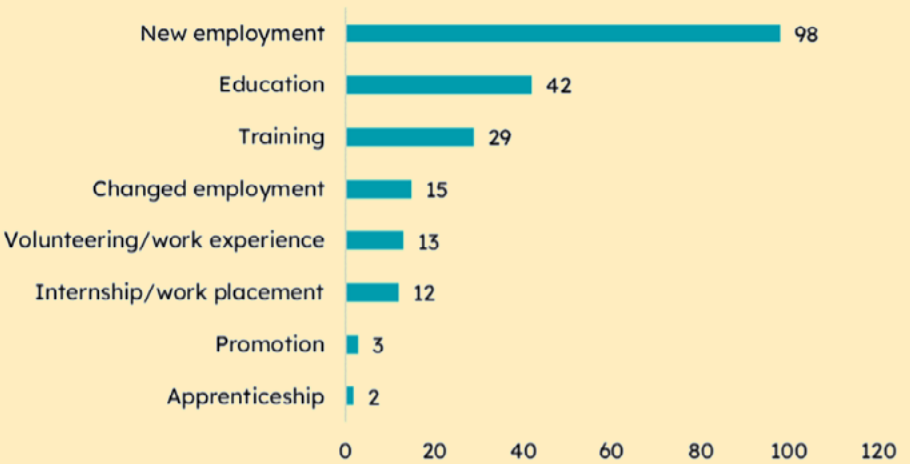


# Client outcomes

During the year, 111 clients entered employment – with 103 clients ending a period of unemployment, and 16 changing employers or winning promotions. Between them, these clients started 130 new jobs in the year. In addition, 76 clients started a qualification, training course or volunteering opportunity that helped them progress toward their career goals.

We refer to clients progressing towards their goals in this way as clients ‘achieving outcomes’. During the year, 168 clients achieved an outcome.

Number of outcomes achieved by category

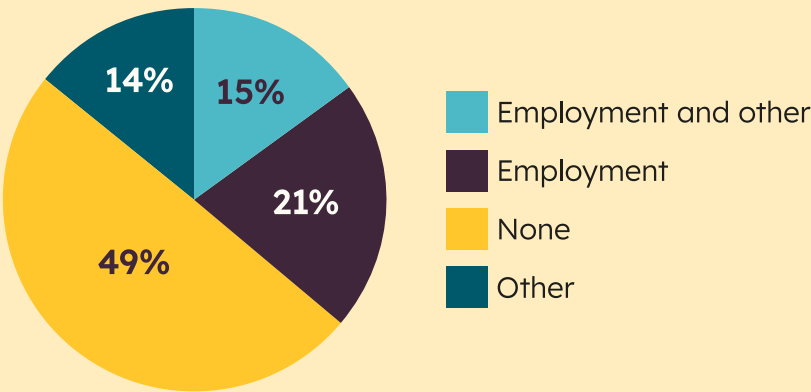


However, this headline outcome rate can be misleading, as many clients were enrolled toward the end of the financial year, and these clients have not had sufficient time to achieve an outcome.

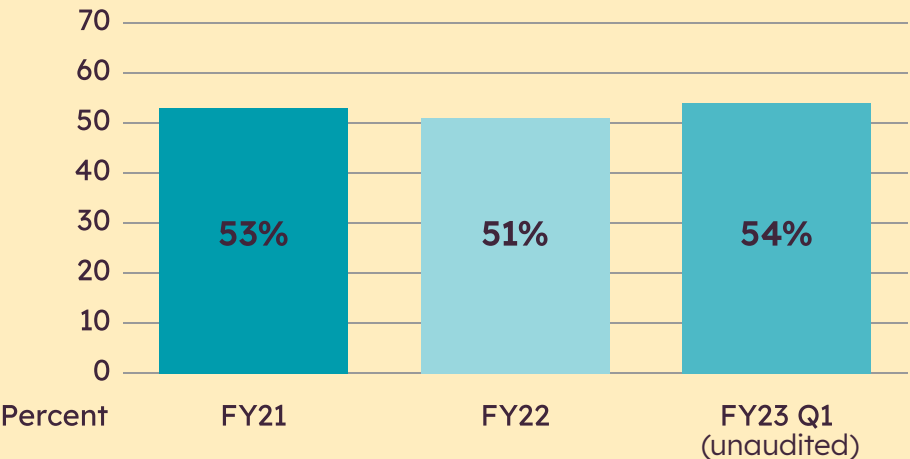
To get a more accurate impression of clients’ success, we can look at clients’ achievements at the point when they stopped receiving support from Breaking Barriers. During the year, 223 clients completed their support with Breaking Barriers. Of these, **51% (113 clients) achieved an outcome** while being supported by Breaking Barriers, and **36% entered employment**.

The proportion of clients who achieved an outcome having completed support in FY22 is fairly consistent with comparable figures for FY21 (53%) and FY23 to date (54%).

Outcome of clients completing support



Outcome rate for clients completing support



In addition to hard outcomes, we ask clients to self-assess their progress through regular impact surveys. These surveys revealed that following their support from Breaking Barriers:

- **93% of clients** had improved or greatly improved their understanding of what is needed to do well in their preferred sector
- **92% of clients** felt more or much more motivated to meet their goals
- **90% of clients** felt more or much more confident in meeting their goals
- **84% of clients** felt they had improved or greatly improved their understanding of UK workplace culture
- **84% of clients** reported better or much better chances of finding a job role
- **82% of clients** felt more or much more confident during job interviews
- **77% of clients** had improved or greatly improved their ability to use technology in daily life

## The impact of our corporate partnerships

This year, 24 of our corporate partners directly supported Breaking Barriers' clients.

130 clients attended workshops with our corporate partners, and six clients started new job roles with them. 13 corporate partners supported clients through work opportunities and training.

Surveys sent to clients after they attended workshops with our corporate partners showed the impact that these events had:

- **91% of clients** said they increased their confidence in meeting their goals
- **87% said** they improved their knowledge of UK work culture
- **97% of clients** said they improved their professional skills

In addition, 95% of the corporate volunteers attending these workshops said that the experience improved their understanding of the needs of people from a refugee background.

84% also said that the event increased their pride in working for their employer, and 100% said they would recommend the experience to a friend.

66

## Kizzy's story

"An apprenticeship is five years. That's longer than most degrees, so it was really important to me to commit to the right company.

I cancelled final interviews at two of the "Big Four" accountancy firms as soon as Grant Thornton offered me an apprenticeship. The deciding factor was their partnership with Breaking Barriers because it showed that no matter who you are or where you come from, they will genuinely support you.

My parents didn't go to university, and English was not their first language. I didn't know about

Breaking Barriers beforehand, but I have lots of refugee friends who weren't given opportunities because of their status, so it's a big deal to me that a top accountancy firm would support anyone from any background.

I've been volunteering at all the workshops so far, helping refugees to build employment skills and doing mini-interview practices with them. It has been amazing to talk to such different people and still find similarities. I have learned that no matter our differences, there is always something that ties us together."



99





## Looking ahead to 2023 and beyond

Our aim for the next financial year is to continue our growth and consolidate the growth of the previous year.

Our programmatic priority is to increase our reach by approximately 40%, from supporting circa. 600 clients to nearly 1,000. We aim to do this by focussing on securing our positions in our newest regions of Greater Manchester and Birmingham, whilst continuing to improve and innovate our service within London.

We are also futureproofing our programmes by standardising them so that we can scale them nationally and reach more refugees and people of refugee backgrounds that need our support.

# Trustees' annual report

## For the year ended 31st May 2022

The Trustees present their report and financial statements for the year ended 31st May 2022.

The Trustees confirm that the financial statements comply with the 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 those 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

On pages 9 to 15 we outline the significant growth and achievements made over the last 12 months. Organisational capacity has increased significantly, largely driven by the expansion into Greater Manchester and Birmingham in the latter half of the year. We are supporting more clients, with more hours, achieving more outcomes than ever before.

This growth will continue into 2023, with our reach expected to increase by approximately 40%, from supporting circa. 600 clients to a target of close to 1,000.

We are also futureproofing our programmes by standardising them so that we can scale them nationally and reach more refugees and people of refugee background that need our support.

## Financial review

Total income for the year ended 31st May was £2.85m (2021: £1.93m) representing an increase of £920k or 48% from the previous year. The main sources of income for the financial year were from corporate partners, trust and foundations and statutory sources. These are consolidated accounts which include BB Trading Ltd.

Total expenditure for the year was £2.29m (2021: £1.56m) representing a £736k (47%) increase. This reflects investments across the organisation, including programmatic expansion into Manchester and Birmingham, our first delivery outside of London. Regional expansion was facilitated by participating in the Refugee Transitions Outcome Fund, a cross-Government departmental piece of funding and the UK's first Social Impact Bond for refugees. The income runs through to 2024 and we have a fundraising strategy in place to ensure that this income can be replaced at its end and our programming in the region can continue.

Expenditure on raising funds were £321k in the year (2021: £252k) which represents 14% of total expenditure. This compares to 16% last year.

## Principal risks and uncertainties

Breaking Barriers has the following strategy for dealing with risks:

The Board of Trustees meets every quarter 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 Fundraising Committee meets monthly to review progress against the fundraising target and to consider the risks of current funding proposals. A Programmes sub-committee meets monthly and discusses the performance of our programmes, particularly those linked to large pieces of income to review the risk associated with underperformance. A Nominations and Remuneration Committee also meets 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 and fundraising strategy

Breaking Barriers has a deliberately diverse portfolio of donors across businesses, trusts and foundations, as well as statutory sources. No one donor represents more than 20% of our income. Our riskiest income tends to be our corporate income with renewals on an annual basis. Renewal of these contracts can be uncertain and is the most vulnerable to external forces. 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.

Towards the end of financial year 2022 we have commissioned an independent study to review further diversification of fundraising streams for Breaking Barriers. This review will be complete in early Financial Year 2023.

The trustees have chosen to designate £200k of financial year 2022's free reserves to invest in income diversification and the implementation of accelerated growth plans over the next three financial years. We believe that this will ensure we remain sustainably financed, as well as providing a greater platform for future growth as we respond to a continued growth in the need for our services.

Breaking Barriers Trading Ltd, a wholly-owned subsidiary of Breaking Barriers, CIO was set up in 2018 to help the charity provide employment-related services to refugees in order to assist them in finding meaningful work and to support 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. BB Trading has a resource sharing agreement with the charity through which the company pays for an equitable share of the administrative services needed to ensure that business activity is compliant with all appropriate and relevant standards.

Breaking Barriers does not currently employ commercial fundraisers. We are however, registered with the Fundraising Regulator and ensure that we adhere to the standards set out in the Code of Fundraising Practice.



There are three types of funds, General Funds, Designated Funds and Restricted Funds:

**General Funds:** 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 as much unrestricted funding as possible 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.

**Designated Funds:** the Trustees are free to set aside some unrestricted funds to cover an essential spend or to cover some future purpose. Such funds are labelled “designated funds”.

At the end of FY22 total free reserves stood at £993k.

**Restricted Funds:** this fund is subject to specific conditions imposed by donors. Restricted funds formed 27% of our total funds in 2022 (2021: 26%). 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.

## 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.

## 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, in total, £993k (2021: £595k) representing approximately 3.8months’ planned expenditure (excluding restricted funds). In addition to this General Fund the charity has restricted funds of £360k for specific programmes carrying forward to 2023.

As outlined elsewhere in this report, in order to further underpin the long-term sustainability of the charity’s services and to support its planned future growth, the charity has embarked on a study of wider income diversification. The Trustees have designated £200k, from the total free reserves of £993k, to cover future expenditure to be made on this study and in the implementation of income diversification and accelerated growth plans.

## Looking ahead to 2023 and beyond

Our aim for the next financial year is to continue our growth trajectory. That means continuing to support more clients, with us expecting to support around 1,000 refugees in the following year.

We plan to futureproof our programmes by standardising them so that we can scale them nationally and reach more refugees and people of refugee background that need our support.

We will also continue to invest in solidifying our existing donor relationships – as well as explore diversifying our income with new ones – as we continue to expand our reach within London, Manchester, Birmingham, and beyond.

In the next financial year we will be reviewing and developing our long-term strategy.

## 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 out. 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 CEO, Matt 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.

Trustee terms are fixed terms of three years with optional extensions.

## 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 2018. 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 of £5,500 towards ESF match funding (2021: £16,250) and unrestricted donations totalling £2,187 (2021: £1,250) were received from trustees.

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.

## Statement of responsibilities of the trustees

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (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.

If the CIO is wound up, the members of the CIO have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

## Auditors

Godfrey Wilson were appointed as the auditors of the charity for their first year and have expressed their willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 6th December 2022 and signed on their behalf by:

*James Newell*

**James Newell**, Chair of Trustees



# Independent auditors' report

## Opinion

We have audited the financial statements of Breaking Barriers (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 May 2022 which comprise the consolidated statement of financial activities, consolidated and parent charity balance sheet, consolidated statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 group and parent charity's affairs as at 31 May 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 group and parent 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 trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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' 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:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

## Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' 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 they 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.

## Our 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 procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation 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 risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- Testing the appropriateness of journal entries;
- Assessing judgements and accounting estimates for potential bias;
- Reviewing related party transactions; and
- Testing transactions that are unusual or 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. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located 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 section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. 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 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 charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Date: 6 December 2022

*Godfrey Wilson Limited*

### **Godfrey Wilson Limited**

Chartered accountants and statutory auditors  
5th Floor Mariner House  
62 Prince Street  
Bristol  
BS1 4QD



# Financial statements

## Consolidated statement of financial activities

For the year ended 31 May 2022

				2022	Restated
	Note	Unrestricted	Restricted	Total	2021
		£	£	£	Total
					£
<b>Income from:</b>					
Donations	3	470,261	930,972	<b>1,401,233</b>	917,589
Charitable activities	4	283,651	1,089,502	<b>1,373,153</b>	862,839
Other trading activities		76,846	-	<b>76,846</b>	150,000
<b>Total income</b>		<b>830,758</b>	<b>2,020,474</b>	<b>2,851,232</b>	1,930,428
<b>Expenditure on:</b>					
Raising funds		(210,290)	(110,787)	<b>(321,077)</b>	(252,007)
Charitable activities		(222,804)	(1,753,692)	<b>(1,976,496)</b>	(1,309,278)
<b>Total expenditure</b>	5	<b>(433,094)</b>	<b>(1,864,479)</b>	<b>(2,297,573)</b>	(1,561,285)
<b>Net income for the year</b>		<b>397,664</b>	<b>155,995</b>	<b>553,659</b>	369,143
Transfers between funds		-	-	-	-
<b>Net movement in funds</b>	13	<b>397,664</b>	<b>155,995</b>	<b>553,659</b>	369,143
<b>Reconciliation of funds:</b>					
Total funds brought forward		595,414	204,233	<b>799,647</b>	430,504
<b>Total funds carried forward</b>		<b>993,078</b>	<b>360,228</b>	<b>1,353,306</b>	799,647

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.

The 2021 comparatives have been restated as set out in note 19 to the financial statements.

# Consolidated Balance Sheet

For the year ended 31 May 2022

	Note	2022 £	2022 £	Restated 2021 £	Restated 2021 £
<b>Current assets:</b>					
Debtors	9a	438,766		160,990	
Cash at bank and in hand		1,115,558		959,270	
		<b>1,554,324</b>		1,120,260	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	10a	(201,018)		(320,613)	
<b>Net current assets</b>			<b>1,353,306</b>		799,647
<b>Total net assets</b>			<b>1,353,306</b>		799,647
<b>Funds</b>					
	13				
Restricted funds			360,228		204,233
Unrestricted funds:					
Designated funds		200,000		-	
General funds		793,078		595,414	
Total unrestricted funds			993,078		595,414
<b>Total funds</b>			<b>1,353,306</b>		799,647

Approved by the trustees on 6 December 2022 and signed on their behalf by:

*James Newell*

**James Newell**, Chair of Trustees

# Charity Balance Sheet

For the year ended 31 May 2022

	Note	2022 £	2022 £	Restated 2021 £	Restated 2021 £
<b>Fixed assets:</b>					
Investment			1		1
<b>Current assets:</b>					
Debtors	9b	497,479		315,189	
Cash at bank and in hand		1,107,865		804,499	
		<b>1,605,344</b>		<b>1,119,688</b>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	10b	(252,039)		(283,114)	
<b>Net current assets</b>			<b>1,353,306</b>		<b>836,574</b>
<b>Total net assets</b>			<b>1,353,306</b>		<b>836,574</b>
<b>Funds</b>					
Restricted funds			360,228		204,233
Unrestricted funds:					
Designated funds		200,000		-	
General funds		793,078		632,341	
Total unrestricted funds			<b>993,078</b>		<b>632,341</b>
<b>Total funds</b>			<b>1,353,306</b>		<b>836,574</b>

Approved by the trustees on 6 December 2022 and signed on their behalf by:

*James Newell*

**James Newell**, Chair of Trustees

## Consolidated statement of cash flows

For the year ended 31 May 2022

	2022 £	Restated 2021 £
<b>Cash flows from operating activities:</b>		
Net movement in funds	553,659	369,143
(Increase) / decrease in debtors	(277,776)	(133,457)
Increase / (decrease) in creditors	(119,595)	(125,872)
<b>Net cash provided by / (used in) operating activities</b>	<b>156,288</b>	<b>109,814</b>
 <b>Change in cash and cash equivalents in the year</b>	 <b>156,288</b>	 <b>109,814</b>
 Cash and cash equivalents at the beginning of the year	 <b>959,270</b>	 <b>849,456</b>
 <b>Cash and cash equivalents at the end of the year</b>	 <b>1,115,558</b>	 <b>959,270</b>

The charity has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

## Notes to the consolidated financial statements

For the year ended 31 May 2022

### Note 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 2019) – (Charities SORP FRS 102).

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

These financial statements consolidate the results of the charity and its wholly-owned (controlled) subsidiary on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate SOFA has not been presented for the charity.



## Going concern

The trustees review budgets, cash flow forecasts and monitor financial performance on a regular basis. Given forecasted income and the availability of liquid assets, the trustees consider 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 services is deferred until the criteria for income recognition are met.

Income from other trading activities is income from employment related services carried out by Breaking Barriers Trading. These services are invoiced and recognised as revenue when delivered.

## 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. Please refer to the trustees' annual report for more information about volunteer contributions.

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.

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.

## **Investment in subsidiary**

Investments in subsidiaries are valued at cost less provision for impairment.

## **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.

## Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

## Pensions

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

## Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are accrued and deferred income adjustments for grants paid in arrears and contracts invoiced in advance, and the percentages used to allocate costs to the different activities and funds.

**Note 2** Detailed comparatives for the consolidated statement of financial activities

	2021 Unrestricted £	2021 Restricted £	Restated 2021 Total £
<b>Income from:</b>			
Donations and legacies	271,019	646,570	917,589
Charitable activities	210,318	652,521	862,839
Other trading activities	150,000	-	150,000
<b>Total income</b>	<b>631,337</b>	<b>1,299,091</b>	<b>1,930,428</b>
<b>Expenditure on:</b>			
Raising funds	(199,409)	(52,598)	(252,007)
Charitable activities	(248,713)	(1,060,565)	(1,309,278)
<b>Total expenditure</b>	<b>(448,122)</b>	<b>(1,113,163)</b>	<b>(1,561,285)</b>
<b>Net income / (expenditure)</b>	<b>183,215</b>	<b>185,928</b>	<b>369,143</b>
Transfers between funds	5,000	(5,000)	-
<b>Net movement in funds</b>	<b>188,215</b>	<b>180,928</b>	<b>369,143</b>
Total funds brought forward	407,199	23,305	430,504
<b>Total funds carried forward</b>	<b>595,414</b>	<b>204,233</b>	<b>799,647</b>



### Note 3 Income from donations

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £
Donations & gifts	470,261	901,212	<b>1,371,473</b>
Donated services *	-	29,760	<b>29,760</b>
	<u>470,261</u>	<u>930,972</u>	<u><b>1,401,233</b></u>

#### Prior period comparative

	Unrestricted 2021 £	Restricted 2021 £	Restated Total 2021 £
Donations & gifts	271,019	608,110	879,129
Donated services *	-	38,460	38,460
	<u>271,019</u>	<u>646,570</u>	<u>917,589</u>

\* Donated services income relate to Gifts in Kind for office space and classrooms for Education classes.

### Note 4 Income from charitable activities

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £
Charitable activities	283,651	1,089,502	<b>1,373,153</b>
Other income	-	-	-
	<u>283,651</u>	<u>1,089,502</u>	<u><b>1,373,153</b></u>

#### Prior period comparative

	Unrestricted 2021 £	Restricted 2021 £	Restated Total 2021 £
Charitable activities	210,318	652,521	862,839
Other income	-	-	-
	<u>210,318</u>	<u>652,521</u>	<u>862,839</u>

Included within charitable activities income above are government grants from DWP and HMRC (under the Coronavirus Job Retention Scheme) totalling £23,257 (2021: £62,250). There are no unfulfilled conditions or contingencies attaching to these grants in 2021/22.

## Note 5 Analysis of expenditure

	Basis of allocation	Cost of raising funds £	Charitable activities £	Support costs £	Governance costs £	2022 Total £	2021 Total £
Direct costs	Direct	(37)	(59,575)	-	-	<b>(59,612)</b>	(86,228)
Shared staff costs	Direct	(237,126)	(1,400,305)	(212,427)	-	<b>(1,849,858)</b>	(1,206,772)
Support costs	Staff time	(52,662)	(324,641)	-	-	<b>(377,303)</b>	(268,285)
Governance costs	Staff time	-	-	-	(10,800)	<b>(10,800)</b>	-
		(289,825)	(1,784,521)	(212,427)	(10,800)	<b>(2,297,573)</b>	(1,561,285)
Support costs		(29,740)	(182,687)	212,427	-	-	-
		14%	86%				
Governance costs		(1,512)	(9,288)	-	10,800	-	-
		14%	86%				
<b>Total expenditure 2022</b>		<b><u>(321,077)</u></b>	<b><u>(1,976,496)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>(2,297,573)</u></b>	<b><u>(1,561,285)</u></b>

Of the total expenditure, £433,094 was unrestricted (2021: £448,122) and £1,864,479 was restricted (2021: £1,113,163).

Governance costs relate to the cost of annual audit.

## Note 5 Analysis of expenditure – prior period comparative

	Basis of allocation	Cost of raising funds £	Charitable activities £	Support costs £	Governance costs £	2021 Total £
Direct costs	Direct	(5,406)	(80,822)	-	-	<b>(86,228)</b>
Shared staff costs	Direct	(192,572)	(942,311)	(71,889)	-	<b>(1,206,772)</b>
Support costs	Staff time	(42,527)	(225,758)	-	-	<b>(268,285)</b>
Governance costs	Staff time	-	-	4,000	(4,000)	-
		(240,505)	(1,248,891)	(67,889)	(4,000)	<b>(1,561,285)</b>
Support costs		(10,862)	(57,027)	67,889	-	-
		16%	84%			
Governance costs		(640)	(3,360)	-	4,000	-
		16%	84%			
<b>Total expenditure 2021</b>		<b><u>(252,007)</u></b>	<b><u>(1,309,278)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>(1,561,285)</u></b>

**Note 6 Net income / (expenditure) for the year**

This is stated after charging / (crediting):	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Operating lease rentals:		
Property	<b>(76,320)</b>	(12,720)
Auditor's remuneration:		
Audit fees	<b>(10,800)</b>	(4,000)

**Note 7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Salaries and wages	<b>1,653,101</b>	1,073,095
Social security costs	<b>168,048</b>	111,789
Employer's contribution to defined contribution pension schemes	<b>28,709</b>	21,888
	<b>1,849,858</b>	1,206,772

The total employee benefits including pension contributions of the key management personnel were £377,787 (2021: £381,353).

The charity trustees were not paid or received any other benefits from employment with the charity or its subsidiary in the year (2021: £nil) neither were they reimbursed expenses during the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
£60,000 - £69,999	-	-
£70,000 - £79,999	-	-
£80,000 - £89,999	<b>1</b>	1

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Raising funds	<b>6</b>	5
Charitable activities	<b>44</b>	35
	<b>50</b>	40



## Note 8 Taxation

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

## Note 9a Debtors – Group

	<b>2022</b>	Restated
	<b>£</b>	<b>2021</b>
		<b>£</b>
Trade debtors (net of provisions)	<b>16,007</b>	6,039
Other debtors	<b>29,599</b>	68,779
Prepayments	<b>5,376</b>	8,349
Accrued income	<b>387,784</b>	77,823
	<b>438,766</b>	160,990

## Note 9b Debtors – Charity

	<b>2022</b>	Restated
	<b>£</b>	<b>2021</b>
		<b>£</b>
Trade debtors (net of provisions)	-	6,039
Other debtors	<b>29,599</b>	10,495
Prepayments	<b>5,376</b>	8,349
Amounts owed by group undertakings	<b>74,720</b>	212,483
Accrued income	<b>387,784</b>	77,823
	<b>497,479</b>	315,189

**Note 10a** Creditors: amounts falling due within one year – Group

	<b>2022</b>	<b>Restated 2021</b>
	<b>£</b>	<b>£</b>
Taxation and social security	<b>(57,734)</b>	(93,190)
Accruals	<b>(42,117)</b>	(24,454)
Deferred income	<b>(51,033)</b>	(197,851)
Other creditors	<b>(50,134)</b>	(5,118)
	<b><u>(201,018)</u></b>	<b><u>(320,613)</u></b>

**Deferred income**

	<b>2022</b>	<b>Restated 2021</b>
	<b>£</b>	<b>£</b>
Balance at the beginning of the year	<b>(197,851)</b>	(327,820)
Amount released to income in the year	<b>148,901</b>	167,469
Amount deferred in the year	<b>(2,083)</b>	(37,500)
Balance at the end of the year	<b><u>(51,033)</u></b>	<b><u>(197,851)</u></b>

Deferred income comprises amounts received in advance for annual programmes and under contracts.

## Note 10b Creditors: amounts falling due within one year - Charity

	2022	Restated 2021
	£	£
Taxation and social security	(112,639)	(98,308)
Accruals	(40,317)	(24,455)
Deferred income	(48,949)	(160,351)
Other creditors	(50,134)	-
	<b>(252,039)</b>	<b>(283,114)</b>

### Deferred income

	2022	Restated 2021
	£	£
Balance at the beginning of the year	(160,351)	(280,319)
Amount released to income in the year	111,402	119,968
Amount deferred in the year	-	-
Balance at the end of the year	<b>(48,949)</b>	<b>(160,351)</b>

Deferred income comprises amounts received in advance for annual programmes.

## Note 11 Pension scheme

Breaking Barriers has a defined contribution scheme operated by NEST.

## Note 12 Analysis of net assets between funds

	2022			
	General funds	Designated funds	Restricted funds	Total funds
	£	£	£	£
Net current assets	793,078	200,000	360,228	<b>1,353,306</b>
<b>Net assets at the end of the year</b>	<b>793,078</b>	<b>200,000</b>	<b>360,228</b>	<b>1,353,306</b>

	2021			
	General funds	Designated funds	Restricted funds	Total funds
	£	£	£	£
Net current assets	595,414	-	204,233	799,647
<b>Net assets at the end of the year</b>	<b>595,414</b>	<b>-</b>	<b>204,233</b>	<b>799,647</b>

## Note 13 Movements in funds

	At the start of the year (restated)	Income	Expenditure	Transfers	At the end of the year
	£	£	£	£	£
<b>Restricted funds:</b>					
Integration Activities – Employment	185,598	1,428,911	(1,328,655)	-	<b>285,854</b>
Integration Activities – Education	6,685	212,283	(213,566)	-	<b>5,402</b>
BB Grants	11,950	24,990	(34,062)	-	<b>2,878</b>
Thought / Action leadership	-	137,247	(117,030)	-	<b>20,217</b>
D&I	-	7,795	(6,499)	-	<b>1,296</b>
Other	-	209,248	(164,667)	-	<b>44,581</b>
<b>Total restricted funds</b>	<b>204,233</b>	<b>2,020,474</b>	<b>(1,864,479)</b>	<b>-</b>	<b>360,228</b>
<b>Unrestricted funds:</b>					
Designated funds	-	-	-	200,000	<b>200,000</b>
General funds	595,414	830,758	(433,094)	(200,000)	<b>793,078</b>
<b>Total unrestricted funds</b>	<b>595,414</b>	<b>830,758</b>	<b>(433,094)</b>	<b>-</b>	<b>993,078</b>
<b>Total funds</b>	<b>799,647</b>	<b>2,851,232</b>	<b>(2,297,573)</b>	<b>-</b>	<b>1,353,306</b>

**General Funds:** Breaking Barriers' reserves policy is to work towards approximately three months of total expenditure. At the year-end, General Funds stood at £993k (2021: £595k) representing approximately 3.8 months' expenditure.

**Designated Funds:** Of the £993k General Funds, the Trustees have designated £200k to cover the costs of income diversification. This is to support long term growth plans.

**Restricted Funds:** We have received income restricted to the following purposes:

Funding our integration activities relating to Employment- our work in this space seeks to get our clients into employment by offering one-to-one information, advice, and guidance sessions. We run this offering in three locations.

Funding our integration activities relating to Education- our work in this space seeks to upskill clients in areas that would increase their employment prospects. Those being English language classes, IT and digital skills training.

Funding for BB grants provides the opportunity for Breaking Barriers clients to apply for funding to take part in courses, programmes, certificates or educational activities that will help them with their career.

Funding for thought leadership goes on developing and implementing our strategy to ensure we positively impact the quality of support received by refugees and those of refugee background in the sector, and to influence public narratives about refugees.

Funding for D&I goes on implementing our diversity and inclusion strategy. See page four for more information on this.

Other funds represent contributions to other projects not covered above.

## Note 13 Movements in funds

### Prior period comparative – restated

	At the start of the year	Income	Expenditure	Transfers	At the end of the year
	£	£	£	£	£
<b>Restricted funds:</b>					
Integration Activities – Employment	14,805	1,009,253	(838,460)	-	<b>185,598</b>
Integration Activities – Education	-	189,085	(182,400)	-	<b>6,685</b>
BB Grants	8,500	13,300	(4,850)	(5,000)	<b>11,950</b>
Thought / Action leadership	-	34,855	(34,855)	-	-
Other	-	52,598	(52,598)	-	-
<b>Total restricted funds</b>	<b>23,305</b>	<b>1,299,091</b>	<b>(1,113,163)</b>	<b>(5,000)</b>	<b>204,233</b>
<b>General funds</b>	407,199	631,337	(448,122)	5,000	<b>595,414</b>
<b>Total unrestricted funds</b>	<b>407,199</b>	<b>631,337</b>	<b>(448,122)</b>	<b>5,000</b>	<b>595,414</b>
<b>Total funds</b>	<b>430,504</b>	<b>1,930,428</b>	<b>(1,561,285)</b>	-	<b>799,647</b>

## Note 14 Operating lease commitments

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

	Property 2022 £	Property 2021 £
Less than 1 year	<b>50,880</b>	76,320
1 - 5 years	-	44,520
	<b>50,880</b>	120,840

## Note 15 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.



## Note 16 Related party transactions

During the year, restricted donations of £5,500 towards ESF match funding (2021: £16,250) and unrestricted donations totalling £2,187 (2021: £1,250) were received from trustees.

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 £1,200 (2021: £2,700) for the Use of Rights and Data and £878 (£1,500) for the Use of Name. In addition, recharges for resources deployed by the parent charity to fulfil the IKEA contract totalled £37,500 (2021: £150,000) to the wholly owned subsidiary.

## Note 17 Subsidiary undertakings

### Breaking Barriers Trading Ltd

Breaking Barriers Trading Ltd (company no. 11707875) is 100% owned by Breaking Barriers and has share capital of £1. The subsidiary runs the charity's non-charitable trading activities. A summary of its financial performance and position are given below:

	2022 £	2021 £
Turnover	79,633	150,000
Cost of sales	(38,771)	-
Gross profit	40,862	150,000
Administrative expenses	(3,934)	(177,218)
Operating profit / (loss)	36,928	(27,218)

The aggregate of the assets, liabilities and funds was:

	2022 £	2021 £
Assets	79,406	213,055
Liabilities	(79,406)	(249,983)
Funds	-	(36,928)

## Note 18 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Gross income	<b>2,776,465</b>	1,780,428
Results for the year	<b>516,731</b>	400,560

## Note 19 Prior period restatements

The prior period accounts have been restated to correct the following material errors: (i) to recognise accrued income due in 2020/21; (ii) to correct an incorrect deferred income balance; and (iii) to reclassify unrestricted income and expenditure as restricted. These adjustments are set out in detail below.

### Debtors

Accrued income balances have been restated as follows:

	<b>2021</b>
	<b>Accrued income</b>
	<b>£</b>
Accrued income as originally stated at 28 May 2021	-
Accrued grant income	77,823
Accrued income as restated at 31 May 2021	77,823

### Creditors: amounts due within 1 year

Deferred income balances have been restated as follows:

	<b>2021</b>
	<b>Deferred income</b>
	<b>£</b>
Deferred income as originally stated at 28 May 2021 – charity only	178,918
Correction to deferred income balances	(18,567)
Deferred income as restated at 31 May 2021 - charity only	160,351

**Income – consolidated**

Income has been restated as follows:

	2021		
	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Income as originally stated for the period ending 28 May 2021	787,329	1,046,709	1,834,038
Adjustment to accrued income	-	77,823	77,823
Adjustment to deferred income	-	18,567	18,567
Reclassification of income between funds	(155,992)	155,992	-
Income as restated for the period ending 31 May 2021	631,337	1,299,091	1,930,428

**Expenditure – consolidated**

Expenditure has been restated as follows:

	2021		
	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Expenditure as originally stated for the period ending 28 May 2021	(544,512)	(1,016,773)	(1,561,285)
Reclassification of expenditure between funds	96,390	(96,390)	-
Expenditure as restated for the period ending 31 May 2021	(448,122)	(1,113,163)	(1,561,285)

# Reference and administrative information

## Trustees

**Chair:** Sue Corbett appointed July 2016 – resigned December 2021

**Treasurer:** Ian Chard appointed October 2016

Sajid Hussein appointed October 2016

Rachel Harrington appointed August 2017

James Newell appointed June 2018 – made Chair December 2021

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

Lena Sabbagh appointed March 2022

Lou Calvey appointed June 2022

Kelly Maklowicz appointed July 2022

Barbara Serra appointed July 2022

Helen Downie appointed August 2022

Jonas Huruy Kidane appointed October 2022

**CEO:** Matthew Powell

**Charity number:** 1161901

## Registered office

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

## Auditors

Godfrey Wilson Ltd, 5th Floor Mariner House, 62 Prince Street, Bristol, BS1 4QD

## 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.



ALLEN & OVERY





Linklaters



Credit Agricole

The Jane and Tad  
Shepard Family  
Foundation, Inc.

The Lord Faringdon  
Charitable Trust

The Ned

R S Brownless  
Charitable Trust

Stephenson Harwood

The Truemark Trust