



Annual Report

For the year ending 31st March 2018

Charity No. 211850
Registered No. 20080

TOYNBEE
HALL



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Foreword by Julian Corner, Chair of the Board of Trustees

As Chair of Trustees, I would like to start by sincerely thanking the staff, volunteers, trustees, community members, supporters and funders who have together made such a vital contribution to this pivotal year in Toynbee Hall's history.

Our new CEO Jim Minton started this year and has made a huge difference already. I have been inspired to see him and his team drive forward our redevelopment work and wider strategy with both tenacity and humanity. Jim brings a wholehearted commitment to our mission to support people and communities to break down the barriers that keep them in poverty. The team is making considerable strides in instilling the value of coproduction into our services and influencing work. Increasingly, we are working with, for and alongside our communities.

The issues that people bring to our advice sessions – in work poverty, lack of access to justice, spiralling debts – are all set to grow yet further. We continue to meet this urgent need while acting as a catalyst for social change. This latter role is more vital than ever as Brexit, universal credit and increasingly unstable housing and employment sectors leave people feeling disempowered, isolated and unsure of where to turn. Despite the challenges, we are driven by a positive vision for East London and hope this positivity can encourage solidarity, connection and agency among those we serve.

Many of the issues people face originate beyond the boundaries of East London, in the actions of wider systems. So although our starting point is necessarily the reality of people's immediate experiences, our responsibility extends much further to shaping and influencing change in practice and policy. At the level of practice, for example, we are proud to act as an enabler and facilitator within Tower Hamlets and to collaborate with other charities across London on debt, financial inclusion and wellbeing work.

Our policy work continues to draw on the learning and evidence gained at the frontline, thereby creating a platform for the voices of people and communities with whom we work. This has been seen, for example, in partnerships with Lloyds Bank on financial inclusion, Barclays on support for credit unions and the Mayor of London on an investigation into London's financial health by London Assembly members.



Finally, I'd like to highlight a key success this year with our Community Money Mentors programme, which shows how important and effective it can be to share power with those who use our services. The programme is a drive to empower people to take control of their finances and act as trusted sources of financial advice for their communities. It has grown from a small pilot in Tower Hamlets in 2012 to reach now across London. In 2017/18 we reached the milestone of 20,000 people benefiting from money management support since the programme started, and we took the next step of training a cohort of graduates to deliver the course themselves, creating the next generation of Money Mentors. We are grateful to our supporters at Big Lottery Fund, JP Morgan and Nesta for enabling this.

Toynbee Hall is now reaching the culmination of a long and challenging journey. We are able to look forward in 2019 to the completion of our home, which will allow us both to deliver our services and inspire a new generation of change makers within a beautiful and fit for purpose setting. We are determined that returning to our rejuvenated site will create fresh impetus for our work at just the point it is needed most. Our vision is of a place where, once again, people from very different backgrounds and experience can meet to forge connection, friendship and common cause in the fight against poverty. We hope that you will continue to support us as this new chapter opens.

Julian Corner

Vision, Mission and Values

We work to tackle the causes and impacts of poverty on people and communities, here in East London, and further afield.

Based in the East End since 1884, we offer high quality, timely services, informed and shaped by the people and communities we work with.

Toynbee Hall's vision is of a future free from poverty.

Our mission is to support people and communities to break down the barriers that trap them in poverty.

We are:

Bold

We act with ambition, integrity and with the courage of our convictions, using evidence-based social action to shape what we do and give us an authoritative voice to challenge, influence and make a difference.

Enquiring

Inquisitive and collaborative, we seek out relationships with people, communities and partners to develop, as well as to share our knowledge and understanding; facilitating and supporting them to design their own solutions to tackling poverty.

Open

We are open-minded, inclusive and transparent; learning from what we do; seeking fresh and alternative perspectives to shape and influence our practice.

Strategic Report

2017-18 was another busy year for Toynbee Hall and a time of significant change, including at the very top of the organisation. We said goodbye to highly valued and long serving CEO Graham Fisher and welcomed in first Shan Nicholas, interim CEO, and then Jim Minton as the permanent Chief Executive in October 2017. We have also continued to redevelop our space and assets, progressing throughout the year on the redevelopment of our historic halls, and the building of new space for our services and for revenue generation in the land adjacent..

We've continued to develop our work to engage and empower people and families in East London to break free from the barriers of debt and low income; and to strengthen the community around us, surfacing, shaping and promoting new ideas as to how to meet our mission which is to bring poverty to an end.

During the year we have refreshed and clarified our strategic aims, creating a new operating plan for 2018/19 which reflects these:

1. More people are empowered to find routes out of poverty through high quality services which they help design.
2. Local and national policy and practice on poverty and inequality are better informed by the direct experience of the people we work with.
3. A vibrant new space is brought to life in our restored home, engaging the community in our heritage, and building an income stream from our commercial operations to sustain us into the future.
4. Underpinning this we will: ensure we are financially stable, well-funded and efficiently run; and support and develop our team of great people and volunteers.



These aims are built upon our experience and impact to date, and so in reporting on our activities and impact during 2017/18 they are helpful frames through which to show what has been achieved, and reflect upon what we have learned. As a result of our work in 2017/18:

1. More people are empowered to find routes out of poverty through high quality services which they help design

This covers our activities delivering debt advice, directly and through the Capitalise partnership across London; our specialist advice services; our Free Legal Advice Centre; our Wellbeing Centre and Linkage Plus Partnership supporting services for older people across Tower Hamlets; our youth programmes; and Money Mentors, our financial capability programme.

“I started out as a Money Mentor at a point in my life when my financial future had become unclear. I went from being employed full-time to being made redundant and losing my job. As a parent to two young children this was particularly worrying and the financial strain did eventually effect my health. On the Money Mentors course I learnt basic money management skills, budgeting, supermarket tricks, and how to do an income and expenditure calculation, which greatly improved my confidence and gave me the ability to better control not only my finances but my life too.

Money Mentors gave me the passion to share my knowledge with family and friends and help them improve their own situations. Since successfully completing the Money Mentors course I have gone on to do advice work with charities in my local community and achieved a qualification in Information, Advice or Guidance. Then this summer, Toynbee Hall gave me the opportunity to train to become a Money Mentor trainer myself. I recently started teaching my own class and I have ten learners all with different skills and abilities who are currently midway through their qualification. I can already see a few learners who have the potential to become future Money Mentors trainers themselves!

Toynbee Hall has given me an amazing chance; independence, confidence, resources and the ability to teach Money Mentors. I love the challenges and experience I am gaining as new Money Mentor Trainer. My confidence and self-belief in being an AMAZING TRAINER is thanks to Toynbee Hall and my learners. This is a brilliant project, well invested in changing the future of the local community and helping those that need the support and help most. It's helping them to help themselves and extend that help to the wider community too!”

Jemimah, Money Mentor and Money Trainer, Tower Hamlets

Support to manage debt

We continue to deliver high quality, open access face to face debt advice, every weekday from our Advice Centre in East London. Last year we worked with over 2,000 people, and helped the vast majority of them to develop a plan to deal with their debts and begin to improve their finances. During 2017/18 we began some exciting work to build the quality of the service, particularly through listening to the voices of those people who had experienced debt and received debt advice.

Our Fair Finance panel, of 23 local people, helped develop Seven Principles of Trustworthy Debt Advice, which we are now embedding in our services. We have also progressed on embedding support on financial capability into our service, and intend to develop this work with other partners in 2018. The Capitalise Partnership operates across all 31 London Boroughs, with a mix of community based organisations providing face to face and telephone advice to Londoners. In 2017/18 the partnership worked with 23,626 people; exceeding the targets set for us by the Money Advice Service, who fund our work. We know that debt and financial insecurity are major issues for far too many Londoners, and Capitalise only meets a small proportion of the need. So over the next year, we will be working with MAS and our partners to focus on some key groups with particular vulnerabilities; and to extend the reach of the service through phone and extended online support. We'll also be continuing the work of the Fair Finance panel, building in a stronger element of co-production as we continue to enhance quality. We want over time to develop a model which others can replicate for high quality debt advice, driven by the expectations and input of those who use the service, with financial health embedded into delivery. In this way we hope we can continue to move away from short term, sticking plaster support to longer term and more effective and empowering work with people facing debt.



“Like everyone in the Panel, I have personal experience of debt. For over 4 years now, I have battled with debt from credit cards and loans. Dealing every day with calls, letters and bills put me in constant panic mode. My minimum repayments meant that I was struggling to survive. Things got so bad that I finally had to admit to myself that my situation was very serious and that I needed help.

The advice I received changed my life. Imagine my relief when I was barely a month into my debt management plan and suddenly free of hassle.

But it wasn't seamless. In fact, sometimes advisors promised things they couldn't deliver, or didn't follow up in the way they said they would. Trust is so important when seeking advice, and small things make a difference between trusting a service and persevering with a course of action and losing faith and giving up.”

Suresh, Member of the Fairer Finance Panel

Access to justice

Our Free Legal Advice Centre last year gave 976 people access to justice that they might never have had, 83% of those clients would use the Free Legal Advice Centre again, if they had another issue. Post Brexit we have seen a steady increase in immigration enquiries, and often linked to concerns about job security. Personal debt, council tax and housing issues also continue to be significant challenges, as do relationship issues. Our partner law firms continue to provide incredible support for FLAC, financially and through pro-bono work. The Saturday morning women only clinic is a valuable resource in the local community, and during 2018 we have plans to develop our digital offer, as we prepare to celebrate 120 years of continuous service through FLAC.

Mr B approached us to receive advice with regards to a faulty car he bought from a dealership.

According to Mr B, the car had several faults that he was not notified off before the sale and had broken down after its initial use. Mr B attempted to contact the dealership he bought it from, but was unsuccessful.

After taking the car to a garage and being notified that a significant amount of money would need to be spent to repair it, Mr B attempted to contact the original dealership. Frustrated and in need of assistance, Mr B attended Toynbee Hall for advice.

Mr B was advised on his consumer rights. He has since reported that the service he received was exceptional; it was practical, free, and delivered in a professional manner. Mr B stated that he would use the service again.

Mr B, Free Legal Advice Centre Client

Support to City of London residents and workers

Our dedicated advice service for people who live, work or study in the City of London, City Advice, provides a specialist Spanish language advice service which is invaluable to the many Latin American and European low paid ancillary workers in the square mile. In 2017/18 we moved to one single centralised phone number for all enquiries. We've also increased our presence in the Square Mile by adding more, regular advice surgeries including here at Toynbee Hall and by doing so, have become more responsive to people who need the service.

We also work to reduce social isolation among City of London residents and encourage them to live and age well. We help to provide access to more opportunities to socialise and be supported through external services such as a carers service and a memory group for people who are concerned about losing their memory.

“Having advisors on my side really helped when I was fighting to get my benefits reinstated. I knew all along I was in the right – but that didn’t mean the decision would go my way. Toynbee Hall were really determined and creative with helping me fight, and in the end the judge decided that I had been a victim of indirect discrimination.”

Arthur, City Advice Client

Welfare Rights Advice for cancer patients - in partnership with Macmillan

Our advice line for cancer sufferers, funded by MacMillan, provides essential welfare benefits advice to some of the most vulnerable people in East London, and during 2017/18 we were pleased to have had our contract renewed and extended to build on the success of the partnership to date.

We have cemented our presence at the Royal London Hospital by placing an advisor in the hospital. We feel it's vitally important to embed our advice service into hospitals to provide support in the most difficult circumstances at the convenience of the client. As a result, the number of people with a cancer diagnosis that we have received benefits advice, has increased from 766 to 839.

Sadly, some of our clients lose their battle with cancer. It is vital that we ensure no-one is worrying about their finances in the last stages of their life.

“The last 6 months have been incredibly difficult but me & Chris were so grateful for all the care and advice we received from all NHS staff but particularly Macmillan.

Applying for benefits was very difficult for Chris to the point where he almost didn't try. Meeting you & Dylan (Toynbee Hall's Macmillan Welfare Rights advisors) made things so much easier and helped reassure him that he was entitled and should not give up.

I can't thank you enough for your support and I know Chris felt the same.

It truly is a remarkable service you provide for people at their most vulnerable and scared. So, thank you again.”

The Widow of a Macmillan client

Empowering older people in the community

During 2017/18, through our Linkage Plus programme, and our Wellbeing Centre, we have put the people who use our services at the heart of their design. The older people who come to our centre are now very much in the lead –deciding on and running their own activities; bringing in and welcoming new users; and forming partnerships within the community.

This year we've extended opening hours to some evenings and every Saturday; extended the opportunities offered in our Wellbeing Centre – based on what the Centre users have asked for – and now host dance, yoga and other exercise classes. The users have established a thriving craft group, using locally sourced materials to create clothing, decorations and tableware. In total we ran 786 different sessions with more variety to ensure that there's something for everyone, with 6910 attendances across the year. We also provided 895 hot meals at our Lunch Club.

Across the Linkage Partnership we've begun to replicate this work, supporting the borough wide Older Peoples' Reference Group to begin to shape priorities across Tower Hamlets. And we've brought our wellbeing services and research and learning work much closer through the Participatory Research project on older people's services which we have been running through the year, empowering more people to make positive choices about their lives and embedding a co-production model in our direct services.

In a first for Toynbee Hall, a diverse group of 20 local people aged 50 and over who were trained and supported to interview, survey, research and analyse the needs of the older people in Tower Hamlets. As a result they interviewed and surveyed 500 older people living around them in the local communities. In 2018 they then published their findings in the final report, "You don't really know people till' you talk to them".

"I have increased my confidence through this project. Now I am usually the first person to do something. My family are very proud of me.

I have also learned a lot about old people's needs and what kind of problem they are getting. Many people are scared to go out from the house, and many people, they haven't got the knowledge where to go. So this is eventful for me. Although I encourage them come and do this, come and do that they are so scared to come out of the house and they are scared walking on the road."

Primla Bhambri, Participatory Action Researcher and Wellbeing Centre Board Member





“When I first started, I didn’t know what to expect, I was a bit dubious about it. It was a lot of exercise but also a lot of energy and creativity – everybody could join in and feel part of it. It helped me with my co-ordination, letting myself go and being able to do it. The ballet was the fun part! I wasn’t able to look up when I walked about. I found that difficult. It had become a habit. It showed me things that was important – when I walked around in the hostel I used to walk around with my head down and they told me it wasn’t good to do that.

I do look up more now and it helps me to engage with people. I’m finding out more about myself, who I am and the dancing has been something I’m naturally interested in. There’s a lot of energy and joy in the dancing especially when we do the Irish stuff!”

Michael, regular attendee of our older people’s dance session

Our work in the community

We reached the milestone in 2017/18 of over 20,000 people benefiting from financial management support since our Community Money Mentors programme began in 2012. This figure represents the number of people that our trained Community Money Mentors have shared financial knowledge with in their communities.

Money Mentors supports individuals who have had financial challenges themselves, been able to overcome them, and then learned to use their skills to support their friends, neighbours and peers to make good choices around money. The learning from this work has helped us build new partnerships – deepening our understanding of the drivers of debt and the barriers to financial health. And it has created a cadre of socially active and passionate trainers, engaged with local community organisations and really driving change within their communities.

This year 440 people became accredited Money Mentors as we aim to build their network across London. Overall, knowledge of financial products and services, such as credit options and energy tariffs, increased by at least 40%. The Money Mentors taking part in the focus groups acquired new knowledge on consumer rights and increased awareness of non-essential spending. We know how important saving is, to provide a safeguard should something unexpected happen and we’ve seen real evidence that this project helps participants to improve their savings habits as the number of Money Mentors who do put something away into their savings jumped from 40% before starting the course, to 86% after completing the course.

For the first time this year, we ran a Senior Money Mentors Course, especially designed for older people. Acquiring financial skills is important for older people. Although compared to the overall population, older people tend to save more and manage their money better, but face specific issues including digital

exclusion, lack of planning for long-term care, reluctance to talk about money, and significant decline in financial skills and knowledge with age. This specialised programme for older people differs from the traditional Money Mentors course, by focusing more on managing finance through key life events and guarding against financial scams.



I am more careful now better than before, more confident I've done one course, I've done two and I'm doing the third one. I mean I got confidence now. Before I was thinking I can't do it. Now I want to take part and if I'm not very good in internet or something, like telephone as well, the mobile, I want to learn it now. I want to do more."

Tracy, Senior Money Mentor

Our Young People's programme, Make it! expanded to working with 6 schools, across Tower Hamlets, Newham and Camden, engaging small groups of 12-14 year olds in a wide range of confidence building and personal development activities. In 2017/18 the children embarked on an ambitious and exciting social action project: identifying a lack of space for adventurous activities, they decided to create a cave system which would be open to all children in Tower Hamlets. Supported by our team, they crowd-funded the money for the new cave, and then with partners built and opened the facility within Mile End Urban Adventure Park. This project not only taught the participants a range of new skills and helped form new friendships, but it also created a more inspiring play space and a legacy that will be to the benefit of the community.

During 2018 we will be looking at how we work with young people and ensure that they have the best chance to succeed in Tower Hamlets, playing our part with other partners across the community and building on the success of four years of the Make it! programme.



2. Local and national policy and practice on poverty and inequality are better informed by the direct experience of the people we work with

This covers our learning, policy and research work, as well as how we seek to shape practice.

“The most significant change that has made a big difference to my mind-set as a result of the Money Mentor programme is when I completed and reflected on the weekly spending diary. During week two I started to record my spending each day, my receipts of everything I had spent was collected as evidence.

I then divided the listed things into ‘needs’ and ‘wants’ to assess whether there was scope to start to save money for an emergency fund. When I subtracted my expenditure from my income I was able to cut back on my food budget by £5.10 a week.

Now I am successfully saving money into a piggybank to go towards my emergency fund. My emergency fund will cover me for things like unexpected bills and repairs to household items. I now feel confident to share all I have learnt on the Money Mentor programme from my tutor to my family, friends and community.”

Patricia, Money Mentor, Hammersmith

During 2017/18 we've had a busy research and learning agenda, with a strong focus on financial health, but also on the broader policy and inequality agenda. In 2017 we worked with Caroline Russell AM and other London Assembly members to shape the analysis and inform recommendations of the Short Changed Report, into London's Financial Health, published in January 2018. The insights we provided are based on both the technical expertise of our team in relation to financial health, and more importantly, long experience of working with individuals and communities facing financial exclusion.

We convene the 500 strong network which makes up the Financial Health Exchange, and our Director of Policy, Sian Williams, is a member of the Financial Inclusion Commission and during the year joined as an adviser the Joint Ministerial working group on Financial Inclusion hosted by the Treasury and DWP.

Through our wide range of partnerships with leading financial institutions, we have secured funding for research which draws upon our learning and expertise from understanding financial health and inclusion. During 2017 this included working on research with Lloyds Bank to understand the needs of people who currently don't have a bank account; Barclays Bank on a programme to support more effective credit unions; and JP Morgan on an exciting learning project with Gingerbread, looking at how to recognise and support saving amongst single parents. This work continues into 2018/19.

We partnered with Coventry University on a new piece of work looking at the impact of tighter regulation for 'pay day lenders' on the people and families seeking urgent loans. When published in 2018 this will provide vital insights into the circumstances of people seeking emergency access to cash, and what the responses of industry and the regulators should be.



We hosted two conferences on high cost credit, and have throughout the year worked closely with Michael Sheen and the newly formed End High Cost Credit alliance. Our insights and understanding of the impact of high cost credit on people and communities have led us to play a vital role in shaping the work of the Alliance. We have also lent practical support to partners seeking to engage the community in South Wales where the Alliance is working on a range of pilot projects, in order to use the learning to inform our work in the community in East London and beyond.

Our connections with entrepreneurs and businesses using technology in finance ('FinTech') are getting stronger. We partner with the Financial Innovation Lab to support a range of newly developing social enterprises aimed at creating products and services for people and communities on low incomes. And through 2017/18 we became engaged in a range of civil society driven campaigns and innovations.

Within the community around us in East London, our research has been very focused during 2017/18 on drawing on the experience of the people and families who use our services, and our expertise in designing research projects like our older people's Participatory Action Researcher project mentioned earlier in this report. The research from that report will be published in September 2018, and will be a springboard for further projects.

3. A vibrant new space is brought to life in our restored home, engaging the community in our heritage, and building an income stream from our commercial operations to sustain us into the future.

“The exhibitions themes (housing, charity and welfare, living as neighbours to name just a few) have been eye-opening to research – I can’t wait to see the finished exhibition firsthand. Being a local east Londoner myself, its refreshing to learn about authentic local history.

“I’m off to study History at university next year and volunteering at Toynbee Hall has made me appreciate the importance of community history, of working-class history, something the British educational curriculum never teaches you.”

Henna, Heritage Volunteer and Tower Hamlets resident

The redevelopment of our historic halls and the surrounding site continued through 2017/18. When complete, it will create an incredible asset both for our organisation and the wider community, opening us up to new opportunities, and creating a real model of how redevelopment can inspire positive change and social good.

By the end of 2017/18 we were almost at the point of reopening our historic halls, the centerpiece of the redevelopment, which has been part funded by the Heritage Lottery Fund. We subsequently did open the doors to the Halls in June 2018 and began a new venue hire and commercial operation to generate income for the charity; and in September 2018 we will open to the public. During 2017/18 we continued to prepare and manage the project and the associated Heritage Activity Plan: recruiting the team to manage commercial and other operations; and appointing 4 Residential Volunteer Workers, to live and volunteer in the halls and create social action and research projects related to our mission with the local community. We continued with our heritage work, recording numerous oral histories and developing the content for an interactive website and permanent exhibition which will be unveiled in September 2018.



There will still be at least another year of work to do on the whole site, as we complete the works on the new building at 28 Commercial Street, and landscape the public space which will open up the area to the local community.

The whole project has been an incredible feat and not without challenges. But overall we have remained true to our original vision – bringing to life with the redevelopment the idea of Toynbee Hall as a powerhouse of social change and opening up the space so that it will be a real catalyst for community led action, and generate significant revenues for the charity.

4. Underpinning this we will: ensure we are financially stable, well-funded and efficiently run; and support and develop our team of great people and volunteers.

During 2017/18 the organisation went through significant change, with a new Chief Executive arriving in October, to build on our achievements to date.

Our People

We carried out a major Reward Review to bring our salaries into line with market rates, and to give us a manageable and consistent structure. We also reviewed our wider package of benefits for our staff, making some enhancements to this, in order that we should continue to recruit and retain great people. This was an important exercise, managed well and has given current – and future – staff a much clearer sense of how the organisation rewards and values each role.

We maintained our focus on personal development, and trained all of our team in safety and safeguarding; and in the run up to the introduction of GDPR developed an organisation wide action plan led by a task and finish group, and ensured that all staff were trained in their new responsibilities. We've updated our processes and operations as a result.

Our volunteers provide a huge amount of value to our organisation, and in 2017/18 we began to gather our learning and improve the way we support and value their contribution. The section of this report on page 20 covers volunteering in more detail.

In 2017/18, 334 volunteers devoted 16,984 hours of their time to support our work.

We can't thank them enough for their contribution.



“Since volunteering with Initial Assessment for the Free Legal Advice centre, I’ve developed a passion for the Law – I’d love to study it, and have looked into doing a Masters degree. One of the admissions administrators I spoke to at Birkbeck University was very interested to hear that I was volunteering at Toynbee Hall –it’s definitely a name that carries weight in the legal sector.

My volunteering at Toynbee Hall allows me to use my brain in a completely different way, which I love. Often when I’m taking notes from a client ahead of their appointment with a legal adviser, I try and see if I can work out what the adviser will deduce about their situation, and what advice they’ll suggest. I always go back and follow up cases after the appointment to see if my guesses were right.”

Katelyn, Free Legal Advice Centre Volunteer



Our Finances

The rest of this annual Report covers our finances, and the team has worked hard to support managers to better understand and keep track of their budgets during 2017/18.

We strengthened our Fundraising team, and put in place broader long term strategies and plans to grow our unrestricted and project income into the future. This included establishing the Toynbee Hall Guardians scheme for regular givers, and a range of relationship building activities with new and historic supporters. This has led to a strong set of plans and healthy pipeline going into 2018/19.

Overall, in a year of change, with a hugely complex redevelopment project underway throughout, 2017/18 feels like a year where real progress has been made at Toynbee Hall and many thousands of people have been supported to break down the barriers that have kept them in poverty.

Structure, Governance and Management

Charitable Objectives

Our charitable objectives are set out in our Articles of Association and are to:

3.1 To prevent or relieve poverty or financial hardship;

3.11 By providing goods, services and/or advice to persons who suffer from hardship or distress, including by virtue of their health, age, offending status, economic or other special circumstances.

3.12 By Undertaking and supporting research into factors that contribute to poverty or financial hardships and the most appropriate ways to mitigate these.

3.13 By raising awareness and informing and influencing the public and public policy on these issues.

3.2 To promote social inclusion for the public benefit by preventing people from becoming socially excluded and assisting them to integrate into society, by undertaking and supporting research into factors that contribute to social exclusion and the most appropriate ways to mitigate it and by raising awareness and informing and influencing the public and public policy on social exclusion;

3.3 To advance education by providing or assisting in the provision of experiences, learning and engagement, enhancing for the public benefit, amongst other things, lifelong learning and citizenship for the public benefit;

3.4 To advance education by the encouragement of the Arts, including arts of drama, mime, dancing, singing and music;

3.5 To provide for the benefit of the public the conservation, protection and improvement of the physical environment by the preservation, repair and maintenance of the historic building known as Toynbee Hall situated at 28 Commercial Street, London, E1 6LS; and/or

3.6 To provide, or assist in the provision of facilities, in the interest of social welfare for recreation or other leisure time occupation of members of the public at large and/or individuals who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life.

We are satisfied that we undertake all of our work within our charitable objectives and the public benefit requirement as defined in Section 17 of the Charities Act 2011.

Board of Trustees

There are 9 trustees of Toynbee Hall. In January 2018 one Trustee resigned and no new Trustees joined Toynbee Hall in the year or up to the date of signing the accounts.

The trustees meet, on average, four times per year. The Board approves the strategic and business plans for Toynbee Hall including the annual budget, and monitors progress for each of these throughout the year by receiving regular reports from the Chief Executive summarizing performance against target. The Board formally determines, in compliance with the Charity Commission rules, matters such as disposal or acquisition of property, and approves the key operating policies of the charity. The Board is also responsible for the overall risk policy and for assessing the adequacy of the risk mitigation plans. We reviewed our governance arrangements this year and throughout next year are looking to structure our governance systems, processes and communications. Trustees give their time voluntarily and receive no personal benefit from Toynbee Hall.

Committees

In addition to the Board meetings, Trustees carry out their responsibilities through the Finance Committee and the Project Control Panel (formerly named the Estates Committee). Each of these Committees operates to a set of terms of reference that are regularly reviewed.

Membership of each Committee is made up of trustees, and the board has the power to co-opt non-trustee members to the Committees to address specific and identified skills gaps. The following individuals who are not trustees sat on the respective Committees during the year.

Project Control Panel

Sylvia Merton

Luke Wainwright

Finance Committee

Edward Jordan (Resigned May 2017)

Each of these Committees formally reports to the Board.

Executive Team

The Trustees delegate the day-to-day management of Toynbee Hall to the Chief Executive who is supported by an Executive Team. During the year, the Executive Team comprised the Chief Operating Officer, the Director of Finance and the Director of Redevelopment. Following a restructure at year end, the post of Chief Operating Officer was removed and the new post of Director of Policy, Innovation and External Affairs was created shortly after that.

The Chief Executive develops Toynbee Hall's strategic and business plans, both of which are approved and then monitored by the Trustees.

The team use a range of business planning and performance management systems which provide transparent targets across finance, HR, income generation, PR and services. The Chief Executive reports on organisational performance against strategic objectives at each Board meeting. This enables Trustees to monitor and evaluate performance regularly.

Our Volunteers

We had 334 volunteers last year who contributed 16,984 hours of their time to work with us to deliver services and projects as diverse as advice, health and wellbeing, peer support and research. They give their time, energy and enthusiasm because they share our drive to tackle poverty and empower our community to tackle social isolation, improve their own and others wellbeing and to learn new skills.

Our volunteers come from a diverse range of places including corporate partners, the community and former clients of our projects and services. Our former client volunteers in particular play an important role in encouraging participation, helping out with the running of our Wellbeing Centre, acting as peer to peer Money Mentors or researchers and connecting us with hard to reach people in our community.

In return our volunteers build new skills, gain added confidence and in some cases, secure employment with us or elsewhere as a result. Presently we have staff at all levels who are former volunteers including our Head of Services, Free Legal Advice Centre Manager and a number of our advisors.

This year there have been more opportunities for volunteers to become paid workers. as voluntary work continues to be a gateway into paid employment. A group of our Money Mentors have now been trained to teach the course as part of our Teach it! programme and other graduates from the Money Mentors course are being trained to become Money Support Workers. They will work with our debt advice clients in 2018/19 integrating financial management training into debt advice. We've also seen advice volunteers become employed advisors.

We're also continuing to offer a programme of further training improvements which we we started last year, to both enhance the appeal of volunteering for Toynbee Hall, increase the effectiveness of our volunteers and improve the impact of volunteering on the lives of our volunteers. Our volunteer offer is having a positive impact on our volunteer number as the number of volunteers and the number of hours they have committed has again increased.

Transparency

In accordance with our remuneration policy, Toynbee Hall publicly reports Toynbee Hall's wage differentials and discloses the pay of our leadership team on our website. Our highest paid employee is normally our Chief Executive, Jim Minton, who was paid a salary of £80,000 this year.

Details of the remuneration of the Key Management Personnel are set out in note 6 to the financial statements.

As an anti-poverty charity and an accredited London Living Wage employer we are particularly pleased to report that we perform well against the sector benchmark on wage differentials;

Our Chief Executive pay to average pay is 1:2.92, to median pay is 1:2.76 and to lowest pay is 1:3.8.



Equality and Diversity

Toynbee Hall is an equal opportunities employer, which means that we are committed to providing equality of opportunity in employment to all persons. We seek to have a workforce and volunteer base that reflects the makeup of the communities we serve. Toynbee Hall demonstrates this commitment through its inclusive Fair Employment Strategy and its Recruitment and Selection Policy, Equality and Diversity Policy, and underpinning procedures.

This year we have reviewed our Equality and Diversity Policy and our Fair Employment Policy and done so with our new Employee Forum to ensure that we meet our responsibilities and aspirations around Equality and Diversity. We continue to monitor our staff, volunteer and client profiles to ensure that we are a fair employer and to report on that to our Board.

Fundraising and Ethical Framework

Toynbee Hall is committed to ensuring our fundraising practices are fully compliant with all regulations and are carried out in an ethical way that does not offend or alienate public support. We do not cold-call members of the public or approach people in the street and we would never sell our data to any other organisations or charities.

Our Fundraising Staff are registered members of the Institute of Fundraising and adhere to its Code of Conduct. We are also a member of the Fundraising Standards Board (FRSB) and the Public Fundraising Regulatory Association (PFRA) and adhere to all regulation and guidance issued by both bodies. We adhere to the Code of Practice issued by the new Fundraising Regulator. We are monitoring the evolution of this new body, and remain alert to new forms of regulation including the creation of a Fundraising Preference Service (FPS).

We are pleased to report that we have not received any complaints in respect of our fundraising activities. Should we receive a complaint, including any that relate to vulnerable people, these will be dealt with in line with our three stage complaints procedure as fairly and as quickly as possible. Should the complainant be unsatisfied with the outcome, they can refer the complaint to the Fundraising Regulator.

Management of Risk

The Board of Trustees is committed to ensuring that the long-term health of Toynbee Hall is maintained through an effective risk management framework. This is especially critical given the scale of the redevelopment we are undertaking at Toynbee Hall. Strategic decisions are consequently taken in the context of risk exposure arising from the charity's operations, and the resources available to manage this.

Our risk-management framework helps to ensure that we identify and manage key risks which could affect our ability to deliver our strategic objectives and achieve our charitable aims. This reduces uncertainty and allows the charity to be innovative and to manage change effectively.

The Trustees approve and regularly review Toynbee Hall's risk policy and strategic risk register. This policy requires us to develop and maintain a strategic risk register which is formally reviewed by the Trustees every 6 months. This register reports the strategic risks facing the charity and summarises the key mitigating actions that the Executive team are undertaking to manage each risk. In addition to the formal 6-month review, the Chief Executive reports quarterly on any risk status change to the Board including changes to mitigating actions where appropriate. This enables the Trustees to proactively manage the risk facing the charity.

The regeneration project presently represents the biggest strategic risk. In addition to the risk register we have therefore developed a supplementary project risk register to enable us to better identify, manage and mitigate the risks and facilitate reporting to the Trustees. The Project Control Panel, made up of Trustees, co-opted advisers and Executive Team members monitors this project specific risk register.

Accountability

The Board of Trustees has overall responsibility for establishing an effective system of internal control, including the identification and management of risk. We manage and review our approach to risk through our assurance framework, which includes oversight by the Finance Committee.

Their work is complemented by our Senior Management Team, who ensure the safeguarding, performance and quality of our operational services and projects. In practice, we record risks in a risk register, before assessing them in terms of impact and likelihood, and recording any actions required to manage the risk. We divide risks into two categories:

- Strategic Risk
- Operational Risk

Strategic Risk

The principal strategic risks and uncertainties facing the charity are as follows:

Risk	Background and mitigating factors
Reduction in services and core contribution as a result of loss of key contracts	<p>The Charity acts as lead agency for the delivery of debt advice services across London for the Money Advice Service (MAS). The current contract runs until July 2019 and MAS will be retendering nationally with the tendering process opening in July 2018.</p> <p>This represents a major element of the Charity's work and the loss of the contract would result in significant challenges to the Charity.</p> <p>We are working on a range of internal and external developments to ensure our bid is as strong as possible. In the event that we were not successful, MAS have advised us that all direct staff would be transferred under TUPE arrangements to the new provider thereby mitigating some costs of closure.</p>
The inability to fund the delivery of our front line services	<p>In addition to the MAS contract, we have a significant number of multi-year funding partnerships in place that mitigates these risks in the short term. These include the Macmillan Advice Service (contract to December 2019), the London Borough of Tower Hamlets for the delivery of LinkAge Plus (contract to March 2020) and our City Advice funding contract agreed until September 2019.</p> <p>Our medium to long term focus is on reducing core costs, continually improving the quality of our services and developing our management skills to improve our effectiveness in leading partnerships.</p>
Not achieving financial sustainability in the medium term	<p>The Charity is heavily investing in its estate to create long term sustainable income from its venue hire activities and from commercial letting of office space. This income is not certain and a significant shortfall will create liquidity issues.</p> <p>With the completion of Toynbee Hall, the Charity has appointed a Commercial Manager who is relaunching the venue hire business, working towards clear and achievable income targets.</p> <p>The Charity will use commercial letting agents to source tenants for its office space in the new building on 28 Commercial Street, which is expected to be available from Spring 2019.</p>
Insufficient funds to complete the project	<p>With the redevelopment under way, we now have a clear understanding of the full costs to complete the work and there is a detailed plan to fill the funding gap.</p>
Unforeseen circumstances in the redevelopment leading to unexpected delays and further costs	<p>This is a major capital project that needs effective management. We have a dedicated internal team working with our professional advisers and a Trustee sub-committee that meets regularly to provide oversight.</p> <p>Consequently, we are able to identify issues early and manage their resolution to mitigate this risk.</p>

Operational Risk

Management of risk is embedded into our day-to-day business activities and we have well-established processes and policies to handle this. Operational level risks are managed and reviewed quarterly by the Senior Management Team. All employees have a role to play in reducing risk, through our internal control framework.

There are comprehensive internal policies and quality assurance systems in place at Toynbee Hall. We are compliant in terms of regulation as well as aspiring to best practice. These policies are subject to a rolling programme of review to ensure they are up to date and reflect service and practice development. In addition Toynbee Hall holds a number of industry standard quality assurance awards including the Quality Mark and is registered with the Office of Immigration Services Commissioner.

Trustees/Directors Indemnity Insurance

Toynbee Hall provides insurance to its trustees against liability in respect of action brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity insurance remains in force as of the date of approving the trustees' annual report

Our Finances

Financial Review

The results for the year show a positive net movement in funds of £1.417m. This comprises a net surplus of £1.952m representing capital grants less management and overhead costs of the redevelopment not capitalised, and an operational deficit of £535k which has been funded from brought forward reserves.

Excluding capital grants received, income for the year was £7.020m compared to the previous year of £7.340m. Maintaining operating income during the redevelopment of our site has been a key objective. The Charity is now working on developing its services further from its regenerated premises to increase revenues in the future.

Advice work continues to be the largest activity carried out with expenditure of £5.346m compared with £5.712m last year. This activity varies depending on the extent to which the Charity, as a lead agency for the Money Advice Service ('MAS'), assists with the delivery of one-off projects. The core debt advice services being delivered have remained consistent with the delivery of the MAS services continuing to be achieved with a range of partners.

Our education services have run at a deficit of around £300k for the year. Approximately one third of this was funded from brought forward restricted reserves. The balance was funded from general reserves and represents the investment the Charity has made in its research and heritage work during the year. As a result of delays in completing the refurbishment of Toynbee Hall, the venue hire business remained in suspension during the year and the trading subsidiary only contributed £26k (2017 -£19k). In June 2018, the Halls were handed back to us and a new Commercial Manager has been recruited so that the venue hire business could start trading.

Whilst we have maintained the operations of the charity, the redevelopment of our site has again been a major focus for the year. Substantial work has been carried out on the redevelopment of the Toynbee Hall site comprising the historic Toynbee Hall and the new building at 28 Commercial Street with £6.757m of expenditure capitalised and a further £107k (2017 - £152k) of associated overhead costs expensed in the Statement of Financial Activities.

Practical completion of the new building at 28 Commercial Street is expected by 31 January 2019 with an expected further spend of around £6.0m in 2018/19. This will continue to be funded from capital grants, cash reserves and a loan from CAF Bank Limited.

In view of these financial commitments the reserves of the Charity have been held in interest bearing cash deposits.

Following completion of the redevelopment project in 2018/19, the Charity will have two major income generating assets in the form of a new venue hire facility and an investment property for commercial letting. These new assets are expected to generate substantial income for the Charity, and with the saving from not having to rent out our temporary premises, will enable the Charity to achieve more in the future.

The Charity ends the year with consolidated reserves of £11.960m (2017 - £10.543m). Of this amount, £3.7m (2017 - £1.995m) represents restricted reserves. Of the balance of £8.191m, £7.833m

(2017: £7.833m) has been designated, mainly for the redevelopment project.

Reserves Policy

Our reserves policy is to hold unrestricted funds equivalent to the value of two month's expenditure. Currently, this would equate to the Charity having unrestricted funds of approximately £550k (2017 - £700k), calculated by excluding those funds distributed to and expended by the debt advice partners. In view of the designation of unrestricted funds to the redevelopment, based on the current expected costs to complete the project, this leaves an amount of around £350k for unrestricted general funds at 31 March 2018.

The Charity intends to arrange an overdraft facility to fund this reserves gap in the short term until its income generating assets have replenished the unrestricted general reserves of the Charity.

Statement of Trustees' Responsibilities

The trustees (who are also directors of Toynbee Hall for the purposes of company law) are responsible for preparing the trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group 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 charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2017 was 10 (2015:10). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Haysmacintyre were reappointed as the charitable company's auditor during the year and have expressed their willingness to take over from Sayer Vincent LLP in that capacity.

The trustees' annual report which includes the strategic report has been approved by the trustees and signed on their behalf by;

Name: Julian Corner Position: Chair

Date:.....

Independent Auditors' Report

We have audited the financial statements of Toynbee Hall for the year ended 31 March 2018 which comprise Consolidated Statement of Financial Activities, the Consolidated Summary Income and Expenditure Account, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes, 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's and the parent charitable company's affairs as at 31 March 2018, 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 Companies Act 2006.

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 the parent charitable company 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.

Emphasis of matter

We draw attention to Note 27 of the financial statements, which describes a contingent liability relating to the construction of the new building at 28 Commercial Street. Our opinion is not modified in respect of this matter.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company'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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Weaver (Senior Statutory Auditor)
for and on behalf of haysmacintyre, Statutory Auditor

10 Queen Street Place, London, EC4R 1AG

Date:.....

Toynbee Hall

Consolidated Statement of Financial Activities (incorporating an income and expenditure account)

For the year ended 31 March 2018

	Note	MAS-Capitalise restricted £'000	Restricted £'000	Unrestricted £'000	2018 Total £'000	2017 Total £'000
Income from						
Donations and legacies	3a	5	2,147	234	2,386	589
Charitable activities						
Advice		3,892	893	200	4,985	5,247
Wellbeing		-	753	75	828	713
Education		-	187	-	187	138
Financial health		-	381	133	514	414
Other activities						
Estates income		-	-	9	9	28
Trading income		-	-	95	95	518
Investments						
Dividends and interest received		-	-	25	25	31
Rentals from investment property		-	-	4	4	6
Other Income						
Release of deferred lease premium		-	-	46	46	46
Total income		3,897	4,361	821	9,079	7,730
Expenditure on						
Fundraising and publicity		-	-	237	237	259
Costs of generating estates income		-	75	147	222	376
Costs of generating trading income		-	-	103	103	520
Costs of generating investment income		-	-	5	5	12
Charitable activities						
Advice		4,208	887	251	5,346	5,712
Wellbeing		-	752	77	829	816
Education		-	524	-	524	275
Financial health		-	253	140	393	530
London Fairness Commission		-	-	-	-	8
Provision of accommodation		-	-	(1)	(1)	7
Total expenditure	4	4,208	2,491	959	7,658	8,515
Net income/ (expenditure) before net gains / (losses) on investments		(311)	1,870	(138)	1,421	(785)
Net gains / (losses) on investments	11/ 12	-	-	(4)	(4)	4
Net income/ (expenditure) for the year	5	(311)	1,870	(142)	1,417	(781)
Transfers between funds	20	16	199	(215)	-	-
Net movement in funds		(295)	2,069	(357)	1,417	(781)
Reconciliation of funds						
Total funds brought forward		295	1,700	8,548	10,543	11,324
Total funds carried forward	20	-	3,769	8,191	11,960	10,543

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 20 to the financial statements.

Toynbee Hall

Balance sheets

As at 31 March 2018

Company no. 00020080

	Note	The group		The charity	
		2018	2017	2018	2017
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	10	9,985	3,263	9,985	3,263
Investment property	11	295	300	295	300
Investments	12	17	16	17	16
		10,297	3,579	10,297	3,579
Current assets					
Debtors	14	1,280	659	1,261	726
Short term cash deposits		1,007	7,904	1,007	7,904
Cash at bank and in hand		2,795	381	2,783	292
		5,082	8,944	5,051	8,922
Liabilities					
Creditors: amounts falling due within one year	16	(2,508)	(1,023)	(2,500)	(1,002)
Net current assets		2,574	7,921	2,551	7,920
Total assets less current liabilities		12,871	11,500	12,848	11,499
Creditors: amounts falling due after one year	18	(911)	(957)	(911)	(957)
Net assets	20	11,960	10,543	11,937	10,543
Funds					
Restricted funds					
MAS-Capitalise		-	295	-	295
Other funds		3,769	1,700	3,770	1,700
Total restricted funds		3,769	1,995	3,770	1,995
Unrestricted funds:					
Designated funds		7,833	7,833	7,833	7,833
General funds		347	700	323	700
Fair value reserve		11	15	11	15
Total unrestricted funds		8,191	8,548	8,167	8,548
Total funds	20	11,960	10,543	11,937	10,543

As permitted by Section 408 of the Companies Act 2006, the Statement of Financial Activities and Income and Expenditure Account of the Parent Charitable Company have not been presented as part of these financial statements. The gross income of the parent charitable company was £8,943k (2017: £7,210k) and surplus of £1,393k (2017: Deficit of £803k).

Approved by the trustees and authorised for issue on _____ and signed on their behalf by

Name _____

Position _____

Toynbee Hall

Consolidated statement of cash flows

For the year ended 31 March 2018

	Note	2018	2017
		£'000	£'000
Cash flows from operating activities	21		
Net cash provided by operating activities		2,245	10,384
Cash flows from investing activities			
Dividends, interest and rents from investments		29	38
Purchase of fixed assets		(6,757)	(2,008)
Net cash used in investing activities		(6,728)	(1,970)
Cash flows from financing activities			
Repayment of mortgage loan		-	(721)
Transfer from short term deposits		6,897	(7,457)
Mortgage interest paid		-	(5)
Net cash provided by / (used in) financing activities		6,897	(8,183)
Change in cash and cash equivalents in the year		2,414	231
Cash and cash equivalents at the beginning of the year		381	150
Cash and cash equivalents at the end of the year	22	2,795	381

Toynbee Hall

Notes to the financial statements

For the year ended 31 March 2018

1 Accounting policies

a) General information

Toynbee Hall is a charitable company limited by guarantee incorporated in England and Wales (company no. 00020080) and registered with the Charity Commission (charity registration number 211850). The charitable company's registered office address is 28 Commercial Street, London, E1 6LS and its principal operational office is 52 Old Castle Street, London E1 7AJ.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (August 2014) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The charitable company meets the definition of a public benefit entity as set out in section 3 of FRS 102.

c) Basis of consolidation

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary Toynbee Hall Trading Ltd on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

e) 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 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.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) 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 economic benefit can be measured reliably. In accordance with the Charities SORP FRS 102, volunteer time is not recognised within the statement of financial activities.

On receipt, donated gifts, professional services and facilities are recognised on the basis of the value of the gift to the charity, which is the best estimate of 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.

Toynbee Hall**Notes to the financial statements (continued)****For the year ended 31 March 2018****1 Accounting policies (continued)****g) 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.

h) Fund accounting

Restricted funds are those used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

There are two funds within unrestricted funds:

- Designated funds are unrestricted funds earmarked by the trustees for particular purposes.
- General funds represent the remaining reserves of Toynbee Hall.

i) 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 relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- The cost of charitable activities comprise project expenditure, and costs relating to the provision of accommodation for residential voluntary workers.
- Other expenditure represents those items not falling into any other heading.

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

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, support and governance costs for the direction and administration of each activity, comprising the salary and overhead costs of the central function, are apportioned on the following basis which is an estimate, based on staff time and space utilisation, of the amount attributable to each activity.

● Advice	59%
● Wellbeing	11%
● Education	12%
● Financial health	7%
● Estates & Redevelopment	4%
● Fundraising	7%
● Investment	0%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

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

l) Lease premiums

Premiums received on the issue of leases are taken to deferred income in the balance sheet and released to the statement of financial activities on a straight line basis over the term of the lease.

Toynbee Hall**Notes to the financial statements (continued)****For the year ended 31 March 2018****1 Accounting policies (continued)****m) Tangible fixed assets**

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Assets are reviewed for impairment annually and any impairment loss is recognised where the recoverable amount of the asset is less than its carrying amount.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Freehold buildings in use by the Charity are depreciated over a period of 50 years.

All costs directly attributable to the construction of tangible fixed assets, incurred to bring the asset into its intended working condition, are capitalised as part of the cost of that addition. Assets in the course of construction are not depreciated.

Leasehold land and building is stated at cost, less depreciation, calculated to write off the cost over the life of the lease.

Fixtures, fittings and equipment are stated at cost, less accumulated depreciation, which is provided on a straight line basis at the rate of 33½ % p.a. for computer equipment and 20% p.a. for other assets. Items of equipment are capitalised where the purchase price exceeds £1,000.

Licences for IT software are not capitalised but expensed in the period of use.

n) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. The valuation method used to determine fair value will be stated in the notes to the accounts.

o) Investment in shares

Investment in shares are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

p) Investments in subsidiaries

Investments in subsidiaries are measured at cost, less impairment.

q) 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.

r) Cash at bank and in hand

Cash at bank and in hand is held to meet short-term cash commitments as they fall due rather than for investment purposes.

s) Current asset investments

Current asset investments are investments relating to cash or cash equivalents with a maturity date of less than one year.

Cash on deposit and cash equivalents with a maturity of less than one year are held for investment purposes rather than to meet short-term cash commitments as they fall due.

t) 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.

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 measured at amortised cost using the effective interest method.

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2018

1 Accounting policies (continued)

u) Pensions

The charity contributes to a group defined contribution personal pension plan for certain employees. The pension costs charged represent the contributions payable to the plan and are allocated to activities and funds on the basis set out in Note 1(i) and Note 1(j) above.

v) Critical accounting estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key areas subject to judgement and estimation are as follows:

Revaluation of investment properties

The Group carries its investment property at fair value, with changes in fair value being recognised in profit or loss. The key assumptions used to determine the fair value of investment property are further explained in note 11.

Calculation of restricted funds

Where grants are received covering more than one year, the charity estimates the liability for future expenditure and carries forward restricted reserves to meet these commitments.

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2018

2 Detailed comparatives for the consolidated statement of financial activities

For the year ended 31 March 2017

	MAS-Capitalise restricted £'000	Restricted £'000	Unrestricted £'000	2017 Total £'000
Income from:				
Donations and legacies	-	441	148	589
Charitable activities				
Advice	4,252	794	201	5,247
Wellbeing	-	651	62	713
Education	-	138	-	138
Financial health	-	282	132	414
Other trading activities				
Estates income	-	-	28	28
Trading income	-	-	518	518
Investments				
Dividends and interest received	-	-	31	31
Rentals from investment property	-	-	6	6
Other Income				
Release of deferred lease premium	-	-	46	46
Total income	4,252	2,306	1,172	7,730
Fundraising and publicity	-	-	259	259
Costs of generating estates income	-	181	195	376
Costs of generating trading income	-	-	520	520
Costs of generating investment income	-	-	12	12
Charitable activities				
Advice	4,406	1,050	256	5,712
Wellbeing	-	745	71	816
Education	-	275	-	275
Financial health	-	378	152	530
London Fairness Commission	-	8	-	8
Provision of accommodation	-	-	7	7
Total expenditure	4,406	2,637	1,472	8,515
Net expenditure before gains on investments	(154)	(331)	(300)	(785)
Net gains on investments	-	-	4	4
Net expenditure for the year	(154)	(331)	(296)	(781)
Transfers between funds	-	(113)	113	-
Net movement in funds	(154)	(444)	(183)	(781)
Reconciliation of funds:				
Total funds brought forward	449	2,144	8,731	11,324
Total funds carried forward	295	1,700	8,548	10,543

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2018

3 Income	Restricted £'000	Unrestricted £'000	2018 Total £'000
a) <u>Donations and legacies</u>			
Trust and foundation grants	-	41	41
Legacies	14	38	52
Capital grants for the redevelopment project	2,059	-	2,059
Other donations	7	56	63
Donated services	72	99	171
	<u>2,152</u>	<u>234</u>	<u>2,386</u>

Detailed comparatives for the income

For the year ended 31 March 2017

	Restricted £'000	Unrestricted £'000	2017 Total £'000
<u>Donations and legacies</u>			
Trust and foundation grant	-	31	31
Legacies	8	5	13
Capital grants for the redevelopment project	390	-	390
Other donations	8	33	41
Donated services	35	79	114
	<u>441</u>	<u>148</u>	<u>589</u>

Donated legal services

Cleary Gottlieb Steen & Hamilton LLP provided pro bono legal services to advise us with our MAS Capitalise agreement and our research team on the significance of mental health provision at legal advice agencies. During 2017/18, the fair value of donated services from that firm was £9,698 (2016/17: £ nil), on a market value basis. Linklaters LLP has been providing pro bono legal advice to Toynbee Hall for many years. Their work over the last two years covered assisting with the strategy and implementation of our estate regeneration project and advice on access to certain charity funds. During 2017/18, the fair value of donated services from that firm is £81,807 (2016/17: 76,000) on a 'cost to firm' basis. This valuation methodology was developed by London Benchmarking Group, a consortium of over 100 leading businesses whose approach to valuing community investment is endorsed and employed by indices including DJSI and GRI.

'Cost to firm' is defined by the Group as 'what it costs the firm to provide professional advice, not what the recipient would have had to pay had it been charged at commercial rates'. Linklaters followed that protocol in providing this valuation.

White & Case LLP provided pro bono legal services to assist us with the amendment of our current lease agreement. During 2017/18, the fair value of donated services from that firm was £7,590 (2016/17: £2,699), on a market value basis.

Allen & Overy LLP provided pro bono legal services to assist us with the arrangements for our residential voluntary workers tenancy and workers agreements. During 2017/18, the fair value of donated services from that firm was £62,527 (2016/17: £ 35,273), on a market value basis.

Force for Good is an 8 month social innovation program that aligns teams of J.P. Morgan (JPM) technologists with charitable organizations to build sustainable technology solutions to help advance their missions. Toynbee Hall successfully applied for the programme and has been working with a team to produce a brand new, mobile friendly website for the organisation. During 2017/18, the fair value of donated services from that firm was £9,660 (2016/17: £nil), on a market value basis.

b) Government funding

The charity has received funding from the government and government department for the following projects:

Government funding	Project	2018 £'000	2017 £'000
London Borough Tower Hamlets	Tower Hamlets Debt and Money Advice	40	40
London Borough Tower Hamlets	Linkage	641	600
London Borough Tower Hamlets	Wellbeing Centre	18	18
London Borough Tower Hamlets	Wellbeing in Tower Hamlets	10	8
London Borough Tower Hamlets	Older Peoples Research	20	-
London Borough Tower Hamlets	Redevelopment	305	-
City of London Corporation	City Advice	240	241
City of London Corporation	City Outreach - City Wellbeing	38	31
City of London Corporation	City Outreach - Memory Group	37	30
Government agency funding			
Department for Digital, Culture, Music and Sport	Money Mentors	<u>6</u>	<u>-</u>

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2018

4 Analysis of expenditure

	Staff costs (note 6) £'000	Direct costs £'000	Reallocation of support and governance costs £'000	2018 Total £'000	2017 Total £'000
Fundraising and publicity	132	39	66	237	259
Costs of generating estates income	40	142	40	222	376
Costs of generating trading income	68	35		103	520
Costs of generating investment	-	3	-	5	12
Advice	1,122	3,653	571	5,346	5,712
Wellbeing	179	549	101	829	816
Education	268	141	115	524	275
Financial health	80	241	72	393	530
London Fairness Commission	-	-	-		8
Provision of accommodation	-	(1)	-	(1)	7
	1,889	4,802	967	7,658	8,515
Support costs	274	594	(868)	-	-
Governance costs	63	36	(99)	-	-
Total expenditure 2018	2,226	5,432	-	7,658	

Of the total expenditure, £959k was unrestricted and £6.699m was restricted.

Detailed comparatives for the analysis of expenditure

For the year ended 31 March 2017

	Staff costs £'000	Direct costs £'000	Reallocation of £'000	2017 £'000	2016 £'000
Fundraising and publicity	112	57	90	259	464
Costs of generating estates income	91	231	54	376	558
Costs of generating trading income	127	393	-	520	41
Costs of generating investment	-	9	3	12	100
Advice	999	3,999	714	5,712	4,718
Wellbeing	189	462	165	816	713
Education	157	76	42	275	321
Financial health	116	299	115	530	593
London Fairness Commission	1	7	-	8	147
Provision of accommodation	-	7	-	7	44
Write off of fixed assets	-	-	-	-	746
	1,792	5,540	1,183	8,515	8,445
Support costs	458	592	(1,050)	-	-
Governance costs	104	29	(134)	-	-
Total expenditure 2017	2,354	6,161	-	8,515	

Of the total expenditure, £1.472m was unrestricted and £7.043m was restricted.

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2018

5 Net incoming resources for the year

This is stated after charging:

	2018 £'000	2017 £'000
Depreciation	35	86
Interest payable	1	7
Provision for bad debts	19	146
Operating lease rentals:	216	212
Auditor's remuneration: audit fees		
Toynbee Hall	18	17
Toynbee Hall Trading Ltd	3	3
Auditor's remuneration: non-audit fees		
Toynbee Hall	2	-
Toynbee Hall Trading Ltd	1	1
	238	455

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

Staff costs were as follows:

	2018 £'000	2017 £'000
Salaries and wages	2,038	2,126
Social security costs	202	212
Employer's contribution to defined contribution pension schemes	69	79
Redundancy and termination costs	19	38
	2,328	2,455

Included within total staff costs of £2,328k (2017: £2,455k) is £102k (2017: £101k) representing project management costs incurred wholly and exclusively for the purposes of conserving and restoring the historic Toynbee Hall and the construction of a new building at 28 Commercial Street. These costs have been capitalised as part of the cost of construction.

The following number of employees received employee benefits (excluding employer's NI & pension costs) during the year between:

	2018 No.	2017 No.
£70,000 - £79,999	1	-
£80,000 - £89,999	-	1
£100,000 - £109,999	-	1
	1	2

The total employee benefits, including employer's NI and pension contributions, of the key management personnel were £257k (2017: £305k).

The permanent Chief Executive left Toynbee Hall in March 2017 and was replaced in the short term by an Interim CEO. So for the first part of 2017/18, the Senior Team comprised this Interim Chief Executive, alongside the Chief Operating Officer, Director of Finance and the Director of Redevelopment who because of the significance of the redevelopment was now considered one of the Key Management Personnel. In October 2017 a new permanent Chief Executive replaced the interim, and maintained the rest of the Senior Team in its existing form until the end of March 2018.

Following a restructure at year end, the post of Chief Operating Officer was removed and the new post of Director of Policy, Innovation and External Affairs was created shortly after that.

The current Key Management Personnel therefore now comprises the Key Management Personnel of Chief Executive; Director of Finance; Director of Redevelopment; and Director of Policy, Innovation and External Affairs.

The annualised remuneration of individual key managers is as follows:

	Service Period	Annualised		
		Gross Pay	Employer Pension	Total
CEO	Oct 2017 to Mar 2018	£80,000	£6,000	£86,000
Chief Operating Officer	Apr 2017 to Mar 2018	£70,000	£2,000	£72,000
Director of Finance	Apr 2017 to Mar 2018	£60,000	-	£60,000
Director of Redevelopment	Apr 2017 to Mar 2018	£56,000	£2,000	£58,000

Trustees did not receive any remuneration, reimbursement of expenses or any other benefits for the current or prior year.

Toynbee Hall**Notes to the financial statements (continued)****For the year ended 31 March 2018****7 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 75 (2017: 75).

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2018	2017
	No.	No.
Fundraising and publicity	4	5
Advice	32	29
Wellbeing	6	5
Education	6	5
Financial health	4	3
Estates	1	-
Toynbee Hall redevelopment	2	3
Support costs	6	12
	61	62

8 Related party transactions

Aggregate donations from related parties for 2018 were £11,355 (2017: £1,922). There were no related party transactions for 2018 (2017: none).

9 Taxation

The Charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The Charity's trading subsidiary, Toynbee Hall Trading Limited donates all its profits to the parent charity, and so has no taxable profit.

10 Tangible fixed assets**The group & the charity**

	Freehold land & buildings £'000	Fixtures, fittings & equipment £'000	Total £'000
Cost			
At the start of the year	3,126	442	3,568
Additions in year	6,757	-	6,757
At the end of the year	9,883	442	10,325
Depreciation			
At the start of the year	-	305	305
Charge for the year	-	35	35
At the end of the year	-	340	340
Net book value			
At the end of the year	9,883	102	9,985
At the start of the year	3,126	137	3,263

Freehold land & buildings represents costs of £6.439m associated with conserving and restoring the historic Toynbee Hall and costs of £3.444m for the construction of a new building at 28 Commercial Street. Once this project has been completed, the assets will be brought into use, the element that relates to investment property will be separately disclosed and the freehold property depreciated.

Once the historic Toynbee Hall is brought back into use, it will be held for:

- preserving the heritage of the charity and related educational purposes
- the charity's operations
- generating reserves

All of the above assets are used for charitable purposes.

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2018

11 Investment properties

	The group		The charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Fair value at the start of the year	300	300	300	300
Revaluation during the year	(5)	-	(5)	-
Fair value at the end of the year	295	300	295	300

The investment property represents a leasehold interest in a residential flat, which was acquired in September 2015. The property is valued based on online property valuation data. The charity recognised a decrease of £5k in the year which is not considered to be a permanent diminishing of value. Therefore it has been allocated to the fair value reserves.

12 Listed investments

	The group		The charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Fair value at the start of the year	16	12	16	12
Net gain on change in fair value	1	4	1	4
Fair value at the end of the year	17	16	17	16
Historic cost at the end of the year	1	1	1	1

Investments representing over 5% by value of the portfolio comprise:

	The group		The charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
2,000 ordinary shares of 25p each in Foreign & Colonial Investment Trust	12	11	12	11
1,600 ordinary shares of 25p each in The Morgan Crucible Company plc	5	5	5	5

13 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of Toynbee Hall Trading Ltd, a company registered in England (company no.: 07578738, registered office; 28 Commercial Street, London, E1 6LS). The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are donated to the charitable company. A summary of the results of the subsidiary is shown below:

	2018 £'000	2017 £'000
Turnover	139	559
Cost of sales	(108)	(534)
Gross profit	31	25
Administrative expenses	(5)	(6)
Profit for the financial year	26	19
The aggregate of the assets, liabilities and funds was:		
Assets	106	166
Liabilities	(80)	(147)
Funds	26	19

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2018

14 Debtors

	The group		The charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade Debtors	392	296	313	311
Prepayments and Accrued Income	608	229	608	229
VAT Recoverable	210	124	210	86
Sundry Debtors	70	10	70	10
Amounts Due From Subsidiary	-	-	-	90
Intercompany loan (see note 15)	-	-	60	-
	1,280	659	1,261	726

15 Debtors: amounts falling due after one year

	The group		The charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Intercompany loan	-	-	60	-
	-	-	60	-

On 16 August 2017 the parent charity signed a loan agreement allowing its subsidiary to borrow up to £100k which has to be repaid in 3 years of the signing date. As at 31 March 2018 only £60k has been drawn down. Interest is charged at base rate plus 2.5% per annum on amounts borrowed by Toynbee Hall Trading Ltd.

16 Creditors: amounts falling due within one year

	The group		The charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade Creditors	1,814	473	1,808	481
Accrued Expenditure	517	58	506	29
Taxation and Social Security	68	57	64	57
Deferred Income	78	46	78	46
Sundry Creditors	31	388	31	389
Amounts Due To Subsidiary	-	-	13	-
	2,508	1,023	2,500	1,002

17 Deferred income

	The group		The charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Balance at the beginning of the year	1,003	1,060	1,003	1,060
Amount released to income in the year	(46)	(57)	(46)	(57)
Amount deferred in the year	32	-	32	-
Balance at the end of the year	989	1,003	989	1,003

	The group		The charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Less than one year	78	46	78	46
Greater than one year	911	957	911	957
	989	1,003	989	1,003

On 31 October 2014, in consideration of the payment by the lessee of the Toynbee Hall Studio and Theatre building of £500,000 and the transfer and surrender of another lease, the lessee entered into a new lease for the premises until June 2038. At the time, the deferred portion of the original lease premium was £546k giving rise to a total amount deferred at 31 March 2015 of £1.046m.

At 31 March 2018, the total balance of £989k includes £957k in respect of the deferred income on the lease premium and £32k in respect of grant income deferred to the year ended 31st March 2019.

18 Creditors: amounts falling due after one year

	The group		The charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Deferred income (Note 17)	911	957	911	957

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2018

19 Analysis of group net assets between funds

<u>As at 31 March 2018</u>	Restricted funds £'000	Designated funds £'000	General funds £'000	Fair value reserve £'000	Total funds £'000
Tangible fixed assets	-	6,438	3,547	-	9,985
Investment properties	-	-	300	(5)	295
Investments	-	-	1	16	17
Net current assets	3,769	1,395	(2,590)	-	2,574
Long term liabilities	-	-	(911)	-	(911)
Net assets at 31 March 2018	3,769	7,833	347	11	11,960

<u>As at 31 March 2017</u>	Restricted funds £'000	Designated funds £'000	General funds £'000	Fair value reserve £'000	Total funds £'000
Tangible fixed assets	-	2,286	977	-	3,263
Investment properties	-	-	300	-	300
Investments	-	-	16	-	16
Net current assets	1,995	5,547	3,630	15	7,921
Long term liabilities	-	-	(957)	-	(957)
Net assets at 31 March 2017	1,995	7,833	700	15	10,543

20 Movements in funds

	At the start of the year £'000	Income £'000	Expenditure £'000	Transfer of fundraising cost £'000	Other transfers £'000	At the end of the year £'000
Restricted funds:						
Financial health (including donated services)	87	381	(253)	-	-	215
Education	110	254	(524)	(30)	205	15
Advice (excluding MAS Capitalise)	8	893	(887)	(39)	106	81
Wellbeing	560	767	(752)	(11)	-	564
Restoration appeals	3	-	-	-	(3)	-
Wilson Memorial Fund	84	7	-	-	(25)	66
Restricted Redevelopment Fund	848	2,059	(75)	(32)	28	2,829
	1,700	4,361	(2,491)	(112)	311	3,769
MAS Capitalise	295	3,897	(4,208)	-	16	-
Total restricted funds	1,995	8,258	(6,699)	(112)	327	3,769
Unrestricted funds:						
Designated funds:						
Redevelopment	7,784	-	-	-	49	7,833
John Profumo	49	-	-	-	(49)	-
Total designated funds	7,833	-	-	-	-	7,833
Fair value reserve	15	1	(5)	-	-	11
General funds	700	821	(959)	112	(327)	347
Total unrestricted funds	8,548	822	(964)	112	(327)	8,191
Total funds	10,543	9,080	(7,663)	-	-	11,960

Income for Wellbeing includes £14k from a Legacy.

During the year, £25k from the Wilson Memorial Fund was allocated to the Redevelopment. In addition, the John Profumo Fund was transferred to the Redevelopment fund as the fund was utilised to finance the cost of the flats in the historic Toynbee Hall that will be used exclusively to accommodate residential volunteers on a rent free basis.

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2018

20 Movements in funds (continued)

Detailed comparatives for the movements in funds

For the year ended 31 March 2017

	At the start of the year £'000	Income £'000	Expenditure £'000	Transfer of fundraising cost £'000	Other transfers £'000	At the end of the year £'000
Restricted funds:						
Financial health (including donated services)	285	317	(378)		(137)	86
Education	144	146	(275)	(24)	69	61
Advice (excluding MAS Capitalise)	242	794	(1,050)	(25)	47	8
Wellbeing (including legacy of £700k)	712	651	(745)	(5)	(3)	610
Restoration appeals	3	-	-	-	-	3
Wilson Memorial Fund	76	8	-	-	-	84
London Fairness Commission	-	-	(8)	-	8	-
Restricted Redevelopment Fund	682	390	(181)	(43)		848
	2,144	2,306	(2,637)	(97)	(16)	1,700
MAS Capitalise	449	4,252	(4,406)		-	295
Total restricted funds	2,593	6,558	(7,043)	(97)	(16)	1,995
Unrestricted funds:						
Designated funds:						
Redevelopment	7,971	-	-	-	(187)	7,784
John Profumo	49	-	-	-	-	49
Total designated funds	8,020				(187)	7,833
Fair value reserve	11	4	-	-	-	15
General funds	700	1,172	(1,472)	97	203	700
Total unrestricted funds	8,731	1,176	(1,472)	97	16	8,548
Total funds	11,324	7,734	(8,515)	-	-	10,543

Purposes of restricted funds:

Financial health

Funds for activities to improve financial health, including training services and research.

Education

Education funds are for activities involving children and families, including extra-curricular education programmes.

Advice (excluding MAS Capitalise)

Funds for advice services which include the Free Legal Advice Centre, a drop-in service provided by pro-bono lawyers and other professionals; Advice in the Community, a specialist Welfare Benefits advice service; and advice services for people affected by cancer delivered in partnership with Macmillan Cancer Support. Money Mentors provides the support of everyday money management and is being funded by JP Morgan, Big Lottery Funding, NESTA and Columbia Threadneedles.

Wellbeing

Funds for projects focussed on vulnerable adults which include: LinkAge Plus, Wellbeing in Tower Hamlets, City Outreach & Older People Services.

Restoration Appeals

Funds for restoring the upper parts of Toynbee Hall's old building to provide accommodation for residential volunteers.

In view of the restoration of the building this fund has been transferred to Restricted Redevelopment Fund.

Wilson Memorial Fund

Funds to support the residential volunteer programme. During the year £25k has been transferred from the Wilson Memorial Fund to the regeneration of Toynbee Hall.

Restricted Redevelopment Fund

Funds held for the redevelopment of the historic grade II listed Toynbee Hall and a new building at 28 Commercial Street. Part of the funding comes from the Heritage Lottery Fund, which awarded Toynbee Hall with a five year grant of £1,709k.

MAS Capitalise

The Money Advice Service Limited (MAS) - Capitalise service is a debt advice program for which Toynbee Hall are one of the lead partners. The majority of funds received from MAS by Toynbee Hall are passed down to organisations to assist with the delivery of the Project.

Purposes of designated funds

The redevelopment fund is set aside for the continued costs associated with the completion of the estates strategy. The trustees have reviewed the allocation to designated funds and as a result of the regeneration project, all of the free reserves of the charity with the exception of those needed for the operational activities have been designated for the redevelopment project.

The John Profumo fund is to sponsor individuals to undertake the residential volunteer scheme who would not otherwise have the means to do so.

Fair value reserve

This is a revaluation reserve for the unrealised gain on the investments.

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2018

21 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2018 £'000	2017 £'000
Net income/ (expenditure) for the reporting period	1,417	(781)
Depreciation charges	35	86
Losses / (gains) on investments	4	(4)
Dividends, interest and rent from investments	(29)	(38)
Interest payable	-	5
(Increase)/ decrease in debtors	(621)	11,246
Increase/ (decrease) in creditors	1,439	(130)
Net cash provided by operating activities	2,245	10,384

22 Analysis of cash and cash equivalents

	At 1 April 2017 £'000	Cash flows £'000	At 31 March 2018 £'000
Cash at bank and in hand	381	2,414	2,795
Total cash and cash equivalents	381	2,414	2,795

23 Operating lease commitments

The group and charity have total future minimum lease payments under non-cancellable operating leases as follows for each of the following periods:

	Property 2018 £'000	2017 £'000	Equipment 2018 £'000	2017 £'000
Less than one year	178	200	7	7
One to five years	31	167	3	10
	209	366	10	17

On 4 January 2016, Toynbee Hall entered into a lease agreement with East End Homes Ltd for a term of 6 years with no premium payable. The charity has to contribute £325k (excl. VAT) towards the cost of fitting out the property over 3 years payable with the annual rent of £55.2k (excl. VAT) in quarterly instalments.

24 Capital commitments

In the previous year, the charity appointed the main contractor to redevelop Toynbee Hall and the new building at 28 Commercial Street.

For Toynbee Hall on 3rd November 2017, a Deed of Settlement was entered into that effectively converted a variable priced contract into a fixed priced contract in the sum of £4.748m (excl. VAT) with an estimated irrecoverable VAT cost of £581k giving a total estimated cost of £5.328m of which £4.606m, inclusive of irrecoverable VAT, has been incurred by the year end.

For the new building at 28 Commercial Street, there is a fixed price contract at a total cost of £5.408m (excl. VAT) with an estimated irrecoverable VAT cost of £192k giving a total estimated cost of £5.6m of which £2.577m, inclusive of irrecoverable VAT, has been incurred by the year end.

25 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2018

26 Financial instruments

	The group		The charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Financial assets that are debt instruments measured at amortised cost:				
Trade Debtors	470	459	372	403
Amount owed by group undertakings	-	-	60	145
	470	459	432	548
Financial liabilities measured at amortised cost:				
Trade Creditors	1,810	527	1,808	481
Cash at bank and in hand	2,795	385	2,783	297

27 Contingent liabilities

At the date of signing these accounts, the construction of the new building at 28 Commercial Street is almost complete. The Contractor has advised that they have suffered delays and associated costs caused by statutory authorities.

Under the contract, the Charity is entitled to liquidated damages for delays in the completion of the works. The Contractor is seeking an extension of time on the grounds that under the contract Toynbee Hall assumed the risk of the delays that have been encountered. This matter has not yet been resolved and, at this time, it is not practicable to quantify the contingent gain that may arise from a claim against Thomas Sinden because of the delays.

The contract also sets out circumstances under which the contractor may be able to seek an adjustment to the contract sum and/or make a claim for the direct loss and expense arising from the matters that have caused delays. At this time and based on its professional advice, the Charity is of the view that the Contractor does not have valid grounds for making such a claim.

Notwithstanding this, the Contractor has intimated that it intends to claim for additional variations, prolongation costs and loss and expense. As no such claim has been properly made at the date of signing the accounts, the Charity cannot reasonably quantify the extent of any contingent liability that may exist, nor can it determine when, if at all, any final amounts would be payable following the outcome of its discussions with the contractor and/or any formal dispute resolution processes.

In view of the above, no asset has been recognised in these accounts in respect of possible damages due from the contractor and the Trustees are satisfied that no provision is required in these accounts in respect of delays to the construction of the building.

Reference and Administrative Information

For the year ended 31 March 2018

Company number	00020080
Charity number	211850
Registered office	28 Commercial Street, London E1 6LS
Operational office	52 Old Castle Street, London E1 7AJ

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Julian Comer	Chair
Annette Zera	
Clare Corbett	
David Warner	
Emma Davies	
Hanif Osmani	Resigned 25th January 2018
Kate Swade	
Kawsar Zaman	
Richard Allan	
Sarah Squires	

Principal Staff	Shan Nicholas	Interim Chief Executive (Appointed 1 st April 2017)
	Jim Minton	Chief Executive (Appointed 1 st October 2017)
Bankers	National Westminster Bank Plc Aldgate Branch 130 Whitechapel High Street London E1 7PS	
Auditors	haysmacintyre Chartered Accountants and Statutory Auditors 10 Queen Street London EC4R 1AG	

Help us create a future without poverty

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 Find us on Facebook

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Sign up to our e-newsletter online

Registered Charity No. 211850. A company limited by guarantee.
Registered Office: 28 Commercial Street, London, E1 6LS
Registered Number. 20080 England

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