



# Annual Report

For the year ending 31st March 2019

Charity No. 211850  
Registered No. 20080

TOYNBEE  
HALL





## Contents

- 2. Foreword from the Chair
- 3. Strategic Report
- 11. Structure, Governance and Management
- 15. Management of Risk
- 19. Our Finances
- 21. Statement of Trustees responsibilities
- 22. Independent Auditor's Report
- 25. Financial Statements
- 43. Reference and Administrative Information

# Foreword by Julian Corner, Chair of the Board of Trustees

Welcome to our Annual Report for 2018/19. This was the year when we finally returned to our historic home, lovingly restored and revitalized to ensure we have a place embedded in the community of East London, which will be a platform from which people can drive positive change for years to come.

This report describes the highlights of our operations and impact over the 12 month period from April 2018 to March 2019, a period where we faced one of the most demanding periods of change that our organisation has seen for many years. Not only were we completing the most significant and extensive redevelopment in our history, but the people and communities with whom we work have continued to be buffeted by severe challenges of austerity and cuts to essential services, benefit reduction, growing insecurity of employment and multiple pressures of housing and other costs.

Within this context, the Trustees are pleased at the impact that the charity has made, and the way in which we have both improved our services to the people who need us, and more strongly connected to the community around us, giving people the opportunity to shape and create ways to break down the barriers that confront them.

There are a great number of highlights reflected in these pages, but the trustees have been particularly struck by the way we have begun to think of our London-wide debt advice partnership not simply as a programme, but as an ambition for our capital city, reinventing it as Debt Free London, a much stronger partnership, more effective and committed to quality delivery. At the same time returning 'home' has coincided with a renewed commitment to locally based research, driven by the local community, to identify and tackle issues that impact on lives every day in Tower Hamlets and beyond.

Showing ambition to tackle the big issues, like debt, access to justice, and poor housing – at the same time as focusing on the things that people say concern them every day – like transport, access to information and safer neighbourhoods – are essential parts of our emerging strategy which Jim and the team will be developing throughout 2019/20.

This has also been a year when we have refreshed our trustee board, saying a huge thank you to Richard Allan and Clare Corbett, for all of the service they have given us, and recruiting three new trustees with strong local connections and new skills and insights. Over time, I want the Board to continue to improve how it better connects to the community around us.

In financial terms, we've had another year of gradual improvement. Maintaining services in multiple spaces, while at the same time undertaking the redevelopment, has been a challenge. But at the end of this financial year we are in a strong position, with a coherent set of services, backed by funders who believe in them, a new events business in our Halls, bringing in revenue and new connections for the charity, a strengthened fundraising operation which can now focus on revenue having completed the capital appeal, and assets which will over time generate significant additional unrestricted income to reinvest in innovation and new thinking.

So we hope that the future is bright. And it is thanks very much indeed to the huge number of funders, supporters, and friends of Toynbee Hall – in so many guises – that this is the case.

Finally of course I should also thank my fellow Trustees, and all of the staff and volunteers without whom Toynbee Hall could not do any of the things it aims to do.

Our history has come to life in genuinely spectacular ways in our restored spaces this year. I hope you will join us in ensuring we deliver on our mission and promise for the future.



Julian Corner

# Strategic Report

2018/19 was another hugely significant year for Toynbee Hall, and for the people and communities we work with. During 2018/19 we reopened our historic halls after a major and genuinely transformational period of redevelopment. This has given us a vital springboard to enable us to meet new challenges and ensure we are best placed to help those we work with take advantage of the opportunities the future holds. That we also achieved so much this year, on top of the physical renewal of our assets, is testament to the hard work, commitment, insights and drive of our staff, volunteers and trustees, and to the support of very many partners, supporters and stakeholders, not least the local community around us.

Through this strategic report we outline the key ways in which we have worked towards our mission and sought to use our resources to further achieve our charitable objectives. Fundamental to our work in tackling the causes and reducing the impacts of poverty, we seek to put the experience of the people and communities we work with at the heart of what we do. There has been major progress across all areas of our operations, and at the end of this financial year the organisation feels in a significantly strengthened position - and more valuable, purposeful and relevant to the people who need us.

During the year we have remained focused on our key strategic aims:

- Aim 1: More people are empowered to find routes out of poverty through high quality services which they help to design.
- Aim 2: Local and national policy and practice on reducing poverty and inequality are better informed by the direct experience of the people we work with.
- Aim 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.
- Aim 4: And we will ensure we are financially stable, well-funded and efficiently run; and support and develop our staff team and volunteers

Under each of these aims, we saw significant impact and have picked out some of the key highlights below in relation to each.

We are incredibly grateful to all of the people and organisations who have funded and supported us during 2018/19 – and many of whom have committed to supporting us over the long term. We are reliant on a huge amount of goodwill and pro-bono support as well as funding, and within this report all of those who have supported us in any way during 2018/19 are listed.

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

In 2018/19 we worked toward this aim through focusing heavily on supporting and engaging with people and the communities they live and work in:

In early 2019 we refreshed and refocused our pan-London debt advice partnership and began 2019/20 by relaunching as Debt Free London, reflecting our ambition to work toward a London where everyone can enjoy the opportunities of the capital without being held back by the burden of problem debt. This revitalised programme - encompassing 25 community based partner organisations, led by Toynbee Hall - has a much stronger focus on quality, and is now better focused on meeting the needs of more people and families. In total over 25,000 people sought advice from Debt Free London in 2018/19 and through a new website; advertising campaign; more skilled and trained advisers; and a stronger focus on outreach, including to groups with particular vulnerabilities, our aim is to support even more Londoners into the future.

In November 2018, we Celebrated 120 years of our Free Legal Advice Centre. Lord Neuberger, former president of the Supreme Court, met with some of the users of the service – which helped over 1000 people last year access free legal support – before addressing an audience of volunteers from our legal partner firms, and other partners and stakeholders. Throughout the year we opened our services to the community for 6 days a week, to serve the community around us.

Over the course of the 12 months we worked with thousands of people in our local area and beyond, giving them access to vital advice around debt, welfare benefits and justice. We have continued our journey toward aligning our services more closely, recognising that even if people come to us with a specific issue or need, it is often part of a more complex set of things they are dealing with, which we know to be significantly hurting the health of Londoners. And our focus has grown more strongly still on being driven and informed by the experience of those we work with, with a strengthened feedback policy and enhanced volunteer programme, ensuring that we can better understand and respond.

Tower Hamlets, the place we have called home for 135 years, has seen incredible change, economic development and the arrival of new opportunities. But communities here still face acute challenges: more than half the children grow up in poverty; and levels of pensioner poverty are way above the national average. Low pay and insecure work are too prevalent, and too many are affected by poor housing and other barriers that hold them back.

As a result we have constantly tried to innovate and respond: directly and through partnerships. We've grown the range of opportunities to help people improve their wellbeing: we now have a major focus on physical exercise and health, with yoga, Tai-Chi and – thanks to a partnership with the English National Ballet – regular dance classes. In response to research amongst local people, at the beginning of 2019 we also introduced IT classes for older people to help them connect better and take advantage of online opportunities. And we've continued to offer training – directly and through partners – to help people with lived experience of financial hardship build their own financial capability through our Community Money Mentors programme. This is helping communities become more financially resilient and individuals better able to cope with unexpected costs through budgeting and savings techniques and improved knowledge of financial services.

We strengthened partnerships locally, across London and nationally with other organisations sharing our agenda: locally this included with the London Borough of Tower Hamlets, the local CVS and a wide range of civil society organisations and enterprises. Our Linkage partnership which coordinates services for over 50s across our borough, celebrated its 10th birthday and worked with 950 older people across Tower Hamlets last year; and our advice service for people with cancer, delivered in partnership with Macmillan across East London, enabled some of the most vulnerable people in our community to access hundreds of thousands of pounds worth of benefits. And while we ended our period of delivering wellbeing services in the City of London – transferring our long serving team to the new provider, Age UK – we continue to provide generalist advice and benefits support to all City of London residents, and workers, including providing specialist services in Spanish for the Latin American community in the area.

In June 2018 we introduced a new culture and arts offer to the community, recruiting our first cohort of Residential Voluntary Workers, who through the arts, storytelling, social innovation and research created new connections beyond our existing programmes, opening us up to other voices and perspectives. And throughout the year we have grown our volunteering offer, providing greater opportunities for local people to become involved, learn new skills and provide a welcoming presence to those who come to us for help and support. And in September 2018 we established a new partnership with New City College to provide English language (ESOL) qualifications to local people, free of charge. Demand for the course has been strong, and the first cohort of graduates are already telling us they are feeling the benefits.

From September 2018 to January 2019 we consulted widely among young people and youth organisations to shape a new offer for young people. This will build on the learning we have gained from the four years of our hugely respected Make-it programme, which came to an end in June 2018, having helped many hundreds of teenagers develop their critical thinking through mentoring and activities in partnership with East London schools. In following Make-it, we wanted very much to ensure that whatever came next was genuinely built on feedback from young people themselves. What they told us very strongly was that they wanted more opportunities to have a say in how the worlds around them works, and a stronger voice in influencing policy and priorities. The new programme we have developed as a result will launch in September 2019.

All of this work helped us build our evidence base, and gave us a wide range of experience to draw upon, vitally giving people the opportunity to develop ideas for action, and changes in policy and practice. Our progress in this respect is set out below, under our second organisational aim:

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

During 2018/19 it has felt like we've really got into our stride in terms of growing our understanding of the need around us and beginning to influence and shape system change to break down the barriers that keep people in poverty. Throughout this year, we've significantly enhanced our policy and research work, building our own capacity, securing external investment and crucially stepping back and helping the wider community take more of a lead in shaping local priorities - and crucially taking action to make change.

In September we launched a research report from a ground breaking project led and shaped by the older people within our community. The report, You don't really know people until you talk to them, revealed the findings from a year long Participatory Action Research project on the needs of older people in Tower Hamlets. Many older people in Tower Hamlets feel isolated with 1 in 5 said they seldom or never had contact with others, including their families and want to be more involved in their communities. We recruited 20 members of the community and trained them to conduct the research themselves. They interviewed over 500 people and processed to data to create a set of key findings and learning that will provide really important insights for policy makers, service delivery organisations and anyone interested in designing and commissioning better services for older people.

One of the key concerns raised in this report was safety. In light of this, we started a new peer action research project in May 2019 looking at community safety as this concern often prevents them from being active within their communities.

Following the success of the peer action research with older people, we also began another project in May 2019 but this time looking at young people's experience of private rented housing. For many young

people, renting can be expensive, and cause many challenges, forcing some into financial hardship and even homelessness. More and more of the people who come to us for debt and other advice are young renters, so we wanted to work with some of them to help shape what a better experience might look like. Our project works with young people to come up with solutions – then crucially will bring them together with landlords to find areas of common ground and shape a better system for all.

Related to both of these pieces of work we've spent much of 2018/19 working with partners and stakeholders on a range of other issues that are emerging from our direct work with the community. These include access to transport; loneliness and isolation and availability of welfare benefits advice.

We continue to build our knowledge and expertise around financial health and to influence policy and practice based on the learning from our debt advice and Money Mentors services. At the end of 2018 we submitted and gave oral evidence to the Treasury Select Committee enquiry into access to financial services. The Committee's report, published in May 2019, drew significantly on our evidence, and as a result we are engaged in more detailed work to take forward some of its recommendations with partners.

We are building a growing evidence base around poverty and exclusion, particularly in East London. This year this has included working with the Fair by Design Campaign, doing specific work with providers and designers of financial products and services to ensure they design-in fairness and don't further exclude people. Similarly we were instrumental in inputting evidence to the Government's Access to Cash Review – seeking to ensure that those who need or want to pay for things with cash are not disadvantaged because they may want to manage their limited resources better this way.

We continue to work closely with the financial services industry: leading pioneering work to support credit unions; building understanding of the needs of people without bank accounts; and taking forward practical research and policy work on the changing role of cash and its impact on people on low incomes. At the heart of what we bring to all of this work is a deep commitment for the insights of people and communities with lived experience of poverty and exclusion to be central to the learning within the projects. Throughout 2018/19 we continued to work with the End High Cost Credit Alliance. This included further work to support community organisations including Tai Tarian Housing in Port Talbot to form a collective response to high cost debt; and we've been active partners to the newly established Money and Pensions Service, inputting to their emerging strategy on debt and financial health. At the same time, we've continued to work in partnership with a range of other organisations actively seeking better ways to support financial health, including an innovative project in the East Midlands, led by community organisation D2N2; and with Gingerbread who led on Scraping and Saving, a project that we initiated and designed focusing on savings amongst single parents.

Our work this year has also created a number of significant opportunities for the people we work with to engage directly with policy makers, so as to help shape system change. Governor of the Bank of England, Mark Carney visited Toynbee Hall in February 2019 and spent a couple of hours with some of our local Money Mentors. The Governor fed back that he found the experience very insightful, and as a result the Bank hosted their first ever Citizens' Panel for London meeting at Toynbee Hall a month later.

The Chair of the Financial Conduct Authority, Charles Randell, also visited as part of his own commitment to listening to communities, and the new spaces in our halls have given us many opportunities to engage directly with a wide range of organisations and help them build their understanding of what people and communities are experiencing.

In October 2018, Deputy Mayor of London Matthew Ryder hosted an event here at Toynbee Hall as part of London Challenge Poverty Week in which we were a key partner. And across London we have strengthened our links with the economic policy and civil society engagement teams within the Greater

London Authority, providing learning and evidence to inform policy development. Nationally, we have played our part in shaping thinking around civil society's role within communities more widely, contributing thinking to the Civil Society Futures Review, and joining a cohort of diverse organisations seeking to work its recommendations into policy and practice; and we were invited to give evidence to the Tower Hamlets Brexit Commission, led by Sir Tony Travers. As a result we joined the Commissioners, the Mayor and London Assembly Members on the platform for the launch of the report at City Hall in February.

We will continue to build upon and develop this work through 2019/20 and beyond. One of the things that has given us significant impetus in our stronger focus on the local community, and at the same time allowed us to bring together different interest groups, has been the reopening of our historic spaces. Under our third Aim, below, we outline the other benefits this has bought us and the progress we have made in 2018/19:

### **Aim 3: A vibrant new space is bought 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**

After 3 years away, and almost 5 years since the first steps toward the redevelopment started, we were delighted to reopen our historic halls to the public in June 2018. This was an incredible achievement and huge credit is due to the Trustees and our previous Chief Executive, Graham Fisher, for their vision; and to the current team and all of our very many funders, supporters and professional partners for making it a reality.

The opening saw the beautifully restored Toynbee Hall welcome in the community around us and very far beyond, and our space now offers a permanent exhibition reflecting our heritage and the contribution of very many people in the local area who have throughout our history made us a powerhouse of social change. This received national attention featuring on Channel 4 News and in The Independent and on the following weekend, 200 visitors came to our halls at the first opportunity as we opened our doors for The Open House Festival.

Throughout the year, we've welcomed thousands of visitors from across the world; opened up our archives, which contain an incredible array of documents and evidence of real social and political significance; and started a brand new programme of engagement activities to enthuse and inspire people about positive social change. Led by our new cohort of Residential Voluntary Workers, we've run story telling sessions for local people; workshops on black history and housing activism; helped older people think about their human rights; and created a volunteer-led tour of the local area based on the knowledge of people living in the streets around Toynbee Hall.

At the same time, we've bought the building to life as a prestigious and profitable event venue for voluntary, public and private sector organisations. In the first 12 months our historic building hosted meetings and events from organisations as diverse as the National Trust; Crisis; NHS London; the Greater London Authority; City Bridge Trust and Tower Hamlets CVS.

The response of those booking the space has been incredibly positive and our small, expert team have done a tremendous job to build up the capacity and delivery so quickly, while at the same time ensuring a really high quality experience for those who use the space.

In September 2018 we officially opened the building, with a tremendous evening for our friends and supporters from across the community and were honoured to be joined by a range of high profile guests, including our MP Rushanara Ali; Mayor of Tower Hamlets, John Biggs; The then Deputy Mayor

of London for Social Integration, Matthew Ryder; and John Sentamu, the Archbishop of York who gave a moving and entertaining address.

By the end of 2018/19 we had all but completed the external works on our new building at 28 Commercial Street, which by mid-2019 would be ready to house our purpose built wellbeing and advice centres. The new building also give us four floors of commercial space to lease out to generate unrestricted income, and toward the end of 2018/19 we began actively seeking tenants to take the space during 2019/20.

Fundraising for the Development project was mostly completed by the time we began 2018/19 but we are delighted to report that two significant additional donations were secured during the year. The first was from London Marathon Charitable Trust, who added an additional contribution to their earlier gift (secured in 2017/18); and the London Mayor's Good Growth Fund, from which we secured £350,000 to support the fit out of the Wellbeing Centre and work on the gardens, particularly with a view to engaging the local community in its design and development.

In addition, we were very pleased to be able to acknowledge the contribution of a long term volunteer at the Wellbeing Centre, Patricia Singleton, by using a legacy she generously gave us to help complete the financing of the new centre. This will be a fitting and long lasting marker of Patricia's contribution as a volunteer over many years, and this and the legacy will be commemorated within the new space.

We maintained our temporary spaces, for wellbeing, advice and our staff team, close by in Old Castle Street throughout 2018/19 and are very grateful to East End Homes for the space so conveniently close by, and helpful for the people we work with. While we were waiting to complete our new wellbeing and advice centre spaces, we leased some of our space on a temporary basis to Bethnal Green Ventures, creating space for up and coming enterprises, generating income for us and ensuring the whole of our historic building was being well used from day one.

As can be imagined, balancing all of this work with the need to maintain our own financial stability, and keep developing and valuing our staff and volunteers was an essential part of all of our efforts during 2018/19. And so our progress under our fourth aim highlights how we have managed to in this respect during the past year.

#### **Aim 4: We will: ensure we are financially stable, well-funded and efficiently run; and support and develop our staff team and volunteers**

Operating from a temporary base, while completing a complex and costly redevelopment – at the same time as seeking to innovate and progress our mission related activities – has certainly been challenging. But overall it feels like we have continued to strengthen our organisation through this period, and ended the year in a significantly better place – physically and in relation to our overall aims – than when we started.

Our staff team has continued to perform effectively, and our staff survey highlighted once again that people feel proud of the work they do and very committed to the goals and aims of Toynbee Hall. While inevitably good people have moved on during the year, we have attracted new high quality staff at all levels when we have had vacancies or new roles; and we have strengthened our focus on developing talent internally, although there is still work to do.

We refreshed our appraisal system during 2018/19 making a start toward our aim that every member of staff understood their role clearly and were set personal development goals which matched their corporate objectives and also gave them scope to enhance their skills and experience. We have made

progress but there is still work to do.

From this process a number of interesting and valuable insights emerged about how we could continue to support our team to do the best work they can to engage with and provide assistance to people in the community who need us. In addition, perhaps unsurprisingly when resources are tight and levels of need within the community are acute, our team have also told us they feel that their jobs are hard and they are concerned at times for their own and their colleague's wellbeing - as well as, of course, the wellbeing of those we work with.

So through the year, we have given these issues a higher priority, so as to ensure that staff and volunteers are able to feel supported themselves when they are in regular contact and dialogue with people who may face significant challenges and vulnerabilities. As part of this we gave all our team the opportunity to have Mental Health First Aid training, introducing the principles of looking after our own wellbeing and providing some helpful pointers as to what more we could do as an employer.

And following this, we have started a range of activities aimed at enhancing wellbeing – often led by our staff themselves. We introduced staff yoga sessions, having seen the positive impact that regular yoga and other exercise was having on the people who used our wellbeing centre. Our staff have also set up an informal 'parents' group' so that those who have children can get some mutual peer support.

Led by our legal advice team we've also been doing some exciting exploratory work on creating a Psychologically Informed Environment (PIE) for our advice services: the principle behind this is that the people who come to us for assistance are given more holistic support to try and deal with the barriers that are holding them back. A big part of this is providing training and guidance as well as peer to peer support for our advice team. It is important work and very much in line with our broader ambition to move from transactional services to an offer which is much more shaped by the people who use our services.

And over the last year we've grown and developed our offer for developing opportunities for people with lived experience and bringing them into our team as trainees, or giving them the skills and networks to be able to work in one of our partner organisations. In January we recruited and trained a team of trainee debt advisers, a number of whom had been volunteers with us, or had come to Toynbee Hall or one of our partner advice providers for support – and now wanted to develop the skills themselves to help others.

Our Financial Report follows later on in this document, and reflects that fact that the wide range of outcomes we have achieved has been within the context of what remains a tightly constrained financial set of circumstances – though over 2018/19 we have worked to a clear plan which we expect to bring us to an operational break even budget during 2020/21. By this time, our new commercial spaces should all have long term tenants paying market rents; our venue hire business will have had another year of growth; we are confident that our fundraising will continue to bring in project and unrestricted income - we have been exceptionally effective in generating the capital funds for the redevelopment over recent years, and through 2018/19 was able to put more focus on funding our delivery and innovation work – with particular successes in attracting funding for new policy and research activities. And we will continue to focus on delivering the outcomes we are committed to in the expectation that this will bring renewed investment into the future.

Given the scale of the redevelopment and the financing required to continue to develop our operations and meet need across our community, while at the same time completing a very extensive building project, we are satisfied at the situation we find ourselves in, while not being complacent at all about the challenges ahead.

Our Finance Team has been a strong and stable presence within the organisation, developing our systems and ensuring all of our staff are trained and familiar with our procurement and purchasing systems so as to make them as efficient and well managed as possible.

We have also continued to ensure that all of our managers and budget holders build their skills and develop their confidence around financial management, with a result that our ability to control costs and accurately project income helps us keep a close eye on financial performance overall – as well as raising financial literacy and accountability across the organisation.

## Looking ahead

Overall 2018/19 was a very good year, as outlined above, and gives us a really strong platform to build on, with real potential to make even more of a difference to the community around us and far beyond.

Our new advice and wellbeing centre, offering wonderful new spaces designed with and for the local community, opened their doors in June 2019. We will use that opportunity to continue our progress to open up our services and develop our offer so as to include more people from the community around us. Our debt team has added some outreach capacity, and will work in closer partnership with local organisations in order to ensure we reach even more people; and working closely with our Debt Free London team we will continue to focus on quality and the professional development of our team. The Free Legal Advice Centre will continue to develop our offer, through wider partnerships with volunteers from a wide range of hugely supportive firms and colleges. Our hugely influential Money Mentors programme will reach the milestone of its 5th year of delivery and we are very confident that we have demonstrated its value and can sustain the service into the future, giving more and more opportunities to people with lived experience of debt and poverty to make a difference to themselves, the wider community and shape system change together.

Over the summer and autumn we will finalise plans for the new community gardens in leading from our spaces onto Commercial Street. Lots of people have been involved so far in the development of the plans, which will see new green space developed in an area where there is very little currently – and bought to life with opportunities for gardening, table tennis, chess, and relaxation, all designed in line with our historic space. This will finally complete the period of redevelopment, forming a centerpiece for our model of redevelopment, which combines shared space with opportunities for advice and wellbeing services, heritage and learning activities, alongside a café and cultural hub, new office space, and private and social housing. During 2019/20 we will firm up plans for the overall management and maintenance of the site, to ensure the best experience of the shared spaces for everyone.

We will continue to build our research and policy portfolio building up a clearer picture of need and opportunity within the borough around us and working with others to influence broader system change. Our new youth programme, designed by and for young people from the local area, will start delivery toward the end of 2019; and we will continue to lead and innovate through our Debt Free London partnership - which by mid 2019 was the best performing of all of the partnerships funded by Money and Pensions Service across the whole country - in order to establish an operating model with the best chance of being sustained into the future. At the same time, we remain aware of the risk in uncertain times that funding for one or more of our key streams of work may be reduced or removed at some point in the future, so will continue to plan for scenarios where some income is reduced - while at the same time seeking to grow commercial and unrestricted income from other sources.

These income generation opportunities will continue develop, with a stronger focus on multi-year revenue fundraising, and we will continue to grown our events business. By summer 2019 we had – excitingly – already secured tenants for two of our four floors and confidently expect to go into 2020/

with tenants for each of the four floors in our new property, ensuring a new stable income stream for years to come.

Finally we will continue to work with trustees, staff, volunteers and partners to evolve a new vision and direction for the organisation, so we meet need and remain sustainable now and into the future.

## Structure, Governance and Management

### Charitable Objectives

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

1. To prevent or relieve poverty or financial hardship;
  - 1.1 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.
  - 1.2 By Undertaking and supporting research into factors that contribute to poverty or financial hardships and the most appropriate ways to mitigate these.
  - 1.3 By raising awareness and informing and influencing the public and public policy on these issues.
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. 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;
4. To advance education by the encouragement of the Arts, including arts of drama, mime, dancing, singing and music;
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
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

The Board of Trustees 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. Trustees give their time voluntarily and receive no personal benefit from Toynbee Hall. They are a group with a diverse range of skills, a deep commitment to Toynbee Hall's values and mission, and throughout the last year have performed their duties - in terms of governance, but also in terms of strategic oversight of the organisation - very effectively, enabling us to achieve so many positive outcomes in a context of so much uncertainty.

During 2018/19 two trustees finished their final terms of office (Richard Allan and Clare Corbett) having each made an outstanding contribution during their 9 year involvement.

As a result we sought to recruit three new trustees to bring in new experience, insights and skills where we felt they were needed. Our recruitment plan was deliberately aimed to attract people with strong personal connections to our local area, to strengthen the bond we have with the community around us.

We were delighted with the success of the recruitment and the diverse and talented range of applicants who came forward. After a long process of discussion and interviews with a number of candidates, we invited Tahera Rouf, Husna Mortuza and Maysam Rizvi to join the board. In February 2019 we held a Board Away Day at which we introduced the new trustees to their fellow Board members and began to think together about the future. The new trustees also had a full induction and are already making a positive impact.

The Board approves the strategic and operational plans for Toynbee Hall including the annual budget, and monitors progress for each of these throughout the year by receiving monthly reports from the Chief Executive summarizing performance.

While the Board normally meets formally at least four times per year, during 2018/19 they were called upon on other occasions in order to help us keep as close an eye as possible on progress on the redevelopment, and to help manage key risks. The executive team are hugely grateful for this level of support and commitment.

## Committees

In addition to the Board meetings, Trustees carry out their responsibilities through the Finance Committee and - up until the beginning of 2019 - the Project Control Panel, which acted as a governance mechanism to monitor and oversee the redevelopment project.

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

Richard Allan (co-opted from February 2019 when he stepped down from the full Board)

Each of these Committees formally reports to the Board.

During 2019/20 with the arrival of new Trustees and the conclusion of the redevelopment project the Chair will lead a process of reviewing the shape and membership of our sub-committee structure.

## 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 Director of Finance, Director of Policy and the Director of Redevelopment.

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 in relation to our commitments to funders and our own ambitions to create the best outcomes we can for the community around us and beyond. The Chief Executive reports on organisational performance against strategic objectives at each Board meeting. This enables Trustees to monitor and evaluate performance regularly.

## 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.

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 median pay is 2.6:1 Our Chief Executive pay to lowest pay is 3.7:1

## Equality and Diversity

Toynbee Hall is committed to ensuring all people are treated fairly, whether they are staff, volunteers, people who use our services or people who come into contact with us for other reasons. We operate to clear policies on recruitment and training, and strive to ensure that our organisation is able to reflect and respond to the diversity of the community around us and beyond.

While it is clear we have a diverse workforce, drawn from many communities and with people of different genders and backgrounds at all levels. During the year we have made a concerted effort to help people progress within the organisation (so a number of volunteers have joined as paid staff) and to create opportunities for those with lived experience of poverty or of the issues that we worked on to join our workforce. This has particularly been the case in our money mentors programme which is designed to create opportunities for community members, and during last year we also recruited a cohort of Debt Advice Trainees, some of whom had personal experience or knowledge of financial exclusion. We are looking to create more such opportunities, and working with funders to find resources to support this work.

It is still the case that the senior management and executive of the organisation is largely made up of white men and women. We are determined to ensure that we do better over time in terms of opening up opportunities for internal progression and recruiting from different communities. During 2018/19 we embarked on a recruitment campaign for three new trustees with strong personal links to our local area, and after an excellent response were delighted to appoint to our Board three people with strong skills, experience and expertise, all from BAME backgrounds and all with strong local ties to our area.

This has shown us what is possible, and we want to build on this in coming years.

## 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).

In 2017, we developed a new Ethical Fundraising policy to cover all of our income streams to guide how we work with our donors or partners.

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

We maintain a comprehensive Risk Register which is reviewed and updated each quarter by our Senior Management Team and subsequently at each Board meeting - also quarterly.

While overall accountability rests with the Chief Executive, Directors and Senior Managers, our aim is to create a culture of effective risk management and mitigation within the organisation. We do this through our regular reviews amongst senior managers, and in line with updating on progress against operational plans and targets, following up with discussions in team meetings and one to ones. We introduce training - for instance on financial procedures, health and safety and safeguarding - for all staff as necessary to instill good practice, and use risk assessments to ensure we are managing day to day risk effectively in our operations. Our policies - around safeguarding, procurement, financial management, health and safety etc - are regularly reviewed and updated by senior managers and scrutinised by the Board in order to offer assurance.

As brief context as to how our risks are changing, over recent years while we were redeveloping our historic home and creating new spaces for the community and our commercial use, some of our most significant risks concerned our ability to finance and manage a significant building project without damaging the overall effectiveness and sustainability of the charity. As the redevelopment comes to a successful end during 2019/20 these risks have progressively reduced, thanks to the solid mitigation we have put in place - which has included good governance, effective management and professional support, successful fundraising, and a clear strategy around borrowing and financial management.

The other risks are likely to be those that are more familiar to any charity working with vulnerable people and with a mixed model of financing services in an era when public and charitable funds are limited, and when need is increasing. So these are primarily around: our exposure should a major funding agreement be withdrawn or reduced; our ability to generate income from our assets and from fundraising; reputational risks, which might come from a variety of circumstances; and critically the safety and wellbeing the people we work with, our staff and volunteers.

In the early part of 2019 a new risk emerged, through our Debt Free London partnership, and that is the risk that a partner organisation - with an agreement to deliver outcomes on our behalf - was unable to continue trading. We have experienced this in 2019, and given the funding environment there is a likelihood that this will happen in the future. The impact on us to date has been negligible and our risk mitigations have been effective, but nevertheless it is something we will continue to monitor and review.

Within this context, and for the purposes of this Strategic Report, the key risks outlined below are summarised below from our more comprehensive Risk Register, along with the key mitigation we have in place.

## Principle Risks and Mitigations

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

Risk	Background and mitigating factors
<p>Reduction in services and core contribution as a result of loss of contracts or reduction in grants: including for our Debt Advice and partnership management and for other key services</p>	<p>The Charity acts as lead agency for the delivery of debt advice services across London for the Money and Pensions Service (MAPS). The current agreement runs until March 2020, having been extended in January 2019 in the event of a procurement process being suspended. This represents a major element of the Charity's work and the loss of the funding would result in significant challenges to the Charity, and our partners.</p> <p>Since the agreement was extended we have taken a number of positive steps to develop the partnership and ensure we are in the strongest position possible when procurement is next opened. These include: relaunching and rebranding the partnership; and reallocating resources to have a much stronger focus on quality and performance. These changes have been warmly welcomed by the Funder and have delivered improved performance in the partnership so far. We expect to know by the end of 2019 as to the status of future procurement plans but are confident we will be in a stronger position than previously at the point at which procurement reopens.</p> <p>In addition to the Debt Free London agreement, we have a significant number of multi-year funding partnerships in place that mitigates these risks in the short term. These include with Macmillan, who fund us to provide a specialist welfare advice service; the London Borough of Tower Hamlets for the delivery of LinkAge Plus partnership as well as our direct provision of local advice and wellbeing services; and the City of London who commission us to provide Advice services for their residents and workers.</p> <p>Across each of these contracts we have continued to perform – and often out-perform – in relation to our obligations and targets. As we entered 2019/20 there was still uncertainty about whether all of these contracts would be extended, but our strong relationships and improved performance give us confidence that we will be in a good position to maintain the contracts at the point at which they are renewed.</p> <p>At the same time, we continue to review scenarios and put in place contingencies to identify cost savings - and new income streams - should any of these agreements be at risk, in order that we can maintain our operations overall as effectively as possible. In addition we continue to research and understand need, and develop innovative ideas and proposals to identify and secure funding for new services.</p>
<p>The long term sustainability of our charity - and therefore our ability to meet need - are limited by a failure to generate new income</p>	<p>Related to the risk above, our strategic aim has been - in large part through the renewal and revitalising of our physical assets (our buildings) - to generate increasing amounts of unrestricted income, both to allow for innovation, and to make us more secure in the face of uncertainties around grants and contracts.</p> <p>We have established a new team and internal 'business' to generate conference and event revenue from the beginning of 2018/19 through the hire of space within our historic building.</p>

	<p>From a standing start this is making significant progress and we expect to continue to grow the contribution this activity makes to the charity.</p> <p>We are also now actively marketing our commercial space to long term tenants, and have secured guaranteed income for the coming years for two of our new floors of office space, and expect the other two floors to be filled during the course of 2019/20 giving us secure income streams.</p>
<p>Risks around the redevelopment, including an inability to finance the works, and operational failures or delays stemming from the project which impact on our operations and finances</p>	<p>The mitigation can be broken down into: our approach to funding and financing; our project management and professional support; our approach to governance; and our contingency planning.</p> <p>In terms of funding and financing the redevelopment we have worked to a clear plan, constantly reviewed by Directors and Trustees, with a dedicated approach to fundraising and cost control. The project has faced delays and increased costs. Nevertheless we have broadly been able to respond to these effectively. During 2018/19 we secured an additional £350,000 from the Greater London Authority's (GLA) good growth fund and an additional tranche of capital funding from The London Marathon Charitable Trust. We have also put in place a borrowing facility should we require it.</p> <p>In terms of project management, our Director of Redevelopment oversaw the whole project, supported by a team of professional advisers. While the main building projects were delayed for reasons beyond our control, the fit out of the new wellbeing and advice spaces was completed on time, and the final elements of the redevelopment (the colonnade and the gardens) are on track to be completed during 2019, and we have continued to maintain the support of a professional team to ensure that we can draw upon the necessary skills and judgement where required to manage the inevitable challenges of a project as ambitious as ours. We have also maintained good relationships with contractors, developers and planners through regular project meetings and contract management throughout.</p> <p>Our trustees established a specific Sub Committee - the project control panel - to oversee the project, with a mix of Board members and co-opted experts. The PCP was able to provide detailed scrutiny and guidance and act as a bridge between the project and the full Board.</p> <p>Finally, we have been scrupulous in identifying as far as we can any contingencies that might accrue from delays or changes to the project and built these into our budget so as to ensure we can manage any downsides should they occur.</p>
<p>Safeguarding of the people we work with and ensuring the wellbeing and safety of our staff and volunteers</p>	<p>All of our staff and trustees are subject to Disclosure and Barring Service checks. We have a clear safeguarding policy and a trained senior manager with specific responsibility for safeguarding. We have clear policies, regularly reviewed, and staff and volunteers are trained and inducted to ensure we operate safely. We use risk assessments for activities and have a strong culture of identifying and raising issues should we have concerns.</p> <p>In response to concerns about vulnerable clients we introduced security support - tailored to be empathetic and in line with our values - during 2018/19. Our places and spaces manager is fully trained in Health and Safety practice and as we moved</p>

	<p>into our new spaces has been training staff formally and informally on how we operate safely.</p> <p>In terms of broader wellbeing, we held mental health first aid training for all staff; are listening to and acting on feedback to ensure our environment is safe and conducive to staff wellbeing (introducing plants in the office, quiet spaces, yoga and other activities, and supporting working from home and other flexible arrangements). We are also working with a range of experts who are helping us develop a Psychologically Informed Environment where staff, volunteers and people who come to us can be assured their wellbeing is taken seriously.</p>
<p>One of our delivery partners is unable to continue operating, putting our funding agreements at risk</p>	<p>All of our partner agreements in Debt Free London now give us the ability to withhold 20% of funds until the end of each quarter, so as to give us some assurance should targets not be met.</p> <p>Our two partnership managers who maintain day to day contact with our delivery partners are trained to look for early warning signs of financial and operational challenges and we have a mechanism in place to give additional support where needed.</p> <p>We have also planned scenarios for reallocating targets to other partners should one partner or more not be able to meet their obligations. And we have set up a working group with partner organisations to identify other ways of managing this risk in the most supportive way.</p>
<p>Reputation risk emerging from social media activity, operational failure or other occurrence</p>	<p>We have a clear social media policy and staff are supported to promote our work in positive ways. Our partnerships and our work are focused closely on our mission so while we expect to make challenging statements, these are always cleared by Directors who understand the requirements for us to remain unaligned with political parties and keep our pronouncements courteous, accurate and in line with the law.</p> <p>Through our broader risk management, financial management and operational management we seek to ensure we run our organisation effectively so limit the chances of failure leading to accusations of bad practice. We have a clear feedback policy and act on complaints promptly and are always looking to improve the way we respond - and improve when people suggest we can do better.</p>

## 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, as set out in the Consolidated Statement of Financial Activities, show a positive net movement in funds of £2.226m (2018 - £1.417m). This comprises:

- A net surplus of £115k (2018 - £1.952m) representing capital grants less management and overhead costs of the redevelopment not capitalised;
- An operational deficit of £83k (2018 - £531k), giving net income before net gains of £32k (2018 - £1.421m), which has been funded from brought forward reserves where grant income has been received in an earlier period; and
- Revaluation gains of £2.194m (2018 – loss of £4k) mainly arising from the treatment of the newly built office space located in the top four floors of the new building at 28 Commercial Street as an investment property.

Excluding capital grants received, income for the year was £7.711m compared to the previous year of £7.020m. The Charity was able to start to increase its operating income as the redevelopment of our site was coming to an end and the Charity is working on developing its services further from its regenerated premises.

Advice work continues to form the largest element with expenditure of £5.568m compared with £5.346m last year. This income varies depending on the extent to which the Charity, as a lead agency for the Money and Pensions Service (formerly Money Advice Service), assists with the delivery of one-off projects. The core debt advice services being delivered have remained consistent as has work-ing with a range of partners. The Charity has been able to fully recover its core costs associated with this substantial programme.

Our education services have again run at a deficit for the year although at £118k, this was much reduced from last year's amount of £337k and reflects the efforts of the Charity to develop this activity for the long-term, building on our heritage.

This year, we have increased our expenditure on research and policy work so that we can achieve a greater impact in our work. This accounts for approximately half the deficit on our Financial Health activities of £105k for the year. The balance relates to expenditure funded from brought forward reserves.

Our venue hire business recommenced in June 2018, contributing to the income of our trading subsidiary, which achieved a turnover of £233k for the year (2018- £139k). With the successful relaunch of the venue hire business, we expect the trading subsidiary to return to profit in 2019/20.

With the completion of the historic Toynbee Hall building and substantial progress on the new building at 28 Commercial Street, £3.434m (2018 - £6.757m) of

expenditure was capitalised and a further £33k (2018 - £107k of associated construction overhead costs expensed in the Statement of Financial Activities.

As the historic Toynbee Hall building was brought into use during the year, the costs of plant and machinery and fixtures and fittings of £1.394m were transferred to their appropriate categories within fixed assets. In addition, the cost of the top four floors of the new building at 28 Commercial Street of £4.830m was transferred to investment properties and they were then revalued to their fair market value of £7.030m.

The remaining work primarily relates to the fit out of the Wellbeing and Advice centres in the ground and lower ground floors of the new building, which was completed by 30 June 2019 at a further cost of c£750k. This was partly funded by a grant from the Greater London Authority of £280k receivable after the year end. A loan facility from CAF Bank Limited will fund any remaining expenditure on the redevelopment.

On 30 June 2019, the Charity vacated its rented property thereby eliminating any rental costs. The new income generating assets in the form of the venue hire facility and investment property for commercial letting are expected to generate substantial income for the Charity to achieve sustainability in the future. The Charity ends the year with consolidated reserves of £14.186m (2018 - £11.960m). Of this amount, £2.163m (2018 - £3.769m) represents restricted reserves. Of the balance of £12.023m (2018 - £8.191m), £9.739m has been designated, mainly in respect of the carrying value of the new estate arising from 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 c£560k (2018 - £550k), calculated by excluding those funds distributed to and expended by the debt advice partners.

Bringing our estate back into use has been a significant achievement, designed to equip the charity to be sustainable long into the future. The length and extent of the project has meant that the Charity has not had the benefit of income from its investment and trading assets for several years. In order to keep meeting our charitable objectives in relation to the community around us during this period of reduced income while the development has been taking place, we have made use of the Charity's free reserves. And having properly designated our unrestricted funds to the redevelopment, the Charity ends the year with unrestricted undesignated reserves of £79k (2018 - £347k).

Nevertheless, with the income generating assets now fully renewed as a result of the redevelopment, the Charity is confident that it will rebuild its unrestricted funds to meet its reserves policy requirements. In the short term, the Charity will be utilizing the security of its substantial asset base to arrange borrowing facilities to fund this reserves gap.

# 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 2019 was 10 (2018 - 9). 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**

In accordance with Section 485 of the Companies Act 2006, a resolution proposing the re-appointment of Haysmacintyre LLP as the charitable company's auditor will be placed before the Annual General Meeting.

The trustees' annual report which includes the strategic report has been approved by the trustees on 25th

September 2019 and signed on their behalf by;

Name: Julian Corner    Position: Chair

# Independent Auditor's Report to the members of Toynbee Hall

We have audited the financial statements of Toynbee Hall for the year ended 31 March 2019 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 2019, 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](http://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 LLP, Statutory Auditor

10 Queen Street Place, London  
EC4R 1AG

Date: 2nd October 2019

## Toynbee Hall

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

For the year ended 31 March 2019

	Note	Restricted Debt Free London £'000	Restricted Other £'000	Unrestricted £'000	2019 Total £'000	2018 Total £'000
<b>Income from</b>						
Donations and legacies	3a	12	216	189	417	2,386
Charitable activities						
Advice		4,610	922	200	5,732	4,985
Wellbeing		-	770	75	845	828
Education		-	252	-	252	187
Financial health		-	195	137	332	514
Other activities						
Estates income		-	-	50	50	9
Trading income		-	-	178	178	95
Investments						
Dividends and interest received		-	-	4	4	25
Rentals from investment property		-	-	4	4	4
<b>Other Income</b>						
Release of deferred lease premium		-	-	46	46	46
<b>Total income</b>		4,622	2,355	883	7,860	9,079
<b>Expenditure on</b>						
Fundraising and publicity		-	-	263	263	237
Costs of generating estates income		-	14	19	33	222
Costs of generating trading income		-	-	211	211	103
Costs of generating investment income		-	-	24	24	5
Charitable activities						
Advice		4,463	865	240	5,568	5,346
Wellbeing		-	829	90	919	829
Education		-	370	-	370	524
Financial health		-	279	158	437	393
Provision of accommodation		-	-	3	3	(1)
<b>Total expenditure</b>	4	4,463	2,357	1,008	7,828	7,658
<b>Net income/ (expenditure) before net gains / (losses) on investments</b>		159	(2)	(125)	32	1,421
Net gains / (losses) on investments	11,12	-	-	2,194	2,194	(4)
<b>Net income for the year</b>	5	159	(2)	2,069	2,226	1,417
Transfers between funds	20	-	(1,763)	1,763	-	-
<b>Net movement in funds</b>		159	(1,765)	3,832	2,226	1,417
<b>Reconciliation of funds</b>						
Total funds brought forward		-	3,769	8,191	11,960	10,543
<b>Total funds carried forward</b>	20	159	2,004	12,023	14,186	11,960

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.

Debt Free London programme is funded by the Money and Pension Service formerly known as the Capitalise programme funded by the Money and Pensions Service.

## Toynbee Hall

## Balance sheets

As at 31 March 2019

Company no. 00020080

	Note	The group		The charity	
		2019	2018	2019	2018
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	10	8,711	9,985	8,669	9,985
Investment property	11	7,318	295	7,318	295
Investments	12	18	17	18	17
		<b>16,047</b>	10,297	<b>16,005</b>	10,297
<b>Current assets</b>					
Debtors	14	729	1,280	695	1,261
Short term cash deposits		-	1,007	-	1,007
Cash at bank and in hand		1,413	2,795	1,371	2,783
		<b>2,142</b>	5,082	<b>2,066</b>	5,051
<b>Liabilities</b>					
Creditors: amounts falling due within one year	16	(1,638)	(2,508)	(1,504)	(2,500)
<b>Net current assets</b>		<b>504</b>	2,574	<b>562</b>	2,551
<b>Total assets less current liabilities</b>		<b>16,551</b>	12,871	<b>16,567</b>	12,848
Creditors: amounts falling due after one year	18	(2,365)	(911)	(2,365)	(911)
<b>Net assets</b>	20	<b>14,186</b>	11,960	<b>14,202</b>	11,937
<b>Funds</b>					
Restricted funds					
Debt Free London		159	-	159	-
Other funds		2,004	3,769	2,004	3,770
Total restricted funds		<b>2,163</b>	3,769	<b>2,163</b>	3,770
Unrestricted funds:					
Designated funds		9,739	7,833	9,739	7,833
General funds		79	347	95	323
Fair value reserve		2,205	11	2,205	11
Total unrestricted funds		<b>12,023</b>	8,191	<b>12,039</b>	8,167
<b>Total funds</b>	20	<b>14,186</b>	11,960	<b>14,202</b>	11,937

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 £7,724k (2018: £8,943k) and surplus of £2,269k (2018: Surplus of £1,393k).

Approved by the trustees and authorised for issue on 25th September 2019 and signed on their behalf by

\_\_\_\_\_  
Julian Corner  
Chair

## Toynbee Hall

## Consolidated statement of cash flows

For the year ended 31 March 2019

	Note	2019 £'000	2018 £'000	£'000
<b>Net cash (used in )/ provided by operating activities</b>	21		<b>(272)</b>	2,245
<b>Cash flows from investing activities</b>				
Dividends, interest and rents from investments		8	29	
Purchase of fixed assets		<b>(3,619)</b>	<b>(6,757)</b>	
<b>Net cash used in investing activities</b>			<b>(3,611)</b>	<b>(6,728)</b>
<b>Cash flows from financing activities</b>				
Draw down of bank loan		1,500	-	
Transfer from short term deposits		1,007	6,897	
Mortgage interest paid		<b>(6)</b>	-	
<b>Net cash provided by financing activities</b>			<b>2,501</b>	6,896
<b>Change in cash and cash equivalents in the year</b>			<b>(1,382)</b>	2,414
Cash and cash equivalents at the beginning of the year			<b>2,795</b>	381
<b>Cash and cash equivalents at the end of the year</b>	22		<b>1,413</b>	<b>2,795</b>

## Toynbee Hall

### Notes to the financial statements

#### For the year ended 31 March 2019

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#### 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 and principal operational office address is 28 Commercial Street, London, E1 6LS.

##### 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.

**Toynbee Hall**

**Notes to the financial statements (continued)**

**For the year ended 31 March 2019**

**1 Accounting policies (continued)**

**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.

**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	53.6%
● Wellbeing	16.1%
● Education	8.7%
● Financial health	6.6%
● Estates & Redevelopment	0.3%
● Fundraising	9.5%
● Investment	2.1%
● Toynbee Hall Trading Limited	3.1%

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.

**Toynbee Hall**

**Notes to the financial statements (continued)**

**For the year ended 31 March 2019**

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**1 Accounting policies (continued)**

**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.

**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.

The historic Toynbee Hall building is expected to have a residual value that will never fall below the original cost of redevelopment. As such no depreciation is recognised as the charge is considered to be immaterial to the financial statements. Other 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. Cost includes, for qualifying assets, attributable borrowing costs capitalised. 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 6.67% p.a. for other assets. Items of equipment are capitalised where the purchase price exceeds £1,000.

Plant, equipment, furniture and fittings relating to the new buildings are stated at cost, less accumulated depreciation, which is provided on a straight line basis over 15 years.

These assets comprise all of the mechanical and electrical equipment in the buildings including heating and ventilation.

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 is shown as a fair value reserve in the balance sheet. The valuation method used to determine fair value is 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 is recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments is 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.

**Toynbee Hall**

**Notes to the financial statements (continued)**

**For the year ended 31 March 2019**

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**1 Accounting policies (continued)**

**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.

**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.

Mixed use property

The Group's property at 28 Commercial Street is partly occupied for its own operations and partly for the purpose of earning investment returns in the form of rental income. FRS 102 requires such mixed use property be separated between investment property and tangible fixed assets, and for the investment property component to be measured at fair value. The Group has separated the cost of construction between the components on the basis of the square footage of each floor. This same proportion has been applied to the estimated fair value for the entire property of £9.525m, based on the formal valuation carried out by a firm of chartered surveyors. The value of the investment property component has been estimated at £7.03m and has given rise to investment gains of £2,200k in the year.

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 2019

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

For the year ended 31 March 2018

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

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2019

3 Income	Restricted £'000	Unrestricted £'000	2019 Total £'000
a) <u>Donations and legacies</u>			
Trust and foundation grants	-	92	92
Legacies		3	3
Capital grants for the redevelopment project	147	2	149
Other donations	3	51	54
Donated services	78	41	119
	228	189	417

Detailed comparatives for the income

For the year ended 31 March 2018

	Restricted £'000	Unrestricted £'000	2018 Total £'000
<u>Donations and legacies</u>			
Trust and foundation grant	-	41	41
Legacies	14	38	52
Capital grants for the redevelopment project	2,059	-	2,059
Other donations	7	56	63
Donated services (note 5)	72	99	171
	2,152	234	2,386

Donated legal services

Linklaters LLP has been providing pro bono legal advice to Toynbee Hall for many years. Their work over the past three years covered assisting with the strategy and implementation of our estate regeneration project and advice on access to certain charity funds. During 2018/19, the fair value of donated services from that firm is £7,920 (2017/18: £81,807) 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.

Cleary Gottlieb Steen & Hamilton LLP provided pro bono legal services in connection with our Money Advice Service agreement and to advise our research team on the significance of mental health provision at legal advice agencies. During 2018/19, the fair value of donated services from that firm was £41,169 (2017/18: £ 9,698) on a market value basis.

White & Case LLP provided pro bono legal services to assist us with the amendment of our current lease agreement and letting of our office space. During 2018/19, the fair value of donated services from that firm was £20,283 (2017/18: £7,590), 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, workers agreements and witnessing signature for the submission of DPS Statutory Declaration of Agent. During 2017/18, the fair value of donated services from that firm was £36,882 (2017/18 : £62,527), 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 has fully recognised the donated services of JPM in last year's financial statements. The amount recognised in the 2017/18 accounts was £9,660, on a market value basis, of which £6,038 relates to the value of their work carried out in the current financial year.

Holman Fenwick Willan LLP provided pro bono legal services to assist us with the arrangements for our Venue Hire inter-company licence agreement and customer terms and conditions. During 2018/19, the fair value of donated services from that firm was £13,159 (2017/18: £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	2019 £'000	2018 £'000
London Borough Tower Hamlets	Tower Hamlets Debt and Money Advice	40	40
London Borough Tower Hamlets	Linkage	643	641
London Borough Tower Hamlets	Wellbeing Centre	19	18
London Borough Tower Hamlets	Wellbeing in Tower Hamlets	8	10
London Borough Tower Hamlets	Older Peoples Research	-	20
London Borough Tower Hamlets	Redevelopment	-	305
London Borough Tower Hamlets	Community Learning	1	-
City of London Corporation	City Advice	200	240
City of London Corporation	City Outreach - City Wellbeing	38	38
City of London Corporation	City Outreach - Memory Group	37	37
<b>Government agency funding</b>			
Department for Digital, Culture, Music and Sport	Money Mentors	-	6

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2019

4 Analysis of expenditure

	Staff costs (note 6) £'000	Direct costs £'000	Reallocation of support and governance costs £'000	2019 Total £'000	2018 Total £'000
Fundraising and publicity	152	16	95	263	237
Costs of generating estates income	-	30	3	33	222
Costs of generating trading income	104	76	31	211	103
Costs of generating investment	-	3	21	24	5
Advice	1,153	3,879	536	5,568	5,346
Wellbeing	223	535	161	919	829
Education	143	140	87	370	524
Financial health	120	251	66	437	393
Provision of accommodation	-	3	-	3	(1)
	1,895	4,933	1,000	7,828	7,658
Support costs	330	590	(920)	-	-
Governance costs	58	22	(80)	-	-
<b>Total expenditure 2019</b>	<b>2,283</b>	<b>5,545</b>	<b>-</b>	<b>7,828</b>	

Of the total expenditure, £1,009k was unrestricted and £6,819k was restricted.

Detailed comparatives for the analysis of expenditure

For the year ended 31 March 2018

	Staff costs £'000	Direct costs £'000	Reallocation of £'000	2018 £'000	2017 £'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)	-	-
<b>Total expenditure 2018</b>	<b>2,226</b>	<b>5,432</b>	<b>-</b>	<b>7,658</b>	

Of the total expenditure, £959k was unrestricted and £6,699k was restricted.

**Toynbee Hall**

**Notes to the financial statements (continued)**

**For the year ended 31 March 2019**

**5 Net incoming resources for the year**

This is stated after charging:

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Depreciation	<b>62</b>	35
Interest payable	<b>6</b>	1
Provision for bad debts	<b>(40)</b>	19
Operating lease rentals:	<b>166</b>	216
Auditor's remuneration: audit fees		
Toynbee Hall	<b>19</b>	18
Toynbee Hall Trading Ltd	<b>3</b>	3
Auditor's remuneration: non-audit fees		
Toynbee Hall	<b>2</b>	2
Toynbee Hall Trading Ltd	<b>1</b>	1
	<b>=====</b>	<b>=====</b>

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

Staff costs were as follows:

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Salaries and wages	<b>2,066</b>	2,038
Social security costs	<b>194</b>	202
Employer's contribution to defined contribution pension schemes	<b>81</b>	69
Redundancy and termination costs	<b>5</b>	19
	<b>2,346</b>	2,328
	<b>=====</b>	<b>=====</b>

Included within total staff costs of £2,346k (2018: £2,328k) is £63k (2018: £102k) 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:

	<b>2019</b>	2018
	<b>No.</b>	No.
£60,000 - £69,999	<b>2</b>	-
£70,000 - £79,999	<b>-</b>	1
£80,000 - £89,999	<b>1</b>	-
	<b>=====</b>	<b>=====</b>

The total employee benefits, including employer's NI and pension contributions, of the key management personnel were £295k (2018: £257k).

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
		£'000	£'000	£'000
CEO	April 2018 to Mar 2019	80	6	86
Director of Policy, Innovation and External Affairs	May 2018 to Mar 2019	60	5	65
Director of Finance	April 2018 to Mar 2019	60	-	60
Director of Redevelopment	April 2018 to Mar 2019	<b>56</b>	<b>2</b>	<b>58</b>
		<b>=====</b>	<b>=====</b>	<b>=====</b>

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 2019**
**7 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 83 (2018: 75).

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

	2019	2018
	No.	No.
Fundraising and publicity	4	4
Advice	33	32
Wellbeing	6	6
Education	5	6
Financial health	2	4
Estates	1	1
Toynbee Hall redevelopment	1	2
Support costs	8	6
Toynbee Hall Trading Limited	1	2
	<b>61</b>	<b>63</b>

**8 Related party transactions**

Aggregate donations from trustees for 2019 were £13,026 (2018: £11,355). During the year the Charity charged £30k (2018: none) to Toynbee Hall Trading Limited in respect of licence fees for the use of its premises to carry out its activities. In addition, the Charity charged £43k (2018: none) in respect of royalties and shared costs. Toynbee Hall Trading Limited invoiced £55k (2018: £45k) to the Charity for the MAP Tool licence and venue hire in the year.

**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**

	Freehold land & buildings £'000	Fixtures, fittings & equipment £'000	Plant & machinery £'000	Total £'000
<b>Cost</b>				
At the start of the year	9,883	442	-	10,325
Additions in year	3,434	185	-	3,619
Disposals in year	-	(158)	-	(158)
Transfers in year	(6,224)	289	1,105	(4,830)
At the end of the year	7,093	758	1,105	8,956
<b>Depreciation</b>				
At the start of the year	-	340	-	340
Charge for the year	2	14	47	63
Eliminated on disposal	-	(158)	-	(158)
At the end of the year	2	196	47	245
<b>Net book value</b>				
At the end of the year	7,091	562	1,058	8,711
At the start of the year	9,883	102	-	9,985

The costs for the redevelopment have been allocated to freehold land and building during construction and include borrowing costs capitalised in the year totalling £14k. On completion, the costs relating to fixtures, fittings and equipment, plant and machinery and investment properties have been transferred to the relevant fixed asset categories. On completion of 28 Commercial Street, the component considered to be investment property has been transferred to investment properties (see note 11).

**The Charity**

	Freehold land & buildings £'000	Fixtures, fittings & equipment £'000	Plant & machinery £'000	Total £'000
<b>Cost</b>				
At the start of the year	9,883	442	-	10,325
Additions in year	3,434	142	-	3,576
Disposals in year	-	(158)	-	(158)
Transfers in year	(6,224)	289	1,105	(4,830)
At the end of the year	7,093	715	1,105	8,913
<b>Depreciation</b>				
At the start of the year	-	341	-	341
Charge for the year	2	12	47	61
Eliminated on disposal	-	(158)	-	(158)
At the end of the year	2	195	47	244
<b>Net book value</b>				
At the end of the year	7,091	520	1,058	8,669
At the start of the year	9,883	101	-	9,984

**Toynbee Hall**

**Notes to the financial statements (continued)**

**For the year ended 31 March 2019**

**11 Investment properties**

	<b>The group</b>		<b>The charity</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fair value at the start of the year	295	300	295	300
Transfer from tangible fixed assets	4,830	-	4,830	-
Revaluation during the year	2,193	(5)	2,193	(5)
Fair value at the end of the year	<b>7,318</b>	295	<b>7,318</b>	295

Investment properties include a leasehold interest in a residential flat, which was acquired in September 2015. The property has been valued based on online property valuation data at £289k. The charity recognised a decrease of £6k in the year which is not considered to be a permanent diminishing of value. Therefore it has been allocated to the fair value reserves.

Investment properties also include that part of the charity's land and buildings held for the purpose of generating an investment return. On completion of the building, that proportion of the costs relating to the investment property component, being £4,830k, was transferred from tangible fixed assets to investment properties. This component has been remeasured at fair value based on a valuation report by an independent valuer in accordance with the RICS Valuation Standards to £7,030k. This resulted in a revaluation gain of £2,200k being recognised in the year.

**12 Listed investments**

	<b>The group</b>		<b>The charity</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fair value at the start of the year	17	16	17	16
Net gain on change in fair value	1	1	1	1
Fair value at the end of the year	<b>18</b>	17	<b>18</b>	17
Historic cost at the end of the year	<b>1</b>	1	<b>1</b>	1

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

	<b>The group</b>		<b>The charity</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
2,000 ordinary shares of 25p each in Foreign & Colonial Investment Trust	14	12	14	12
1,600 ordinary shares of 25p each in The Morgan Crucible Company plc	4	5	4	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:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Turnover	233	139
Cost of sales	(216)	(108)
Gross profit	17	31
Administrative expenses	(37)	(5)
Profit for the financial year	<b>(20)</b>	26
The aggregate of the assets, liabilities and funds was:		
Assets	200	106
Liabilities	(220)	(80)
Funds	<b>(20)</b>	26

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2019

14 Debtors

	The group		The charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Trade debtors	516	392	398	313
Prepayments and accrued income	66	608	65	608
VAT recoverable	37	210	37	210
Sundry debtors	110	70	109	70
Amounts due from subsidiary	-	-	26	-
Intercompany loan (see note 15)	-	-	60	60
	<b>729</b>	<b>1,280</b>	<b>695</b>	<b>1,261</b>

15 Debtors: amounts falling due after one year

	The group		The charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Intercompany loan	-	-	60	60
	<b>-</b>	<b>-</b>	<b>60</b>	<b>60</b>

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 2019 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	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Trade creditors	728	1,814	707	1,808
Accrued expenditure	691	517	653	506
Taxation and social security	66	68	50	64
Deferred income	104	78	46	78
Sundry creditors	49	31	48	31
Amounts due to subsidiary	-	-	-	13
	<b>1,638</b>	<b>2,508</b>	<b>1,504</b>	<b>2,500</b>

17 Deferred income

	The group		The charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Balance at the beginning of the year	989	1,003	989	1,003
Amount released to income in the year	(78)	(46)	(78)	(46)
Amount deferred in the year	57	32	-	32
Balance at the end of the year	<b>968</b>	<b>989</b>	<b>911</b>	<b>989</b>

  

	The group		The charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Less than one year	103	78	46	78
Greater than one year	865	911	865	911
	<b>968</b>	<b>989</b>	<b>911</b>	<b>989</b>

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 2019, of the total balance of £968k (2018: £989k) £911k is in respect of the deferred income on the lease premium (2018: £957k).

18 Creditors: amounts falling due after one year

	The group		The charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Deferred income (Note 17)	865	911	865	911
Bank loan				
- amount falling due within 2 - 5 years	240	-	240	-
- over 5 years	1,260	-	1,260	-
	<b>2,365</b>	<b>911</b>	<b>2,365</b>	<b>911</b>

The bank loan represents the amount drawn down at the year end in respect of a 25 year loan facility from CAF Bank Limited. Capital repayments commence in April 2020. The loan is secured by fixed and floating charge over the charity's properties at 28 Commercial Street.

**Toynbee Hall**
**Notes to the financial statements (continued)**
**For the year ended 31 March 2019**
**19 Analysis of group net assets between funds**

<b>As at 31 March 2019</b>	<b>325</b>				<b>Total funds</b>
	Restricted funds	Designated funds	General funds	Fair value reserve	
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	1,482	6,114	1,115	-	<b>8,711</b>
Investment properties	-	5,125	-	2,193	<b>7,318</b>
Investments	-	-	6	12	<b>18</b>
Net current assets	681	-	(177)	-	<b>504</b>
Long term liabilities	-	(1,500)	(865)	-	<b>(2,365)</b>
<b>Net assets at 31 March 2019</b>	<b>2,163</b>	<b>9,739</b>	<b>79</b>	<b>2,205</b>	<b>14,186</b>

  

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

**20 Movements in funds**

	At the start of the year	Income	Expenditure	Transfer of fundraising cost	Other transfers	At the end of the year
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Restricted funds:</b>						
Financial health (including donated services)	215	195	(279)	-	58	<b>189</b>
Education	15	318	(370)	(25)	143	<b>81</b>
Advice (excluding MAS Capitalise)	80	922	(865)	(31)	60	<b>166</b>
Wellbeing	564	770	(829)	(14)	(455)	<b>36</b>
Wilson Memorial Fund	66	3	-	-	(20)	<b>49</b>
Restricted Redevelopment Fund	2,829	147	(14)	(18)	(1,461)	<b>1,483</b>
	3,769	2,355	(2,357)	(88)	(1,675)	<b>2,004</b>
Debt Free London	-	4,622	(4,463)	-	-	<b>159</b>
<b>Total restricted funds</b>	<b>3,769</b>	<b>6,977</b>	<b>(6,820)</b>	<b>(88)</b>	<b>(1,675)</b>	<b>2,163</b>
<b>Unrestricted funds:</b>						
Designated funds:						
Land & Building (redevelopment)	7,833	-	-	-	1,906	<b>9,739</b>
<b>Total designated funds</b>	<b>7,833</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,906</b>	<b>9,739</b>
<b>Fair value reserve</b>	<b>11</b>	<b>2,194</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,205</b>
<b>General funds</b>	<b>347</b>	<b>883</b>	<b>(1,008)</b>	<b>88</b>	<b>(231)</b>	<b>79</b>
<b>Total unrestricted funds</b>	<b>8,191</b>	<b>3,077</b>	<b>(1,008)</b>	<b>88</b>	<b>1,675</b>	<b>12,023</b>
<b>Total funds</b>	<b>11,960</b>	<b>10,054</b>	<b>(7,828)</b>	<b>-</b>	<b>-</b>	<b>14,186</b>

During the year, £20k from the Wilson Memorial Fund was allocated to the Heritage Activity Project to fund the residential volunteer program.

## Toynbee Hall

## Notes to the financial statements (continued)

For the year ended 31 March 2019

## 20 Movements in funds (continued)

## Detailed comparatives for the movements in funds - for the year ended 31 March 2018

	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
<b>Restricted funds:</b>						
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 (including legacy of £700k)	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
	1,701	4,359	(2,491)	(112)	311	3,769
MAS Capitalise	295	3,897	(4,208)	-	16	-
<b>Total restricted funds</b>	<b>1,996</b>	<b>8,257</b>	<b>(6,699)</b>	<b>(112)</b>	<b>327</b>	<b>3,769</b>
<b>Unrestricted funds:</b>						
<b>Designated funds:</b>						
Redevelopment	7,784	-	-	-	49	7,833
John Profumo	49	-	-	-	(49)	-
<b>Total designated funds</b>	<b>7,833</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,833</b>
Fair value reserve	15	1	(5)	-	-	11
<b>General funds</b>	<b>700</b>	<b>821</b>	<b>(959)</b>	<b>112</b>	<b>(327)</b>	<b>347</b>
<b>Total unrestricted funds</b>	<b>8,548</b>	<b>822</b>	<b>(964)</b>	<b>112</b>	<b>(327)</b>	<b>8,191</b>
<b>Total funds</b>	<b>10,543</b>	<b>9,080</b>	<b>(7,663)</b>	<b>-</b>	<b>-</b>	<b>11,960</b>

## Purposes of restricted funds:

**Financial health**

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

**Education**

Education funds are for projects working with young people in East London (including a review) and heritage programmes focusing on the history of the organisation and local area.

**Advice (excluding Debt Free London)**

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 Threadneedle Foundation.

**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 was transferred to Restricted Redevelopment Fund in the previous year.

**Wilson Memorial Fund**

Funds to support the residential volunteer programme. During the year £20k (2018: £25k) has been transferred from the Wilson Memorial Fund to the regeneration of Toynbee Hall.

**Restricted Redevelopment Fund**

At the start of the year, these funds were held for the redevelopment of the historic grade II listed Toynbee Hall and a new building at 28 Commercial Street. Part of the funding came from the Heritage Lottery Fund, which awarded Toynbee Hall with a five year grant of £1,709k. The Redevelopment of Toynbee Hall was completed in June 2018. As a result of this restricted redevelopment fund relating to this building was transferred to unrestricted designated funds this year. The remaining restricted redevelopment fund relates to the new building at 28 Commercial Street. This includes a grant of £450k from the Big Lottery Fund for the Wellbeing Centre, which occupies the ground floor of the building. There is a grant obligation on the charity to operate the Wellbeing Centre for a period of 20 years. During the year, this fund also received an allocation from the Patricia Singleton legacy of £455k towards the capital costs of the Wellbeing Centre.

**Debt Free London**

Debt Free London programme is funded by the Money and Pension Service formerly known as the Capitalise programme funded by the Money and Pensions Service. This is a debt advice programme for which Toynbee Hall are one of the lead partners. The majority of funds received from MAPS 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 and investments properties.

**Toynbee Hall**

**Notes to the financial statements (continued)**

**For the year ended 31 March 2019**

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

	<b>2019</b>	2018
	<b>£'000</b>	£'000
<b>Net income/ (expenditure) for the reporting period</b>	<b>2,227</b>	1,417
Depreciation charges	<b>62</b>	35
Losses / (gains) on investments	<b>(2,194)</b>	4
Dividends, interest and rent from investments	<b>(8)</b>	(29)
Interest payable	<b>6</b>	
Decrease/ (increase) in debtors	<b>551</b>	(621)
(Decrease)/ increase in creditors	<b>(916)</b>	1,439
<b>Net cash (used in)/ provided by operating activities</b>	<b>(272)</b>	2,245

**22 Analysis of cash and cash equivalents**

	At 1 April 2018	Cash flows	At 31 March 2019
	£'000	£'000	£'000
Cash at bank and in hand	2,795	(1,382)	<b>1,413</b>
<b>Total cash and cash equivalents</b>	<b>2,795</b>	<b>(1,382)</b>	<b>1,413</b>

**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:

	<b>Property</b>		<b>Equipment</b>	
	<b>2019</b>	2018	<b>2019</b>	2018
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Less than one year	<b>18</b>	178	<b>3</b>	7
One to five years	-	31	-	3
	<b>18</b>	209	<b>3</b>	10

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 had 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 2016/17, 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, all of which (2018: £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 £5.5m (2018: £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 2019

26 Financial instruments

	The group		The charity	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
<b>Financial assets that are debt instruments measured at amortised cost:</b>				
Trade Debtors	516	470	383	372
Amount owed by group undertakings	-	-	86	60
	<b>518</b>	<b>470</b>	<b>469</b>	<b>433</b>
<b>Financial liabilities measured at amortised cost:</b>				
Trade Creditors	728	1,810	707	1,808
Bank loans	1,500	-	1,500	-
	<b>2,228</b>	<b>1,810</b>	<b>2,207</b>	<b>1,808</b>
<b>Cash at bank and in hand</b>	<b>1,413</b>	<b>2,795</b>	<b>1,371</b>	<b>2,783</b>

27 Contingent liabilities

At the date of signing these accounts, the construction of the new building at 28 Commercial Street is almost complete. The Charity has taken possession, is letting out the commercial space and in July 2019 opened the Wellbeing and Advice centres on the Ground and lower Ground floors. 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 2019

Company number	00020080
Charity number	211850
Registered office	28 Commercial Street, London E1 6LS

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 Corner	Chair
Annette Zera	
Clare Corbett	(resigned 21 February 2019)
David Warner	
Emma Davies	
Husna Mortuza	(appointed 21 February 2019)
Kate Swade	
Kawsar Zaman	
Maysam Rizvi	(appointed 21 February 2019)
Richard Allan	(resigned 21 February 2019)
Sarah Squires	
Tahera Rouf	(appointed 21 February 2019)

Principal Staff	Jim Minton	Chief Executive
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Bankers	National Westminster Bank Plc Aldgate Branch 130 Whitechapel High Street London E1 7PS
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Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
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# Help us create a future without poverty

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