



Breaking Barriers

Meaningful employment
for refugees



Annual report

2022–2023

For the year ended
31 May 2023

Our vision

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

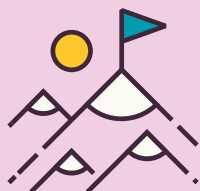
Our mission

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.



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Foreword

A message from our Chair and CEO

Eight years on from its foundation, and Breaking Barriers has emphatically outgrown the notion of being a ‘small’ charity. We are a high-performing team of 70+ people, our income has increased to over £3.75m and we have expanded beyond London by cementing our delivery in Birmingham and Greater Manchester, with long-term plans for these regions.

Most importantly, this year we supported more refugees than ever before, who achieved more employment, education and volunteering outcomes than in previous years, all with the help of our biggest pool of volunteers to date.

Scaling up an organisation isn’t always straight-forward. We have learned many lessons and professionalised an unrecognisable amount since we first started around Matt’s kitchen table all those years ago. This will stand us in good stead as we look to launch in Glasgow and Liverpool in the coming year.

We exceeded the objectives laid out in our three-year strategy, and we are delighted to launch our 2030 goal. Details are included in this report. In summary, by 2030 we want to:

- Be supporting 4,000 people per year – including those facing the toughest barriers to enter the job market.
- Have 100% of the clients we support moving further towards meeting their goals with over 50% of these clients going on to achieve an outcome in education, training, volunteering or employment.
- Be working with sector-leading responsible businesses, be data-led and evidence based in our approach, and working collaboratively with the wider sector.
- Raise up to £14m income annually, raise public awareness of refugee needs and sustainably invest in our people and infrastructure.

We are excited for the coming years, and we believe we are set-up for success. We wouldn’t be in this position without every single one of you who believes that refugees deserve to find meaningful employment and build a new life in the UK. If you refer refugees to us for employment support, partner with us to create meaningful employment opportunities, volunteer your time, donate your money, or support our work in any other way – thank you.

Our success is yours too, and we look forward to continuing our work together in the coming year.

Matt Powell, CEO and Founder

James Newell, Chair of Trustees



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Narsina's* story



I was a teacher back in my home country. However, I was forced to leave everything behind and flee to the UK.

Imagine going to a new country and not knowing anything about the language, the culture, or the processes for studying and working. It's like a tree that's been forcibly uprooted and planted in a new land in a new soil. Half of my roots were still back home, and the rest of me was trying to start a new life here. Everything was new and it hurt.

I needed help to figure out how to navigate the UK job market, and the qualifications I needed to pursue further education. I reached out to Breaking Barriers and I've been receiving employment support from Ellie, my

employment adviser. She is so patient and never judges my choices. She has helped me with employment advice, writing a CV, applying to university, and preparing for interviews.

Ellie also helped me to successfully apply for a Breaking Barriers grant, which went towards my art and helped me to get closer to my dream of becoming an artist. The grant was life-changing. It helped me to get over the barriers and move forward and build a future.

Breaking Barriers believed in me and my dreams. I still can't quite believe that in October I will be going to university to study a Masters in Digital Media and Design at Birkbeck University.

*Not her real name

“When I first met Narsina we were looking into how we could make her art and her passion into a living. I think all the people we work with have so much wonderful experience and so many wonderful ideas.”

Ellie Bush, Senior Employment and Integration Advisor



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Diversity and inclusion

We are committed to continually improving and prioritising diversity, equity and inclusion (DEI) at Breaking Barriers.

In September 2022 we launched an updated DEI strategy which was informed by the results of the annual diversity and inclusion survey. Following employee feedback on the survey results and work to date, the strategy focuses on the following five areas:

- 1** Reflecting the refugee community that we work with
- 2** Increasing diversity in leadership positions
- 3** Attracting more diverse talent and improving access to jobs at Breaking Barriers
- 4** Developing awareness around diversity and inclusive safe spaces
- 5** Creating feedback loops and assessing progress against our DEI aims



Thanks to additional capacity with our new HR Advisor role, we reviewed our recruitment process to make it more accessible for disabled applicants, applicants for whom English is not their first language and applicants from a refugee background.

We developed a Lived Experience Strategy, focused on how we reflect the refugee community that we work with in everything we do at Breaking Barriers. This included the creation of a new role – an Involvement Officer – who coordinates a panel of Lived Experience Consultants who will advise across a variety of teams, projects and policies.

The DEI Working Group facilitated monthly catch-ups which all staff are welcome to join, shared regular blogs about cultural events and awareness days, and coordinated several events including an office decorating session for Ramadan, lunches for Refugee Week and a meditation session for Mental Health Awareness Week. The group also held quarterly, themed DEI Forums for all staff, which included discussions and/or training on disability, fasting for cultural reasons and neurodiversity.

We continue to review the effectiveness of our initiatives, seeking feedback from staff through anonymous surveys and feedback sessions and updating our Terms of Reference for the DEI Working Group and its activities.

Our 2030 goal

We have made considerable progress against our FY22–24 strategy including increasing our impact through the expansion of our services, achieving our 1,000th client outcome, and building on our accessible and inclusive support model in our response to a new environment post covid.

We have also been successful in diversifying our income streams and the impact of our corporate partners, investing in our infrastructure and people, and positioning ourselves in the sector through sharing knowledge and insights leading to meaningful collaborations.

In light of this accelerated organisational development and continued funding opportunities for growth, there was a need for a clearer organisational story for what the future of Breaking Barriers would look like. So, we have developed our 2030 goal which outlines our ambition for the next seven years.

The need for our services is also accelerating. There are over 230,000 refugees in the UK, a significant increase in recent years. Refugees are still 4x more likely to be unemployed, face huge barriers to accessing employment, and are increasingly geographically dispersed across the UK.

We want to take significant steps towards meeting our vision of ensuring every refugee can access meaningful employment and build a new life.

Our 2030 goal

Over the next seven years we want to:

- Support **4,000 people per year** – including those facing the toughest barriers to enter the job market.
- 100% of the clients we support will move further towards meeting their goals and over **50% of these clients will go on to achieve an outcome** in education, training, volunteering or employment.
- We will do this by working with **sector-leading responsible businesses**, being data-led and **evidence based** in our approach, and working **collaboratively** with the wider sector.
- To make this possible we will need to **raise up to £14m income** annually, **raise public awareness of refugee needs** and sustainably invest in our people and infrastructure.

Our values of being **mission led, welcoming, collaborative and entrepreneurial** will guide us in how we plan to adapt, grow, and deliver.



Strategic focus areas:

To reach our goals we are prioritising the following strategic areas:

- 1** Support more individuals in more geographies across the UK. Our current model lends itself to urban areas with high density populations. With increased refugee dispersal, we need to develop alternative models to increase our reach.
- 2** Segment our support model to have flexible and streamlined products, using data to understand how we can better support different client groups to achieve outcomes.
- 3** Be accessible for refugees at any stage of work readiness. We will ensure easy access to our services, no matter a client's length to the labour market, education levels or English language capabilities.
- 4** Generate impactful partnerships with private and public sector organisations that further our purpose. This will mean co-creating hundreds of jobs across the UK, meaningful volunteering opportunities and tailored employability support.

To enable this impact, we need to also focus on how we support and enable our core delivery, so we will:

- 5** Maximise the impact of existing funding streams and invest in key areas of fundraising growth, building on the long-term and mutually beneficial relationships that have been a foundation for our growth to date.
- 6** Raise the profile of Breaking Barriers as *the* specialist employment charity and change narratives about the refugee experience to enable refugees to effectively integrate in the UK, through sharing our data, insights and the lived experience of our clients.
- 7** Invest in growing our infrastructure and staff structures mindfully. We will grow our staff teams and prioritise employee engagement and culture. We will invest in back-office processes to ensure effective growth and that as much of our income as possible goes directly to supporting refugees.



Our impact

Highlights

1,104 clients supported – more than in any previous year



9,785 hours of support delivered – more than in any previous year



610 outcomes achieved by **419** clients – more than in any previous year



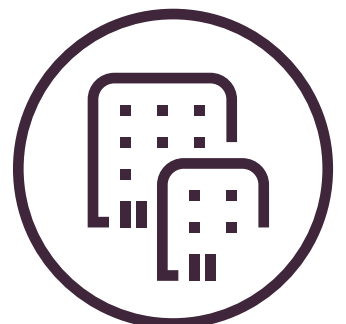
38% outcome rate – above target



256 new jobs started by clients



40 corporate partners supporting clients



90% of clients reporting improved confidence in achieving their goals



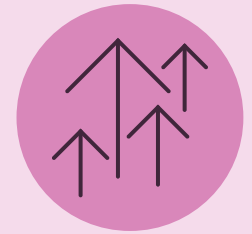
83% of clients said they now have better chances of finding a role



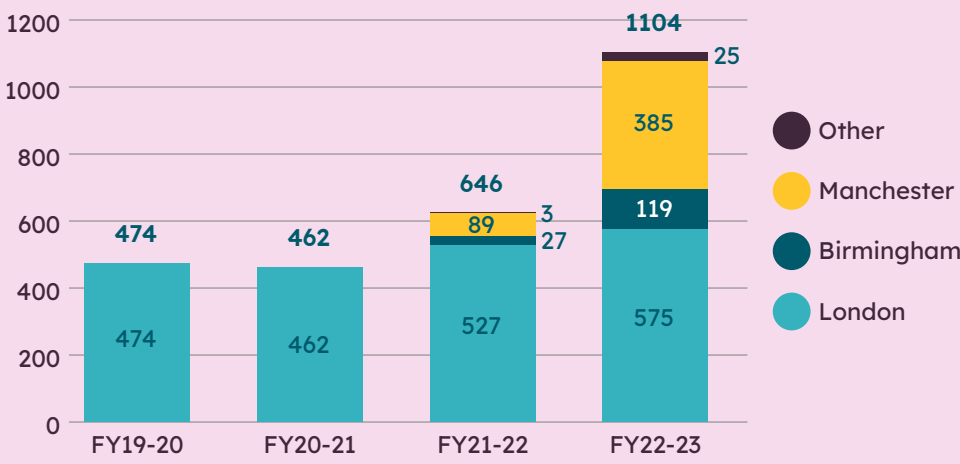
Reach

In FY22-23 Breaking Barriers reached a scale it had never seen before – supporting a total of 1,104 clients, 764 of whom received support from Breaking Barriers for the first time. This represents a 77% increase in the number of clients compared to our previous year, and a remarkable 136% increase compared with the year before that.

This rapid growth was driven primarily by our national expansion. We launched in Birmingham and Greater Manchester, and as these new locations reached full capacity, we were able to scale our operations significantly. The Greater Manchester team supported 385 clients, over 5 times more than in the previous year. The Birmingham team supported 119 clients, over 4 times more than the previous year.



77%
increase
in the number
of clients
supported

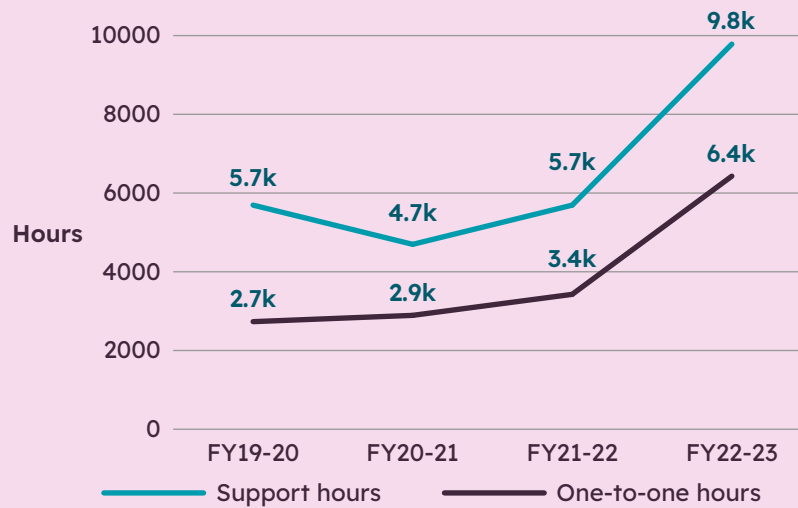


Clients supported per year

Our support

Hours delivered

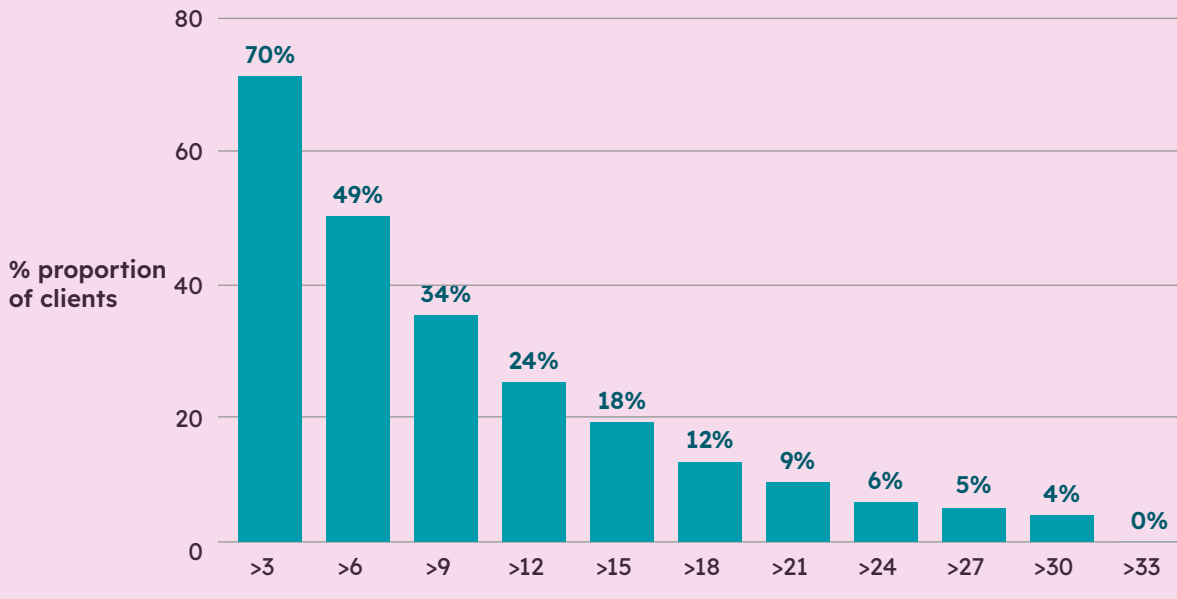
We delivered 9,784 hours of support time to our clients – more than in any previous year. This represents a 70% increase on last year and nearly double our total for the year before. 6,429 hours (66%) were delivered as one-to-one support, more than in any previous year.



Hours delivered per FY



We delivered
9,784
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to our clients

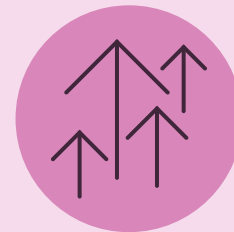


Support hours received per client

The average hours of support per client totals 8.9 hours. However, a portion of clients leave the programme shortly after enrolment, or enrolled shortly before the end of the year, which skews the figures. Many clients received considerably more than 8.9 hours’ support - nearly one

in five received more than 15 hours of support, and one in ten received more than 20 hours of support.

As well as our one-to-one support, in FY23 we delivered a total of 405 education classes, attended by 287 clients - 70% more than last year.



70%
more clients attended our education classes compared with last year

Volunteers

We worked with 389 fantastic volunteers.

152 volunteers delivered one-to-one support with clients - more than in any previous year. Each volunteer delivered an average of 5 hours of support (approximately the same as in previous years), with a total of 759 hours in total.

Other volunteers also taught education classes, delivered workshops with our corporate partners, sat on our Ambassador Council, acted as mentors and supported us operationally in our offices.

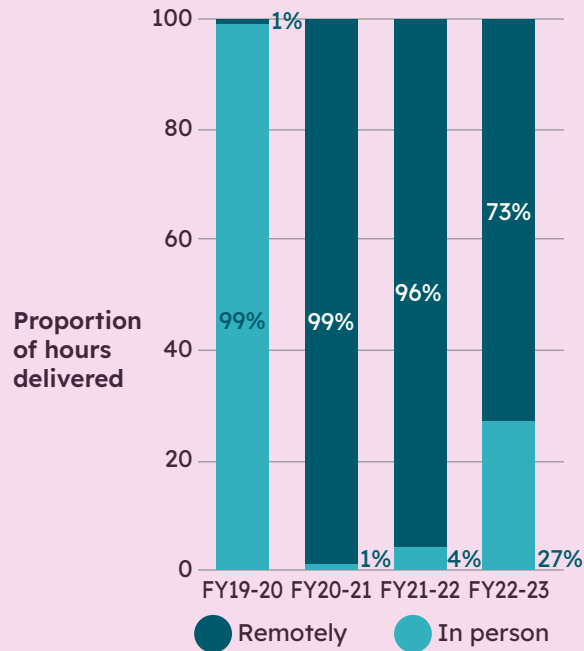


We worked with **389** volunteers

Face-to-face delivery

This year also saw a considerable return to face-to-face support. Historically, we delivered nearly all of our support in-person at delivery centres across London. However, during the two financial years impacted by Covid lockdowns, over 95% of all support was delivered remotely.

We have now settled into a hybrid model of support, where this year 27% of support time was face-to-face and the rest remote. This flexibility is highly beneficial to clients – those with caring commitments or long travel times struggle to access in-person support, whereas face-to-face support is a lifeline for those with lower digital skills.



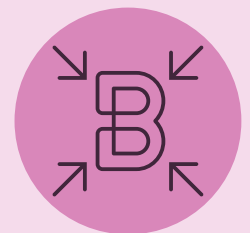
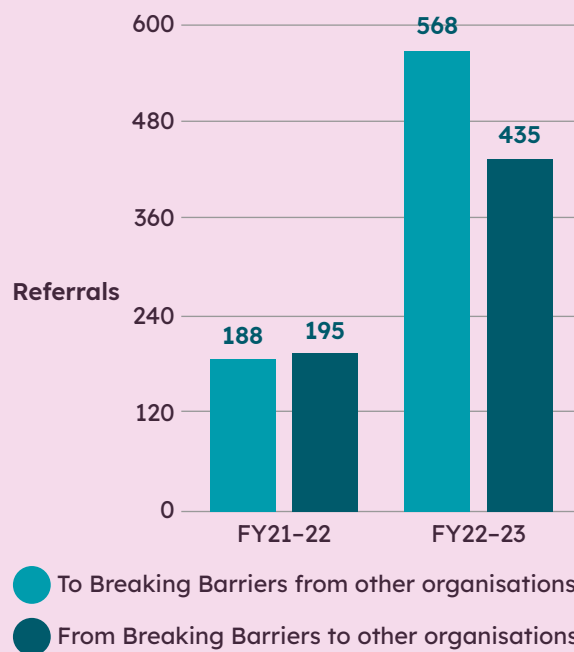
Our flexible, hybrid model of support is highly beneficial to clients

Proportion of hours delivered

Collaboration

We believe in the power of collaboration and this year we worked closely with other organisations in the sector to deliver support. 568 clients were referred to us from other organisations, more than triple the number from the previous year.

Meanwhile, we also made 435 referrals to other organisations to support our clients with issues outside our areas of specialism – more than double the number of referrals made last year.



Triple the amount of clients were referred to us

Client referrals in partnership

66

Bahaa's story



Having overseas work experience is nice, but when starting your employment journey in a new country it's a big challenge to convince HR that you have the right experience and skills to do the job properly.

Breaking Barriers supported me with all that I asked for. What do you need? How to write an impressive CV, portfolio or covering letter? English classes and employment workshops? Maybe you need some clothes for an interview? Or perhaps you need new friends!? Oh! Maybe you need financial support?

The day after I got a new laptop from Breaking Barriers, I had an interview with the biggest construction company in the UK, and the top 10 in the world, to work as a structural engineer in railways. My heart was beating rapidly when I picked up the call from the company. It was my best luck ever. I just got the job I love where I live!

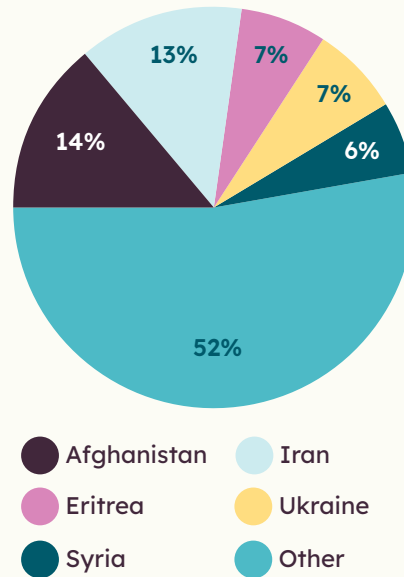
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Our clients

Country of origin

We welcome people of all backgrounds with an open mind. This year, clients came from 79 different countries of origin, with the most frequent being Afghanistan (159 clients), Iran (138 clients), Eritrea (82 clients), Ukraine (78 clients) and Syria (73 clients).

This represents a considerable change. Syria had historically been the most frequent country of origin for our clients, whereas now it is the fifth most common, and clients from Ukraine were almost entirely absent before the current year.



Clients came from **79** different countries of origin

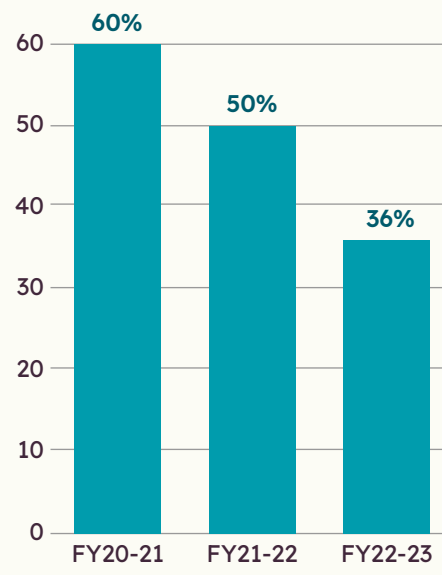
English language

Most clients had good English language levels – with only 26% saying they had either basic or no English speaking ability. However, the clients we supported in FY23 had a lower level of English language than in previous years – with only 36% rating themselves as ‘proficient’ in English speaking, compared to 50% last year and 60% the year before.

This was partially driven by our expansion beyond London, where 44% of clients rated themselves as ‘proficient’ in English speaking, compared to 37% in Birmingham and just 23% in Greater Manchester.

For areas beyond London, our contract enabled us to support clients who were further away from the job market due to being newly granted their status. To support the significant barrier of language levels, we built strong relationships with ESOL providers and established our own in-person education classes which proved popular and supported confidence building.

Client country of origin



Proportion of clients reporting that they are ‘proficient’ in English speaking

Education

45% of clients were educated to degree level or above, and 77% had at least three years of work experience. Nevertheless, 82% of clients were unemployed (or economically inactive) when they enrolled with Breaking Barriers (a figure roughly equal across all locations), showing the barriers that all refugees, no matter the extent of their education or experience, can face in the UK. Despite their extensive qualifications, the majority of clients (60%) were primarily seeking entry level roles.



45%
educated to degree level or above

77%
had at least 3 years of work experience

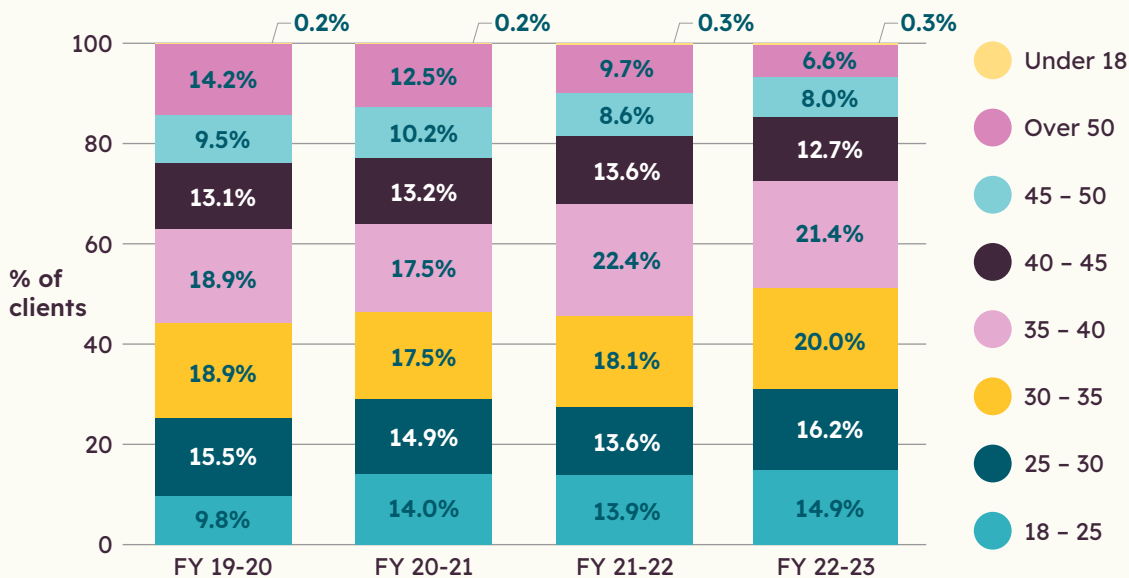
BUT

82%
were un-employed or economically inactive and

60%
were seeking entry level roles

Age

Our clients were predominantly young – the majority were under 35 years old. We have also seen the average age of our clients fall over time. In FY19-20 10% of our clients were under 25 and 14% were over 50, by FY23 15% were under 25 and only 7% were over 50.



Clients by age group per FY

Accommodation

Clients outside London were much more likely to be homeless or experiencing insecure housing. While 31% of clients in London reported they were homeless when they enrolled with Breaking Barriers, in Greater Manchester this figure was 43%, and in Birmingham it was 51%.

This high percentage can be attributed to clients we supported on a specific contract. These clients received their refugee status within the last two years and we worked closely with housing partners and Local Authorities to support clients into more stable accommodation and access meaningful opportunities.



51%
of clients in
Birmingham
reported
they were
homeless

Mental health

Despite high levels of homelessness, clients were less likely to report mental health difficulties outside London. Whereas 31% of clients reported mental health issues in London, only 19% did in Birmingham and 17% did in Greater Manchester.

This could be related to additional difficulties of living in London, for example increased costs of living, or it could be due to other factors that determine which kinds of refugees end up in which cities.

Due to the delivery contract we had in Greater Manchester and Birmingham, the clients we supported were on average newer arrivals to the UK, meaning they may have differences in their interpretations of mental health compared to clients in London, or fear that they might be refused support if they disclosed mental health issues.

It is also important to note that, due to the potential stigma surrounding mental health issues, rates of mental illness among clients may be underestimated and margins for error may be large.

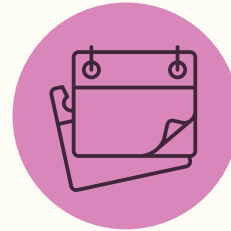


31%
of clients
reported
mental health
issues in
London

Time to receive refugee status

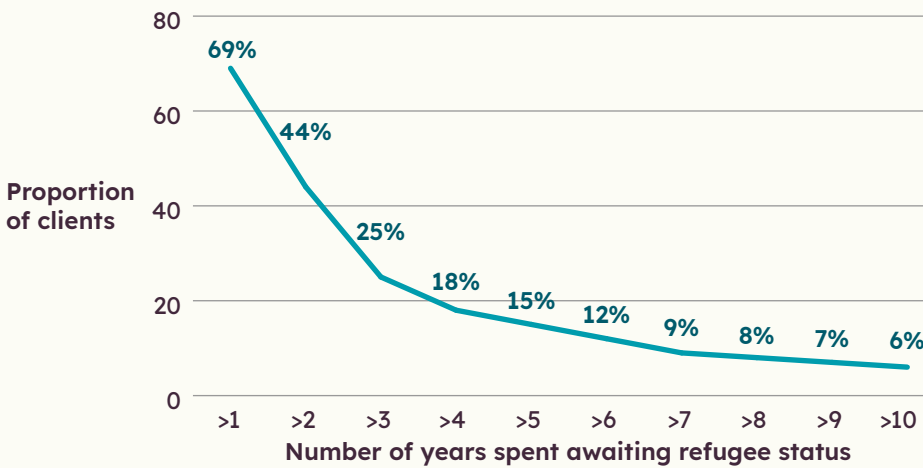
The majority of all our clients (69%) spent over a year waiting to receive their refugee status after arrival in the UK, with some waiting considerably longer. One in ten waited more than six years to receive their refugee status, and one in 20 waited

longer than 10 years. As asylum seekers are usually forbidden from working, these incredibly long waiting periods are highly distressing and can make it extremely challenging for clients to re-enter the labour market once their status is received.



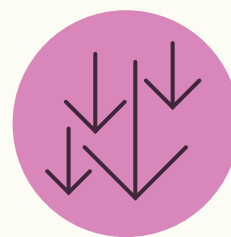
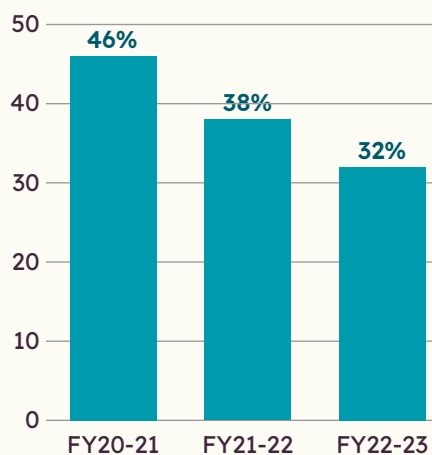
69%

of clients spent over a year waiting to receive their refugee status



Number of years clients are waiting for refugee status

Over the last few years, we have seen a decrease in the proportion of clients granted refugee status within one year of their arrival in the UK. This year, 32% of clients received status within a year, compared to 38% last year and 46% the year before. This is a worrying trend for all of those within the UK asylum system.



32%

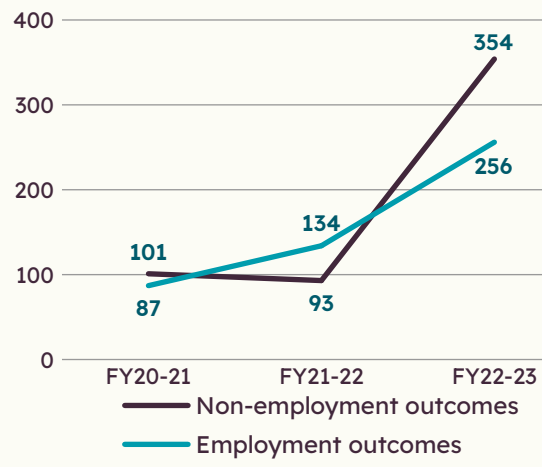
of clients received refugee status within a year

Proportion of Breaking Barriers clients who received refugee status within a year of UK arrival

Outcomes and impact

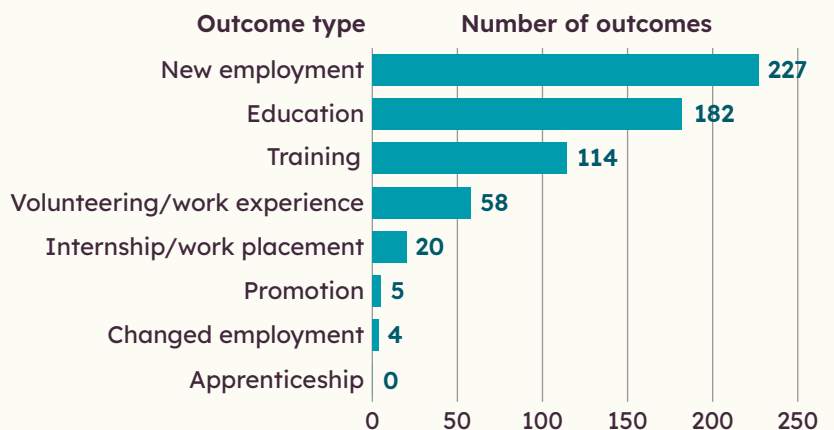
This was our most successful year to date for client outcomes. 419 clients achieved 610 outcomes during the year. This is nearly triple as many outcomes as in the previous year. To put this number fully into context, this means that more clients achieved outcomes in FY22–23 than received any form of one-to-one support in FY21–22.

38% of clients achieved outcomes, comfortably more than our 33% target, and higher than in the two preceding years.



Clients achieved **610** outcomes during the year

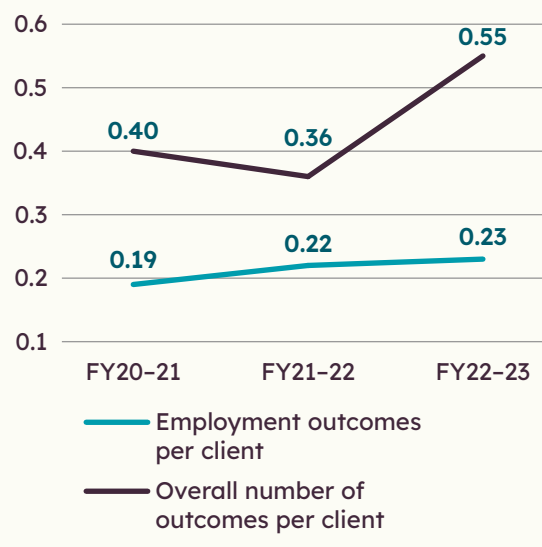
Outcomes achieved



Outcomes by type

227 clients entered employment during the year, starting 256 new jobs – equivalent to one new job for every four clients. This is more new jobs for clients than in any previous year, representing nearly double the number of new jobs as in the previous year.

Clients also excelled at achieving non-employment outcomes (such as entering education or training or doing work experience). Considerable improvements in the rates of non-employment outcomes have driven Breaking Barriers’ overall outcome rate upwards.

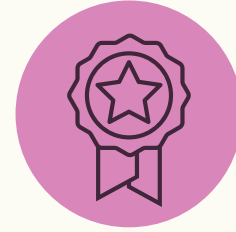


Outcomes per client supported

Programme efficiency

We were more efficient in supporting clients into outcomes than in previous years. On average, clients received 16 hours of support per outcome they achieved in FY22–23, compared to 25 hours the previous year and 26 hours the year before that. Similarly, clients received 38 hours of support on average for each new job they started in FY22–23, compared to 42 hours the previous year and 57 in the year before that.

However, this may simply be because a higher proportion of the support delivered in FY22–23 was one-to-one than in previous years, potentially increasing its impact. Covid also made employment outcomes more challenging to achieve in the immediately preceding years, so comparisons of efficiency between years are not necessarily fair.



Clients received **16** hours of support per outcome they achieved

Client self-assessment

In addition to measuring 'hard' outcomes (such as employment, education and training), we also survey clients on the benefits of the support they receive from us. Of the clients completing the survey:



90%

felt more confident about achieving their goals

89%

felt more motivated to achieve their goals

90%

said they had an improved understanding of how to succeed in their preferred sector

83%

said they had better chances of entering employment

80%

said they felt more confident about attending job interviews

60%

said they felt more confident using digital technology in daily life

71%

said they had an improved understanding of UK workplace culture

Corporate partnerships

In FY22–23, Breaking Barriers was supported by our community of 40 corporate partners. 18 of our corporate partners created bespoke employment pathways or work placement opportunities for our refugee clients.

We held 30 workshops, attended by 248 unique clients and supported by 322 corporate volunteers. After attending a workshop with our corporate partners:

- 95% of clients said their professional skills had improved.
- 84% of clients felt more confident about meeting their goals.
- 90% of clients felt their knowledge of UK work culture had improved.

After volunteering at a Breaking Barriers workshop:

- 93% of corporate volunteers said their understanding of the needs of refugees had increased.
- 88% said their pride in working for their company had increased.
- 96% would recommend volunteering with Breaking Barriers.



40
corporate
partners

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Anas' story

Through our partnership with Cummins, two clients have been hired into life-changing roles. Here's what Anas had to say:

The opportunity I have from Cummins to join the RePower program (a return-to-work programme) has substantially and positively impacted my health, knowledge, and family.

Life's challenges often lead to career breaks, raising concerns about re-entering the workforce. For me, Cummins Company's RePower Program was the answer.

After a two-year hiatus, the program empowered me as a product engineer, restoring my confidence and reigniting my ambitions.

Joining Cummins' engineering team felt like entering a collaborative, diverse community where knowledge sharing was cherished, fostering personal growth. The program bridged my past experiences with the latest advancements, allowing me to excel. Credit also goes to Breaking Barriers, equipping me with the skills to confidently present myself.

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Looking ahead to 2024 and beyond

We are excited to look ahead to FY23–24 after such a successful year. Our priorities for the next financial year are to:

- **Support more individuals in more geographies across the UK.** We are excited to launch our work in two new areas, Glasgow and Liverpool, which will enable us to reach more refugees that need our support. We will also be exploring how we can work with other organisations to support clients in less densely populated regions.
- **Continue delivering high quality support in current regions.** We will ensure our employment support maintains its high quality and we will continue work to improve our programmes by streamlining our delivery products.
- **Develop a bigger and bolder voice that will help raise the profile of Breaking Barriers and its work.** We will be implementing the first year of our communications & engagement strategy and continue to generate impactful partnerships with employers, through our Business Behind Refugees movement.
- **Invest in the infrastructure critical to sustain our growth.** Diversifying income streams remains a priority and we will be making investments in public fundraising. We will also continue to ensure clients are at the heart of the organisation by delivering our Lived Experience strategy. And, we will invest in key support functions necessary to enable the next phase of growth.



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Nawal's story

My dream is to study sociology at university. I used to work as a case worker for the UNHCR and I want to understand how and why wars start, and how people rebuild their country after a war ends.

To reach my dream I needed to improve my English. When I arrived in the UK, I had studied English grammar in high school, and I'd also watched lots of English-language films but I'd never had to speak English aloud. I wasn't confident going to the shops or having conversations. Sometimes if I was tired or stressed my 'English brain' just shut down and I couldn't say anything at all.

Fast-forward two years and my English is much better. I feel confident and I'm ready to go to university. However, to do this I need to complete an access to higher education course, and

to get onto that course I need to pass an IELTS exam (IELTS is an English language test for study, migration or work). You have to pay for IELTS exams and I can't afford it.

I started with these classes, but I've learned so much more. My Employment Advisor understood my dream and what I needed to get there.

I was searching for support for refugees and I saw that Breaking Barriers offered IELTS classes. I started with these classes, but I've learned so much more. My Employment Advisor understood my dream and what I needed to get there. She has helped me with

reading and understanding job descriptions, CV writing, interview preparation skills and how to write a personal statement or cover letter.

I now work as a waitress in a pub. In the pub I get to meet people from across the world and it's helping me to understand different English accents – although sometimes it's still so hard!

I also work as a Lived Experience Consultant for Breaking Barriers, where I bring my experiences as a client and person of refugee background to support the development of their work.

I'm in a strong position. I'm working, my English has improved and I'm preparing for my access to university course. I hope that, once I pass my IELTS exam, I'll be able to go to university and achieve my dream.

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Trustees' annual report

For the year ended 31st May 2023

The Trustees present their report and financial statements for the year ended 31st May 2023.

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

Breaking Barriers was set up to support refugees into meaningful employment. The objects set out in our governing document are as follows:

- 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.

At Breaking Barriers, we deliver on our charitable objectives through our Employment and Education programmes.

Our Employment programme offers personalised one-to-one support to people of a refugee background seeking to work in the UK. We run these appointments in person, via video call or over the phone. We also work with businesses from a wide range of industries. Many of our partners offer workshops, mentoring and job opportunities to build our clients employability skills. Our academy placements offer clients 6-month paid work placements to gain invaluable skills working for a UK business.

Our Education programme focuses on two key areas we see as essential skills to build your career in the UK. The first is the English language, so we offer one-to-one or small group classes to help clients feel comfortable communicating in English. We also offer IT and Digital skills to ensure our clients can search for and apply for jobs.

Public benefit

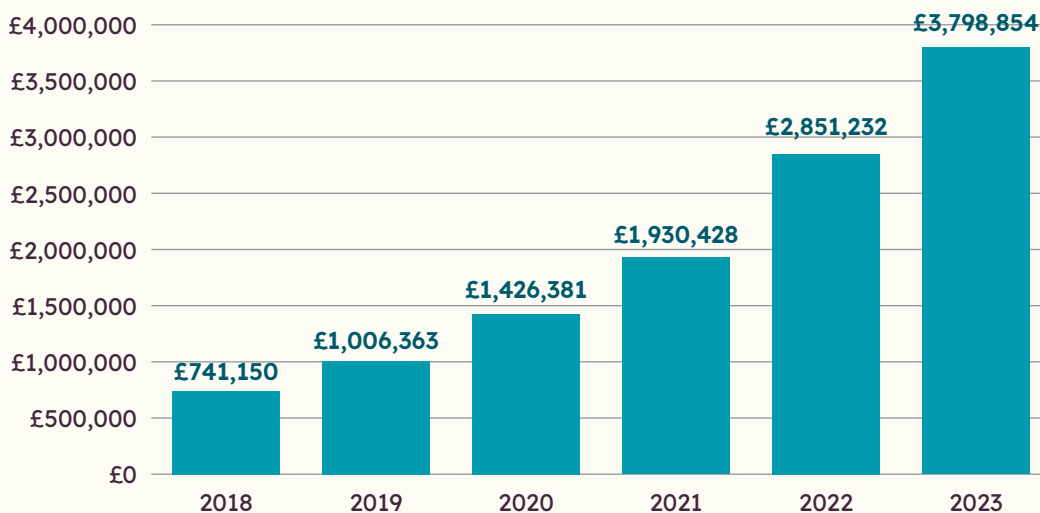
When planning Breaking Barriers' activities each year, the Trustees take due regard of the Charity Commission's general guidance on public benefit. Within the constraint of resources, and subject to any eligibility criteria for a specific service, Breaking Barriers' services, described above, are available 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 8 to 19 we outline the significant growth and achievements made over the last 12 months.

Financial Review

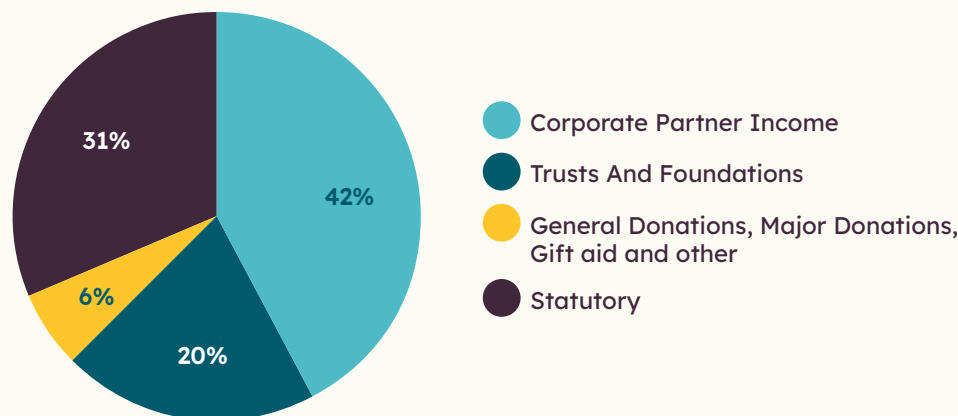
At the year ended 31st May 2023 Breaking Barriers made a surplus of £0.54m (FY22: £0.55m). These funds will enable us to expand our programmatic delivery into Liverpool and Glasgow in FY24, without impacting our reserves position in terms of months cover FY23: 3.4m (FY22: 3.80m). We had our most successful fundraising year yet, raising income of £3.8m (2022: £2.85m) which is an increase of £0.95m or 33%.



Income over time

We have a diversity of income streams, and diversity of donors within those streams. With income split as follows:

1. Statutory income including SIB £1.20m (2022: £0.89m)
2. Income from corporate partnerships including match funding £1.60m (2022: £0.92m)
3. Income from trusts and foundations including match funding £0.77m (2022: £0.83m).
4. Income from other sources including donations and gifts, makes up £0.23m (FY22: £0.17m).



Breakdown of FY23 Income by source

The growth in corporate partnership income when compared to last year (74%) is due to investments in the team enabling us to increase the number of corporate partners we work with, raise more funds and help more refugees seeking employment.

Total expenditure for FY23 was £3.26m (2022: £2.30m) which represents an increase of 42%. We expanded our teams to enable us to help more people, including our teams in Birmingham (+2) and Manchester (+8), our Data (+1) and HR (+2) teams, Corporate Partnerships (+3) and our Comms and Engagement team (+1). Expansion in these teams led to a subsequent increase in office and technology costs.

We started two projects this year that will be transformative for the organisation. The first is the implementation of a new CRM, which will house client and donor data. This project will ensure we work efficiently and effectively, with our key data stored in one place to ensure accuracy, access and compliance.

The other project relates to public fundraising, as set out in last year's Annual Report and Accounts. We started the project to understand our target audience and audience proposition, conducted client, staff and audience research and developed our creative concept and are due to start testing in the autumn of 2023.

We also ran an awareness campaign this year, in the form of a documentary where we followed five refugees as they navigate temporary accommodation, employment, love, family and education in the UK. Called 'My (Refugee) Life' and available on YouTube, the documentary sheds light on many of the misconceptions people have about the lives of refugees. Our clients were involved in the making of the film - they made up the trainee crew supporting the film and launch of the documentary, as well as 27 other clients who put themselves forward as candidates for the trainee roles or casting. The documentary was impactful, leading to high social media engagement, being covered by several national news outlets.

Expenditure on raising funds was £0.57m (FY22: £0.32) which represents 17% of total expenditure (FY22: 14%).

Reserves

At Breaking Barriers our reserves policy is to maintain a general fund which represents three months of forward expenditure. At 31st May 2023, our general fund had a balance of £1.21m, representing 3.4 months' expenditure (FY22: £0.79m representing 3.8 months' expenditure).

Going concern

The trustees have considered the charity's ability to continue as a going concern for a period of at least 12 months from the date of signing the accounts (to the period to December 2024).

Our annual budget for FY23/24 covers the period to May 2023. This set out our plans for expansion into Liverpool and Glasgow, investments in our infrastructure and bolstering our partnership work. As part of the budget setting process, we reviewed our cash flow, and set out various scenarios in terms of our fundraising success and understood what impact this would have on the organisation and its reserves. Robust monitoring is in place to ensure that we remain liquid, and currently we are able to draw down on our reserves quickly, ensuring we are able to react to a downturn immediately. Whilst the current economic climate remains uncertain, we are confident that we will be able to meet our plans.

Taking into account our current cash position, our forecast, and our principal risks, the Trustees are confident we will continue in operation and will be able to meet our liabilities when they fall due over the medium term. Therefore, the board have decided to adopt the going concern basis of accounting in preparing these financial statements.

Future plans

The need for our services is accelerating, with over 230,000 refugees in the UK and refugees 4 times more likely to be unemployed than the general population. With this in mind, and our previous strategy running its term, in FY23 we developed our 2030 goal.

By 2030 we want to:

- Support 4,000 people per year – including those facing the toughest barriers to enter the job market.
- 100% of the clients we support will move further towards meeting their goals and over 50% of these clients will go on to achieve an outcome in education, training, volunteering or employment.
- We will do this by working with sector-leading responsible businesses, being data-led and evidence based in our approach, and working collaboratively with the wider sector.
- To make this possible we will need to raise up to £14m income annually, raise public awareness of refugee needs and sustainably invest in our people and infrastructure.

Principle risks and uncertainties

The Board is responsible for ensuring that we have effective risk management and that internal systems are in place to understand our risk appetite and manage the major risks we are exposed to.

Currently the Senior Leadership Team review risks on a monthly basis, with the Finance, Audit and Risk Sub-Committee meeting on a quarterly basis to review the risk register, and the whole Board undertaking an annual review. Our key risks and their mitigations are summarised in the table below:

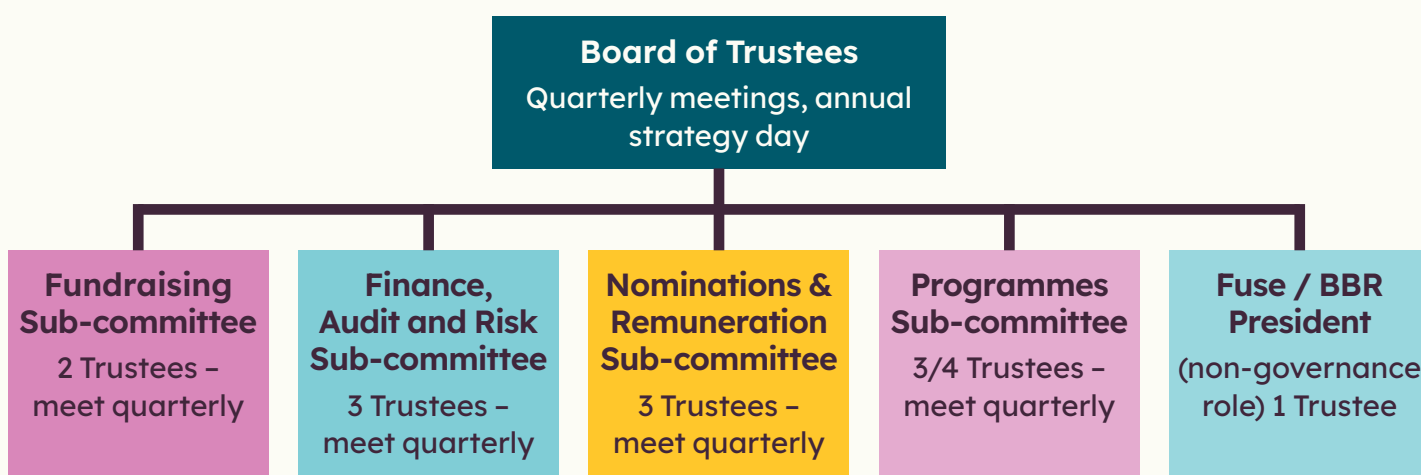
Risk	Mitigations
Risk that our income does not meet target, and this impacts our services	<ul style="list-style-type: none"> • Robust review of our income targets to ensure they are realistic • Scenario planning to understand the impact of various outcomes that are different to the agreed budget • Significant investment into public fundraising from the designated fund set up in FY22 • Diverse portfolio of donors across various businesses, trusts and foundations and statutory sources. No one donor represents more than 20% of our income • Proactive approach to building good relationships with local authorities and public bodies, to position ourselves for and develop funding opportunities across regions • Having a reserves policy and holding the planned amount of reserves, that can be utilised in a downturn

Risk	Mitigations
<p>Risk that our long term financial position is not sustainable</p>	<ul style="list-style-type: none"> • Cash flow forecasting on a monthly basis to ensure we can meet our financial obligations • Tight controls on budget, and all out of budget expenditure requiring pre-authorization from SLT and the board • Close tracking of our income pipeline and funding gap • A number of internal controls to ensure good financial governance- budgets, forecast, reconciliations, financial policies, appropriate review of salary payments etc
<p>Risk of delivering a product that doesn't meet client need or where the cost per beneficiary is unaffordable or unfundable</p>	<ul style="list-style-type: none"> • Robust review of current delivery model and development of strategic roadmap for sustainable growth • Embed good practice and change management governance controls • Further develop enhanced monitoring approach and embed continuous improvement into all service delivery • Ensure consistent delivery of best practice quality management standards and tools
<p>Risk that we do not attract and retain high performing talent and are therefore less effective</p>	<ul style="list-style-type: none"> • Considerable focus on staff engagement and retention with increase in non-monetary perks • Attrition rate monitored and staffing matters discussed at SLT and the nominations and remuneration sub-committee • Financial measures taken to support staff through cost of living crisis • Staff engagement forum and feedback loop with senior leaders • Whistleblowing policies and procedures in place • Benchmarking of benefits and packages across the sector • Robust staff appraisal processes • Training and development to support staff to build capabilities

Risk	Mitigations
<p>Risk to the safety and welfare of our clients, volunteers and staff</p>	<ul style="list-style-type: none"> • Safeguarding policy and procedure reviewed by the programmes sub-committee and approved by Board • All staff and volunteers receive safeguarding training tailored to their role; safeguarding team receives advanced training • DBS checks to be introduced for some staff/volunteer roles • Trustees provided with basic safeguarding training
<p>Risk that we suffer reputational damage as a consequence of not meeting stakeholder expectations</p>	<ul style="list-style-type: none"> • Crisis comms approach – responsibility with Head of Comms to lead formation of crisis management team and crisis training for SLT and managers • Serious incidents procedure for employees and Trustees created • SLT trained on due diligence processes • Communication and training of serious incidents procedure for all staff • Gift acceptance policy and due diligence process for other partners in place • Serious Incidents procedure reviewed annually by CEO so that new staff receive training as part of their induction and all staff are updated/trained on any changes which come out of annual review

Structure, governance and management

The charity is governed by a Board of Trustees who oversee the strategy, direction, performance and risks of the organisation. They do this by approving budgets, operational plans and key organisational policies. They also review our financial performance, risk register, fundraising income and portfolio of donors, our impact data and feedback from beneficiaries.



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 to 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.

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.

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.

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.

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, level of individual responsibility and external benchmarking.

Responsible Fundraising Statement

Breaking Barriers has a deliberately diverse portfolio of donors, of which no donor represents more than 20% of our income. 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. Currently, income is sourced from businesses, statutory sources, charitable trusts and foundations, and individuals (through the promotion of one-off and recurring gifts, legacies, and independent fundraising activities.)

Towards the end of FY22 we commissioned an independent study to review further diversification of fundraising streams for Breaking Barriers. This review will be complete in early FY24.

The trustees chose 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 does not currently employ any commercial participators. In FY23 we employed one professional fundraiser whose contract required them to adhere to Breaking Barriers values and practices in relation to fundraising activity. Their fundraising activities were directly supervised by the Director of Development, who reviewed fundraising proposals and participated regularly in the fundraiser's external meetings.

We are registered with the Fundraising Regulator and ensure that we adhere to the standards set out in the Code of Fundraising Practice. We are committed to treating everyone fairly and with respect. We take privacy seriously and are transparent about how we collect, store and use personal data to ensure that our supporters trust us and feel part of our community. Full details of our approach to personal data use can be found in our Privacy Policy on our website.

In 2022/23 we received no complaints directly related to our fundraising practices. We provide details on how to contact us, including our complaints policy and procedure on our website.

‘Safety and safeguarding risk’ statement

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.

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 and Scotland 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, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 Charitable Incorporated Organisation (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 re-appointed as the auditors of the charity and have expressed their willingness to continue in that capacity.

The trustees’ annual report has been approved by the trustees on 5 December 2023 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 2023 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 2023 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 and Trustees Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and 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 (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 require 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. 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 Part 4 of the Charities (Accounts and Reports) Regulations 2008, and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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: 5 December 2023

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 2023

	Note	Unrestricted £	Restricted £	2023 Total £	Restated 2022 Total £
Income from:					
Donations	3	1,317,163	1,096,378	2,413,541	1,679,655
Charitable activities	4	637,402	740,196	1,377,598	1,094,731
Other trading activities		7,715	-	7,715	76,846
Total income		1,962,280	1,836,574	3,798,854	2,851,232
Expenditure on:					
Raising funds	5	(478,945)	(90,219)	(569,164)	(321,077)
Charitable activities	5	(1,150,870)	(1,543,140)	(2,694,010)	(1,976,496)
Total expenditure		(1,629,815)	(1,633,359)	(3,263,174)	(2,297,573)
Net income and movement in funds	6	332,465	203,215	535,680	553,659
Reconciliation of funds:					
Total funds brought forward		993,078	360,228	1,353,306	799,647
Total funds carried forward	13	1,325,543	563,443	1,888,986	1,353,306

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 prior period comparative income has been restated between income from donations and charitable activities. There is no change to total income, or net movement in funds.

Consolidated Balance Sheet

For the year ended 31 May 2023

	Note	2023 £	2023 £	2022 £	2022 £
Current assets:					
Debtors	9	548,882		438,766	
Cash at bank and in hand		1,567,016		1,115,558	
		2,115,898		1,554,324	
Liabilities:					
Creditors: amounts falling due within one year	10	(226,912)		(201,018)	
			1,888,986		1,353,306
Net current assets					
			1,888,986		1,353,306
Funds					
Restricted funds	13		563,443		360,228
Unrestricted funds:					
Designated funds		117,475		200,000	
General funds		1,208,068		793,078	
Total unrestricted funds			1,325,543		993,078
			1,888,986		1,353,306

Approved by the trustees on 5 December 2023 and signed on their behalf by:

James Newell

James Newell, Chair of Trustees

The attached notes form part of these financial statements.

Charity Balance Sheet

For the year ended 31 May 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets:					
Investment	17		1		1
Current assets:					
Debtors	9	565,361		497,479	
Cash at bank and in hand		1,552,551		1,107,865	
		2,117,912		1,605,344	
Liabilities:					
Creditors: amounts falling due within one year	10	(226,548)		(252,039)	
Net current assets			1,891,364		1,353,305
Total net assets			1,891,365		1,353,306
Funds					
Restricted funds			563,443		360,228
Unrestricted funds:					
Designated funds		117,475		200,000	
General funds		1,210,447		793,078	
Total unrestricted funds			1,327,922		993,078
Total funds			1,891,365		1,353,306

Approved by the trustees on 5 December 2023 and signed on their behalf by:

James Newell

James Newell, Chair of Trustees

The attached notes form part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 May 2023

	2023 £	2022 £
Cash flows from operating activities:		
Net cash provided by / (used in) operating activities	535,680	553,659
Increase in debtors	(110,116)	(277,776)
Increase / (decrease) in creditors	25,894	(119,595)
Net cash provided by operating activities	451,458	156,288
Cash and cash equivalents at the beginning of the year	1,115,558	959,270
Cash and cash equivalents at the end of the year	1,567,016	1,115,558

Breaking Barriers 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 2023

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 in 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (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 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 services is deferred until the criteria for income recognition are met.

Income from donations and legacies are gifts from individuals, charitable trusts, corporate partners and other donors that are either unrestricted, restricted to core purposes or general organisational targets.

Income from charitable activities is defined as income given for discrete services or the achievement of specific outcomes.

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 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.

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 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 on the basis of staff time as set out in note 5 to the accounts.

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.

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.

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.

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.

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 different activities and funds.

Note 2 Detailed comparatives for the consolidated statement of financial activities (restated)

	2022 Unrestricted	2022 Restricted	2022 Total
	£	£	£
Income from:			
Donations and legacies	470,261	1,209,394	1,679,655
Charitable activities	283,651	811,080	1,094,731
Other trading activities	76,846	-	76,846
Total income	830,758	2,020,474	2,851,232
Expenditure on:			
Raising funds	(210,290)	(110,787)	(321,077)
Charitable activities	(222,804)	(1,753,692)	(1,976,496)
Total expenditure	(433,094)	(1,864,479)	(2,297,573)
Net income and movement in funds	397,664	155,995	553,659
Total funds brought forward	595,414	204,233	799,647
Total funds carried forward	993,078	360,228	1,353,306

Note 3 Income from donations

	Unrestricted 2023	Restricted 2023	Total 2023
	£	£	£
Corporate partners	923,060	533,574	1,456,634
Trusts and Foundations	227,614	505,633	733,247
Donations	141,466	57,171	198,637
Donated gifts and services	25,023	-	25,023
	1,317,163	1,096,378	2,413,541

Donated gifts income relates to IT hardware. Donated services income relates to Benefit in Kind for office space and classrooms for Education classes.

Prior period comparative

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £
Corporate partners	329,406	568,077	897,483
Trusts and Foundations	72,765	587,039	659,804
Donations	68,090	24,518	92,608
Donated gifts and services	-	29,760	29,760
	470,261	1,209,394	1,679,655

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

Note 4 Income from charitable activities

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £
SIB contract	629,262	-	629,262
Statutory grants	-	565,196	565,196
Matched funding grants and other charitable activities	8,140	175,000	183,140
Total income from charitable activities	637,402	740,196	1,377,598

In 2023 the charity received government grants, defined as funding from the National Lottery Community Fund to fund charitable activities. The total value of such grants in the period ending 31 May 2023 was £10,000. In the prior year, £23,257 was received from HMRC under the Coronavirus Job Retention Scheme. There are no unfulfilled conditions or contingencies attaching to these grants in the current or prior year.

Prior period comparative

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £
SIB contract	265,132	-	265,132
Statutory grants	1,000	621,080	622,080
Matched funding grants and other charitable activities	17,519	190,000	207,519
Total income from charitable activities	283,651	811,080	1,094,731

Note 5 Analysis of expenditure

	Cost of raising funds £	Charitable activities £	Support £	Governance £	2023 Total £
Salary costs	(378,403)	(1,965,768)	(195,544)	-	(2,539,715)
Work and delivery space	(9,270)	(125,316)	(26,884)	-	(161,470)
Client and Volunteer costs	-	(6,855)	-	-	(6,855)
Outreach and Events	(4,168)	(53,639)	(3,856)	-	(61,663)
Technology	(11,187)	(177,969)	(13,194)	-	(202,350)
Consultancy	(107,088)	(18,809)	(7,245)	-	(133,142)
Professional fees	(3,331)	(13,646)	(8,875)	(12,200)	(38,052)
Staff costs e.g. travel, development, recruitment and welfare	(5,349)	(70,097)	(13,649)	-	(89,095)
Grants	-	(19,369)	-	-	(19,369)
Other	(925)	(8,517)	(2,021)	-	(11,463)
	(519,721)	(2,459,985)	(271,268)	(12,200)	(3,263,174)
Support costs	(47,315) 17%	(223,953) 83%	271,268	-	-
Governance costs	(2,128) 17%	(10,072) 83%	-	12,200	-
Total	(569,164)	(2,694,010)	-	-	(3,263,174)

Note 5 Analysis of expenditure – prior period comparative

	Cost of raising funds £	Charitable activities £	Support £	Governance £	2022 Total £
Salary costs	(237,126)	(1,400,305)	(212,427)	-	(1,849,858)
Work and delivery space	-	(63,071)	(63,260)	-	(126,330)
Client and Volunteer costs	(37)	(8,720)	-	-	(8,756)
Outreach and Events	(861)	(17,884)	(9,216)	-	(27,961)
Technology	(17,511)	(106,026)	(25,657)	-	(149,194)
Consultancy	(4,651)	(3,980)	(3,058)	-	(11,690)
Professional fees	(1,661)	(4,391)	(9,668)	(10,800)	(26,520)
Staff costs e.g. travel, development, recruitment and welfare	(8,029)	(39,862)	(27,815)	-	(75,705)
Grants	-	(12,917)	-	-	(12,917)
Other	(51)	(4,022)	(4,569)	-	(8,642)
	(269,927)	(1,661,177)	(355,670)	(10,800)	(2,297,573)
Support costs	(49,643)	(306,027)	355,670	-	-
	14%	86%			
Governance costs	(1,507)	(9,293)	-	10,800	-
	14%	86%			
Total	(321,077)	(1,976,496)	-	-	(2,297,573)

Note 6 Net income / (expenditure) for the year

This is stated after charging / (crediting):	2023 £	2022 £
Operating lease rentals:		
Property	(130,088)	(76,320)
Auditor's remuneration:		
Audit fees	(12,220)	(10,800)
Accountancy services	(536)	-

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

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	2,257,179	1,653,101
Social security costs	237,532	168,048
Employer's contribution to defined contribution pension schemes	45,004	28,709
	2,539,715	1,849,858

The key management personnel of the charity comprise of the Trustees, Chief Executive Officer, Director of Development, Director of Finance, Chief of Staff, Director of Programmes, Director of Communications and Engagement.

The total employee benefits including pension contributions of the key management personnel were £433,896 (2022: £377,787).

The charity trustees were not paid or received any other benefits from employment with the charity or its subsidiary in the year (2022: £nil) neither were they reimbursed expenses during the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

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

	2023 No.	2022 No.
£60,000 - £69,999	1	-
£70,000 - £79,999	-	-
£80,000 - £89,999	1	1
£90,000 - £99,999	-	

Staff numbers

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

	2023 No.	2022 No.
Raising funds	5	6
Charitable activities	61	44
	66	50

Note 8 Taxation

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

Note 9 Debtors

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	75,106	16,007	73,186	-
Other debtors	37,488	29,599	37,489	29,599
Prepayments	43,903	5,376	43,903	5,376
Amounts owed by group undertakings	-	-	18,398	74,720
Accrued income	392,385	387,784	392,385	387,784
	548,882	438,766	565,361	497,479

Note 10 Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Taxation and social security	(104,809)	(57,734)	(104,795)	(112,639)
Accruals	(34,507)	(42,117)	(34,157)	(40,317)
Deferred income	(3,825)	(51,033)	(3,825)	(48,949)
Other creditors	(83,771)	(50,134)	(83,771)	(50,134)
	(226,912)	(201,018)	(226,548)	(252,039)

Deferred income

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Balance at the beginning of the year	(51,033)	(197,851)	(48,949)	(160,351)
Amount released to income in the year	47,208	148,901	45,125	111,402
Amount deferred in the year	-	(2,083)	-	-
Balance at the end of the year	(3,825)	(51,033)	(3,825)	(48,949)

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

Note 11 Pension scheme

Breaking Barriers has a defined contribution scheme operated by NEST.

Note 12 Analysis of net assets between funds

	2023			
	General Unrestricted	Designated	Restricted	Total funds
	£	£	£	£
Net current assets	1,208,068	117,475	563,443	1,888,986
Net assets at the end of the year	1,208,068	117,475	563,443	1,888,986

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

Note 13 Movements in funds

	At the start of the year £	Income £	Expenditure £	Transfers £	At the end of the year £
Restricted funds:					
Integration Activities – Employment (a)	285,854	1,359,529	(1,294,851)	-	350,532
Integration Activities – Education (b)	5,402	107,599	(91,814)	-	21,187
Integration Activities – Volunteering (c)	-	66,638	(39,199)	-	27,439
BB Grants (d)	2,878	46,190	(6,122)	-	42,946
Thought / Action leadership (e)	20,217	-	(20,217)	-	-
D&I (f)	1,296	-	(1,296)	-	-
Lived Experience (g)	-	40,000	(7,591)	-	32,409
Other (h)	44,581	216,618	(172,269)	-	88,930
Total restricted funds	360,228	1,836,574	(1,633,359)	-	563,443
Unrestricted funds:					
Designated funds	200,000	-	(82,525)	-	117,475
General funds	793,078	1,962,280	(1,547,290)	-	1,208,068
Total unrestricted funds	993,078	1,962,280	(1,629,815)	-	1,325,543
Total funds	1,353,306	3,798,854	(3,263,174)	-	1,888,986

Purposes of restricted funds

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

(a) Employment integration activities seeks to upskill clients for employment through one-to-one information, advice and guidance sessions. This has been offered in three locations in FY23 and from FY24 two further regional locations along with a pilot for Local/Rural to reach clients remotely.

(b) Education integration activities supports clients to increase employment prospects with English language classes and training.

(c) Volunteering activities across our programmatic areas supports the work of Breaking Barriers in delivering specialist skills and support.

(d) BB Grants provide opportunities for Breaking Barriers client's to apply for individual funding aligned with specialist skills or to take part in courses for qualifications to help progress and/or re-establish careers.

(e) Thought/Action leadership from FY24 is integrated alongside programmatic delivery and data/impact measurement.

(f) We have implemented D&I alongside our strategic work and across the organisation to positively impact the quality of support for refugees and those of refugee background in the sector as a whole.

(g) In FY24 we are looking to enrich our offering to clients with a Lived Experience Panel. Individuals have been selected who will bring a wealth of lived experiences and unique perspectives to inform and advise our work.

(h) Other funds represent contributions to other projects not covered above, such as Digital and Technology in terms of our CRM implementation, sponsorship of staff at Breaking Barriers by other organisations, and income for our documentary which took a look at 5 refugees and how they rebuilt their lives in the UK in part through finding education and employment offering.

General Funds: Breaking Barriers’ reserves policy is to hold approximately three months of total expenditure. At the year-end, General Funds stood at £1,208k (2022: £793k) representing approximately 3.4 months’ expenditure.

Designated Funds: In 2023 £117,475 remained of the designated fund from FY22 these were for the purpose of diversifying income streams to meet future growth. This strategic work will be progressed in FY24. There were no additional designated funds started in FY23.

Acknowledgements: During the year BB received grants from City Bridge Trust – £40k towards our Employment Programme in London, East End Community Foundation – £10k towards our Employment Programme in London, Garfield Weston Foundation – £20k towards our Employment Programme London, Fidelity UK Foundation – £65k towards infrastructure costs to support our expansion, Said Foundation – £5k towards our Education programme, CareTech Foundation – £40k towards our Employment Programme London, Clothworkers Foundation £34k towards infrastructure costs associated with expansion.

Note 13 Movements in funds

Prior period comparative

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

Note 14 Operating lease commitments

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

	Property 2023	Property 2022
	£	£
Less than 1 year	93,630	50,880
1 – 5 years	-	-
	93,630	50,880

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. The charity registered with the Scottish Charity Regulator during the year as the charity expanded its services to Glasgow.

Note 16 Related party transactions

During the year we received a donation of £75k from the Apax Foundation (FY22: £75k), our Trustee Andrew Waidhofer is Vice President of Apax Partners. We also received £80k (FY22: £80k) from BNY Mellon where our Trustee Hani Kablawi is on the leadership team.

At the end of the year, there was no provision raised in the parent charity's accounts in relation to the BB Trading's use of shared resources (FY22: £1.2k) and amounts owed to the charity at year end totalled £18.3k (FY22: £74.7k)

Note 17 Subsidiary undertakings

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:

Entity	Type	Nos. of shares	Value	Interest
Breaking Barriers Trading Ltd	Ordinary	1	1	100%

	2023 £	2022 £
Turnover	7,715	79,633
Cost of sales	(9,941)	(38,771)
Gross profit (loss)	(2,226)	40,862
Administrative expenses	(151)	(3,934)
Operating profit (loss)	(2,377)	36,928
The aggregate of the assets, liabilities and funds was:		
Assets	16,385	79,406
Liabilities	(18,762)	(79,406)
Funds	(2,377)	-

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

Note 18 Parent charity

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

	2023 £	2022 £
Gross income	3,791,140	2,776,465
Results for the year	538,058	516,731

Reference and administrative information

Trustees

	Appointed	Resigned	Role
Ian Chard	Oct-16	Dec-22	was Treasurer
Sajid Hussein	Oct-16	Dec-22	
Rachel Harrington	Aug-17		
James Newell	Jun-18		Chair
Hani Kablawi	Jul-20		
Julia Onslow-Cole	Jul-20		
Prudence Mwanza	Sep-20		
Andrew Waidhofer	Feb-21		
Katie Rickard	Mar-21		
Lena Sabbagh	Mar-22		
Lou Calvey	Jun-22	Apr-23	
Kelly Maklowicz	Jul-22		
Barbara Serra	Jul-22		
Helen Downie	Aug-22		Treasurer
Jonas Huruy Kidane	Oct-22		

CEO: Matthew Powell

Charity number: 1161901

Breaking Barriers is also registered as a charity with the Office of the Scottish Charity Regulator (OSCR) number SC052265

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.

