



Annual Report

For the year ending 31st March 2020

Charity No. 211850
Registered No. 20080

Photo courtesy of Alan Williams Photography

TOYNBEE
HALL



Contents

- 2. Foreword from the Chair
- 3. Strategic Report
- 10. Structure, Governance and Management
- 14. Management of Risk
- 17. Our Finances
- 19. Statement of Trustees responsibilities
- 20. Independent Auditor's Report
- 23. Financial Statements
- 41. Reference and Administrative Information

Foreword by Julian Corner, Chair of the Board of Trustees

In introducing this year's Trustees Report, it is a challenge to remember back to the world before the Covid 19 pandemic struck, which is the majority of the period covered.

Much has changed since 2019, with many of our basic assumptions about what 'normal life' means having been overturned, in the global effort to protect people and counter the impact of the pandemic.

In years to come, and hopefully having rebuilt and recovered, we will be able to reflect better on what was learned, and what kind of platform the responding energies and innovations have led to. It is difficult right now to have that perspective, or to evaluate the response. But as an organisation which has been a fixture in our corner of East London throughout the social and economic changes of the 20th and 21st centuries, we have done our best to be of most value to the community around us through these times, as we have always strived to do.

I want to express my deep thanks to all of our funders and partners, and in particular our staff and volunteers, for the way in which we have collectively stepped up to the challenges we have faced. The resilience our team has shown in continuing to be there for communities around us while dealing with all of the challenges that the pandemic has caused in their own lives has been tremendous and inspiring.

This resilience has been even more important since – as this report reflects – Toynbee Hall was at the start of the pandemic just completing the final steps in our ambitious journey of renewal of our physical spaces. This journey has combined our desire to celebrate the history and heritage of social action emerging from the communities around us and our determination to create new spaces for those communities to continue to make change, connections and challenge injustice. The completion of that journey has made us even more determined that Toynbee Hall should use all of our assets for community benefit in a way that remains true to our values. We are committed to being: Open rather than fixed in our approaches, to the work we do within our communities, and in relation to our spaces and our assets.

Enquiring, by embracing the spirit of co-production and centring the voices of the community in our work. Most obviously through our pioneering participatory research which has given Londoners platforms not only to articulate their challenges, but to take action to strengthen the communities around them.

Bold in reimagining the change we can make – for example through our When We Speak programme, supporting a new generation of social activists, and helping them to progress together to realise their ambitions.

The pace of change in our neighbourhood and across East London is unabated. The social and economic insecurities and inequalities are only likely to worsen in 2021, creating even more pressure at an individual and community level. Not only will this require us to be more creative about how we respond, it will also create pressure on the resources available to us. As our accounts show, the combination of the cost of our redevelopment, and the requirement for us to maintain our offer to our community through that period, has meant that while we have a very strong asset base and platform, we still have work to do to ensure our model is sustainable. Our funding relationships have strengthened, and our spaces have given us opportunities to generate commercial revenue, but the markets for both voluntary and earned income will be tough going forward. So our efforts need to focus not only on growing income where we can, but on re-evaluating our offer and striving to make it financially sustainable over the long term.

At the same time the communities around us are having to respond to deeper questions. We've witnessed the disproportionate impact of Covid on some of those communities, and the lockdowns have hit low paid and insecure workers and families hard. Alongside this, global campaigns to confront systemic racial inequality and injustice have galvanized and impacted upon communities like ours. For Toynbee Hall this has required us to sit with discomfort and think harder about the role we need to play and more fundamentally how our organisation need to be in this context.

At the beginning of 2020 we welcomed six new trustees, having already recruited three in 2018. These appointments are aimed at strengthening the local connections in our governance and helping us become more relevant to the communities around us. We've been grateful for their insights, passion and experience. Our board is now an energised and determined group with a commitment to ensuring Toynbee Hall fulfills its potential. We also said goodbye to Annette Zera and Emma Davies, two outstanding and dedicated trustees who had completed nine years of service each. Both helped us navigate the most interesting and challenging of periods and emerge in a much stronger place.

It has been hard at times through this period to remain positive – in the face of widespread anxiety, illness, fear and disruption. But there have been many instances of kindness, of collaboration and of mutuality of support which have given communities something significant to build on. So I hope that this report shows the potential that is possible, and the hope that our communities can be resilient, can make change together, and that organisations like Toynbee Hall can be valued and vital partners and collaborators in that process.

Our founder Samuel Barnett had the hope that Toynbee Hall could be a place that inspired a fairer and happier east London. That has rarely felt more relevant than it does today.

Thank you for all your support in helping us realise that ambition.



Julian Corner

Strategic Report

At the beginning of March 2020, we were planning what would have been a very uplifting and inspiring public gathering of community members, friends, supporters, partner organizations and our team. The occasion was the completion of the works on our stunning redevelopment, including the opening of a new public gardens and community space for the East End; and the unveiling of our new strategic aim: drawing on the words of our founder Samuel Barnett, we had committed to using our newly redeveloped home and organisation as a springboard to create a fairer and happier future; starting here. This strategy was as much underpinned by the notion of 'how' we would do things: led by the community, responsive, in a spirit of co-production, to drive change to system-ic equality; as much as 'what' in practice our portfolio of services would look like. It was an exciting insight: that people in communities around us could genuinely have more say in our agenda, and in the changes to policy and practice they would like to make. We were getting to the end of the first stage of the development of the strategy, and working through the detail as to what it would mean for us in the future as we approached the end of February 2020.

And then, of course, on March 19th the Prime Minister ordered the national lockdown, in response to the Covid-19 Pandemic. And everything changed: with implications for Toynbee Hall as an institution, and even more so for the team and volunteers who make up our organisation, and perhaps more than anything, the people and communities we are here for.

In writing this report, it should be obvious that any reflections on the year that ended on March 31st 2020 are almost inevitably going to be seen through a lens of what the world looks like now, rather than how it might have looked then.

So before looking in detail at what was achieved through the full year just passed, we must recognise the incredible response that our team has made since March, supported generously and with urgency by a huge number of funders, supporters and partner organisations across our community beyond

Because so much of our work involves strengthening connections between people and within communities, it is very often face to face work. The pandemic and lockdown forced us to rapidly rethink, adapt and reconfigure. To the huge credit of our team – and our partners including IT and telephone support providers – we moved our advice services online, setting up a single phone access point and triaging system, ensuring continuity of service. And we reached out to all of those currently working with us, and referral partners, to ensure they knew we were still available to help them. Similarly we knew that the principles underpinning our community based services – of tackling isolation, creating connections and ensuring people can navigate often complicated systems – were going to be even more essential through the crisis, but would have to be done differently. So teams of volunteers joined us to help ensure we kept regular contact with our communities; we ensured essential supplies of foods and medicines; we linked into local community support networks, opening our community centre as a food distribution hub for over 400 families each week of people with no recourse to public funds, who would otherwise have been destitute. And we launched online community activities to bring people together as well as we could, quickly signing up over 400 users.

By August 2020 we were ready to begin once again running some face to face services, alongside our online and phone based offer, starting with small group activities sessions, giving people the chance to have conversation classes, improve their English, solve small problems and connect again.

We added simple exercise classes into that mix and by the autumn of 2020 had small groups coming to our halls – safe and socially distanced (and tracked and traced) – but able to keep themselves fit and healthy; and we re-opened our re-purposed Advice Centre: we can't do face to face advice directly, but we can invite people in, to give them space and privacy, while they speak to an adviser on a screen.



Socially distanced seated exercise class at Toynbee Hall, October 2020

Looking back, it is hard to believe in some ways that we were able to make the transitions that we did. But as we write this review, it does feel like we have genuinely demonstrated our value to the communities around us and beyond. There are many challenges still; and like almost every charity, our financial situation is going to need huge focus, care and attention over the coming years if we are to maintain and sustain our work. But thanks to the very hard work and dedication of many people, in our staff team and beyond, we continue to seek to shape that fairer and happier future that our founders imagined.

This trustees report will, within this context, review the year up to March 31st 2020, and then offer some further pointers toward the future – although given the events of the last six months, we will naturally be cautious about making too many firm predictions!

Nevertheless, we hope that through this report the very significant progress we made at Toynbee Hall during 2019/20 in relation to our mission and objectives can be seen as having given us a very strong foundation for the year ahead.



One of the first socially distanced conversation bubbles, July 2020

“It’s so very important to be able to come to Toynbee Hall, during the pandemic we’ve been locked down for so many months and it was so difficult for me. So when Toynbee Hall invited me to join the conversation bubbles I was so happy.

It was a godsend, this invitation. This enables me to get out of my home at least once a week and socialise with people I know and been meeting for so many years. And also there’s the opportunity for us to physical exercise like yoga. It’s very good for me in the sense of my mental, social and physical wellbeing.”

Bee, Community Centre Member

2019/20: A fairer and happier neighbourhood

Perhaps the most significant milestone is that we finally moved back to our historic home on Commercial Street. The works on the Halls were completed in 2018, but the new community centre, advice centre and office spaces were finished in 2019, and the team moved back in June 2019 to recommence activities in our wonderfully restored spaces. We were very proud of the way we managed the transition. As we said good bye to the community space we'd been in for the past two and a half years, within the East End Homes estate, we were able to reopen our new centres the following day – including the regular weekly community singing session in our new surroundings - ensuring that the community could have seamless access to support and opportunities to connect.

The gardens were the final piece of the redevelopment, and through the year we worked with the local community to ensure we understood what they wanted from the new space. The result has been a wonderful garden: with spaces for planting, relaxation, chess, table tennis and a newly installed Karom table so that everyone can enjoy the popular Bengali board game. There are spaces for picnicking and relaxation; for bikes and for gentle exercise. And the gardens form a lovely centerpiece to what genuinely feels like a model of what good urban redevelopment could be, amongst new housing, a new community and advice centre, office space, an arts organisation, a school next door, and of course the wonderfully restored Toynbee Hall.



Our new spaces allow us to broaden our offer to the community, and to diversify income streams from our assets. The older people who form the core of the users of our community centre broadened the range of activities they wanted to get involved in, adding on more and varied exercise classes, and arts and crafts.

Excitingly we have used the opportunity of opening the new space and the recruitment of a new centre team to offer opportunities for families and children. An intergenerational arts project involving partner Tower Hamlets charity Magic Me, and ChristChurch School Spitalfields, gave community members the chance to spend two terms working together on creative sculpture and painting.

We have started an after school drop-off reading and social club for young mums and families, which has proved very popular with parents from Canon Barnett School.

And after a period of consultation with young people, When We Speak, the youth programme they designed together, had a full year of activities with participants starting off projects on youth violence, community storytelling, campaigning around school exclusion and other issues that they wished to explore. The programme supported a core of 18-24 year olds, offering mentoring, peer support and financial and business planning help for them to move their projects forward. At the same time the group has curated a series of events or 'volumes', seeking to showcase the work of other young people and open up opportunities for new ideas and inspiration from the diverse communities around us.



The Pupil Power discussion group as part of the When We Speak project

“[Through Toynbee Hall’s youth programme] I’m learning about public speaking, campaigning, conflict management. I am challenging myself and reaching out to collaborate with others”

Shannelle, Toynbee Hall Young Change Maker 2019

Across Tower Hamlets we continued to develop the Linkage Plus partnership, leading the coalition of 6 local charities to offer a broad and complementary range of service to older people across the borough. The spirit of co-production is strong across the partnership, and increasingly older people are not just participants, but are leaders and campaigners as well as designers and deliverers of services.

This desire to get more involved has continued to show through in our peer research programme. In October 2019 we hosted an event for locally trained researchers to share their insights, findings and calls to action around a number of themes: transport, housing and community safety. It was fantastic to see community members sharing a platform with senior policy makers, including Dr Debbie Weekes Bernard, London’s Deputy Mayor for social integration.

Our advice services continue to develop and the new purpose built advice centre has helped bring teams closer together, allowing us to do more holistic work. As described above, this has proved incredibly valuable in relation to our need to switch to emergency and single access support when the pandemic struck.

The partnership with Macmillan to provide cancer patients in East London with support to access benefits and other support continues to be an enormous source of income and reassurance to many people. We helped 862 people access £2,631,499 of funds they would otherwise have missed out on.

Lastly in terms of our community services, our Money Mentors continued to support each other and the broader community with financial health and wellbeing advice. One of their highlights was for a group of local women money mentors to host a visit to Toynbee Hall from the then Governor of the Bank of England, Mark Carney. It was a great opportunity to see the reality of our aim to find platforms for people with lived experience to speak directly to policy makers and those in power.

Our commercial operations have been hugely enhanced by the opportunities presented by the completed site. The Toynbee Hall events team had their first full year of trading activity – generating for Toynbee Hall Trading over £300,000 of income, the surplus of which made a significant contribution to the charity’s works. Most days throughout the year, we held or hosted an event - often more than one – in the halls, not only ensuring that our amazing assets were being put to practical use; but also creating opportunities for us to link up and begin partnerships with some of the wide range of charities and other organisations using our spaces.

The office spaces above the new community centre were also planned as a means for us to generate revenues for the charity. And having completed the building works in mid-2019, we were delighted to be able to welcome four tenants – one to each floor – into our estate. The arrival of the Fair4all Finance initiative as one of those tenants gives us the potential to work even more closely in partnership around money and financial health; and the commitment of the Association of Charitable Funders, and their sub-tenants London Funders also to take space means that we have created a genuine hub for the voluntary sector in London, as well as generating income. Our other two tenants, IP Integration, an IT Firm, and the Y Group consultancy, are also welcome additions.

A fairer and happier London

Across London, our Debt Free London partnership of 21 charities went from strength to strength, supporting over 23,732 Londoners with debt advice, and in terms of volumes of people helped, was the best performing of any of the nine debt advice partnerships funded by the Money and Pensions Service in 2019-20.

The team underwent some significant changes to help ensure performance became more effective: during the year, we centralized the supervisory functions of the partnership, freeing up partner organisations to focus on delivery, while we ensured they maintained quality standards. We also moved all of the partners onto a single contact management system, whereas previously there had been 9 systems across the partnership, with much duplication and challenges to get accurate data. We can now monitor performance in real time and be much more responsive to people who need help, as we can see instantly where there is capacity to refer people to, thereby offering them appointments more quickly, before their debts get further out of hand.



23,732 people benefitted from free, expert debt advice from the Debt Free London Partnership

The most common types of debt problems Debt Free London helped with remain council tax bills (36.4%), rent arrears (36.2%) and credit or store card loans (29.3%).

Debt Free London recruited an additional 60 debt advisers

During the year we lost two partner organisations to financial challenges: Advising Londoners and Lambeth Law Centre ceased trading. This was a shock and a great shame as both were excellent and vital institutions in relation to the people who used their services. Nevertheless the partnership was able to respond and reallocate capacity ensuring that we continued to meet need. As the pandemic began, we rapidly adjusted the support for the partnership in terms of technology, introducing a new omni-channel service so that people could still get advice, through text, phone, online and WhatsApp. Since the expectation is that many face to face services will still remain closed for some time, and that economic worries will drive more demand for debt advice, these changes will be vital to ensuring that support is available. And as 2020-21 began we were embarking on a significant recruitment drive, to train and develop an additional 60 debt advisers for London, doubling the partnerships capacity and ensuring over time we could support even more Londoners.

We continue to be active as an influential organisation within London's social policy arena, with our positioning – in relation to our strategy – being increasingly recognized as creating a platform for people and communities with experience of inequalities to shape change.

Amongst our important work during 2019-20 were a range of projects, all aimed at providing such platforms: we worked with over 20,000 children, parents and teachers to consider together what schools could do better to 'poverty-proof' the school day. This work added onto the broader portfolio of community based research work, including working with private rented sector tenants and landlords to create a more positive rental sector. Our work on community safety continued, and we were delighted to work with prestigious Think Tank Centre for London to co-curate an event on better transport for Londoners focusing on the needs of elderly and disabled people.

This work led to our Chief Executive being selected to join the London Mayor's first cohort of Civic Futures leaders, aimed at bringing together community leaders and activists to shape change in London.



Toynbee Hall's Community Transport Group

The combination of our insights and influence has been a very useful resource for the Greater London Authority, local authorities and funders, and as the pandemic started we have been very much part of building the evidence base for London and Londoners; and when we put on an online event in June to discuss health inequalities, alongside our partners Equality Trust and Thrive London and with the input of global health expert Michael Marmot, we had an incredible 2000 people attending.

Our financial health and capability work continued to be in demand, with an ongoing partnership with the Barrow Cadbury Trust's Poverty Premium campaign helping connect financial inclusion ideas with communities who can help shape their development. New work began with Guys and St Thomas Charities, looking at how physical and mental health deficits in communities can lead to financial health deficits.

Finally, our fundraising was again boosted by some pan London activities: our partnership with the community around the church of St Jude's in Hampstead Garden Suburb generated around £50,000 from their annual summer concerts in 2019. And our team and partners were part of over 10,000 walkers in the London Legal Walk in May 2019 aiming at raising funds for our free legal advice centre and other legal services.

A fairer and happier society

We continue to play our part on the national and international stage bringing our influence and new thinking. Our cohort of residential volunteers created a series of events on climate justice, which brought new thinking to this arena. Our Director of Policy, Sian Williams, continues to be an acknowledged expert on financial health and inclusion, as vice chair of the Financial Inclusion Commission, and in a series of working groups and policy forums.

Our partnership with the Equality Trust has led to a great series of action oriented and community focused events. And we have hosted our international settlement colleagues, from organisations whose histories overlap with our own, in our newly renovated spaces.

We continue to play our part in the national umbrella organisations of Locality, NCVO and ACEVO; and last year our Chief Executive chaired the first London citizens' panel to shape the policy and practice of the Bank of England, in partnership with the Bank's senior team and advisers.

As we entered March 2020 we were preparing to host Civil Society Minister Baroness Barran, who had confirmed she would be delighted to recognise the contribution of Toynbee Hall to shaping social justice, and help us look forward in our completed spaces to shaping the future. Sadly, thanks to the pandemic, the event had to be postponed – but we know that the goodwill remains.



Designing Principles Together - Coproducing solutions to poverty event (October 2019)

Our Team

As noted earlier our team have proved incredibly skilled and dedicated – not only in delivering and shaping this broad, exciting and vital range of work; but also in response to the lockdown and Covid crisis.

During 2019-20 we grew the team, largely thanks to changes in Debt Free London as noted above. We have managed to build a strong, committed, happy and inclusive culture. All of our team were involved in our strategy development process, enjoying and responding well to the challenge of helping shape the future.

One of the outcomes of the strategy was a recognition that a stronger focus on staff wellbeing was needed. A self organising group of wellbeing champions was established and they have provided great insights as well as practical support across the team.

As we began 2020-21 we had the fantastic news that we had been awarded the Mayor of London's Good Work Standard which recognises the positive impact we have as an employer within our community, and our commitment to supporting all of our team. We also recognised the Trade Union, to give a stronger voice to staff, and committed to a stronger focus on diversity and inclusion: we are a very diverse staff group, in a hugely diverse community; but we know we can learn and improve and ensure that we are really engaging as widely as we can and living our values of inclusion and equity.

Finally, details on governance are covered in more detail later in this report, but the huge contribution our trustees have made, both those newly appointed and those more established, has been vital in helping us stay sustainable, meet need and together meet our strategy of shaping a fairer and happier future.

Looking to the future

As noted in the introduction, because of the pandemic, this whole report has been infused with a sense of trying to manage an ever evolving situation. So we are naturally hesitant about making too many predictions about the future. And – having reviewed last year's report – in the 'Future' section of that we did not predict a global pandemic...

There are many challenges: but as described above, we've adapted well and continued to meet need.

And of course, we've done our best to keep giving a voice to the communities around us. This evidence gathering has been so vital – our Chief Executive has been asked to Co-Chair one of the London Mayor's 'recovery missions' aimed at creating a better London going forward. Specifically the work we're involved in is around a more robust safety net for Londoners – so it is vital that the voices and needs of ordinary communities are heard and fed into this.

Whilst we know that the short term outlook will be challenging, the last six months has demonstrated how critical and valuable our work is to our community and the wider society and the support we have received from a range of funders provides us with the confidence that we will be able to continue building on the achievements of the past year.

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, and 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 (Annette Zera and Emma Davies), having each made an outstanding contribution during their 9 year involvement.

As a result we sought to continue to broaden the range of experience and expertise on our board; and deepen the board's connection with the local community. We therefore embarked upon a further recruitment campaign (following on from the successful campaign of 2018-19 which saw three new trustees join the Board).

Our aim was to add trustees with a deep commitment to our strategic aims, and a strong local connection. 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 decided that we would take six new trustees on. Not only would this add welcome breadth of expertise; but it would also allow for some handover of knowledge as other long serving trustees reach the end of their terms in 2021 and beyond.

Our new trustees are Halima Begum; Gemma Woznicki; Laura Ratling; Sam Thomas; Ali Hussein; and Dee O'Connell. They joined us in January 2020, have had a full induction and are already making a positive impact.

Throughout the Covid crisis the Board has met much more regularly, offering very effective support and stewardship – with the new trustees rapidly learning about the organisation in some depth.

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 receiving monthly reports from the Chief Executive summarizing performance.

The executive team are hugely grateful for the level of support and commitment given by the trustees.

Committees

In addition to the Board meetings, the governance structure of Toynbee Hall provides engagement for trustees through the Finance Committee.

Membership of the 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.

Finance Committee

Richard Allan (remained a co-opted member of the Finance Committee throughout 2019-20)

During 2020, following the appointment of the new group of Trustees, the intention was to review the shape and membership of our sub-committee structure. However this has been deferred to 2021 for obvious reasons.

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 and Director of Policy.

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;

AS at 31 March 2020, our Chief Executive pay to median pay is 2.5:1 Our Chief Executive pay to lowest pay is 4.1:1.

Equality and Diversity

Toynbee Hall works in an incredibly diverse borough; in a very diverse city. Our borough also has deep and systemic inequalities, which we partner with the community to challenge as we seek to shape a fairer and happier future.

We are privileged to have a hugely talented, committed and diverse group of people who collectively make up our team at Toynbee Hall and who each play a part in ensuring we fulfil that ambition. Our team is a hugely important asset, and the way we value our people a constant consideration for our leadership and Trustees.

In 2019 we engaged that team and our Board in some exciting thinking about our strategy and future ambition, and together formed a clear view that our relationship to the communities around us, and our ability to let those communities shape and lead our priorities, was going to be central to achieving our ambitions. At our heart we are an organisation with very strong roots in East London, with all its brilliant diversity and distinctiveness.

Over the past few months as the world has changed enormously in the face of the pandemic and response to it, our place in this community has been thrown into even sharper relief. Our team and volunteers have responded incredibly well, and formed new partnerships, adapted how we work and sought to ensure that we not only were able to help people in crisis and need, but we also maintained and built new platforms with them from which they could drive change.

Our goal is to be an organisation that can reflect with some authenticity the make-up of the communities that we seek to serve; and offer opportunities to people drawn from those communities. We want to ensure that local people – including those from communities with a significant presence in East London, such as the Bangladeshi community – are able to and encouraged to join our team. This is important for a number of reasons.

With approaching 90 staff we are a significant local employer. Beyond this, we work with people who face disadvantage and discrimination – and these are often from minority communities. We have a responsibility to understand and connect with those communities and one of the ways of doing this is to ensure that when people engage with us they see people like themselves – in front facing roles and also in leadership roles.

We want to create opportunity: not only, as described above, for people to come into our organisation. But also for our current team. We have a diverse and talented group of middle managers; a new cohort of trainees; lots of staff of different backgrounds. We can help them progress to senior roles and more responsibility, with us, or in other organisations.

We want to recruit fairly, proactively and flexibly so that we don't create barriers for people whose circumstances require particular patterns of work, or adjustments, or creative ways of managing work life balance. We want to set our standards so we create systems that really do work for everyone.

And we want to reward fairly and progressively so that salaries keep pace with cost of living increases and over time we raise the levels of compensation we can give to our team. At the same time where we see that our structures or the requirements we have for roles are unwittingly creating inequities in terms of race or gender or disability or other characteristics we will take prompt action.

How we have shown this intention in recent months

We have made a number of changes proactively over recent years to address some of these challenges.

- In our recruitment we have specifically added explicit encouragement that strong connections to the local community will be an advantage to all roles (as we did with our last two waves of trustee recruitment in 2019 and 2020); and following the guidance of Working Families charity we have also included in our recruitment advertising that all jobs can be considered as flexible.
- We have established an internal team to look at our policies and practice in relation to diversity with specific focus on race, because of the wide interest of our team and community around us focused on the Black Lives Matter campaign; and our team and community's direct experience of the disproportionate impact of Covid-19 and subsequent measures on some BAME groups. We are talking with a range of external organisations and our staff team to develop our action plan.
- We have kept a focus on pay and reward, through an ongoing process of re-evaluating roles as responsibilities change. This has led to adjustments in salaries to ensure fairness.
- And we have made staff wellbeing a priority throughout the year, and particularly over recent months during the Covid crisis. Not only has our staff-led Wellbeing Committee been very active, offering support and safe space to staff; also all of our planning for reopening and adapting has had a strong and explicit focus on staff wellbeing. This has been very much appreciated by our team.
- We have recognised the Trade Union, creating a formal structure for staff to input to decision making around terms and conditions, and hold us to account.

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 key policies covering safeguarding, procurement, financial management and health and safety are regularly reviewed and updated by senior managers and scrutinised by the Board in order to offer assurance.

We think carefully about our risks and this process of review leads to regular and documented changes both in the nature, likelihood and severity of such risks; and the mitigating actions that we are taking or plan to take.

Some of the risks are 'generic' in the sense that they might apply to any charity – though of course we look at them through a lens which is particular to our own operations and considerations. In addition there are also risks which are distinctive to our particular circumstances and operating model. Finally, as would be expected, we have rapidly had to review a set of quite specific risks with regard to the Covid pandemic and its impact on us, our team and the people we work with.

For the purposes of this report we have not reproduced the risk register in its entirety but have summarized the key thematic risk areas in each of those categories, along with mitigations.

Toynbee Hall specific risks

These are those risks which apply significantly to our own context and include:

Risks around our substantial capital redevelopment project, which were in part financial, and also operational in terms of the impact of the redevelopment on the rest of our day to day operations and governance during the redevelopment. Our mitigations have included: the appointment of external expert contract managers; the employment of skilled project managers and latterly a qualified place and space manager to ensure the work was done well and to a high standard; a sub committee of the Board of Trustees, supplemented by external experts, to oversee the project. Now the work is complete there are significantly fewer risks in this category – and those which now exist are absorbed into our day to day management of operations and health and safety (see below)

Another distinctive set of risks for Toynbee Hall are around the significant partnerships we lead, notably the Debt Free London capital-wide debt advice partnership, and the Linkage Plus partnership for older people across the borough of Tower Hamlets. These are complex multi-agency projects working to support thousands of people; so our mitigating actions have been to establish appropriate support for quality standards and in-house capacity to deliver quality assurance; as well as monitoring and learning capability; and regular contact with funders to ensure confidence in our capacity to deliver outcomes.

A third category of Toynbee Hall specific risks are around our capacity to influence long term change rather than simply helping people in immediate crisis, so that in the long term we achieve our mission toward a fairer and happier future. As mitigation, we support and maintain a policy and research team dedicated to learning from the community and then share and amplify findings of community research; and seek to ensure as far as possible our services include strong elements of advocacy.

More generic charity risks

These are risks that all charities will face, though of course the particular context is ours. These include:

Safeguarding the people we work with and our team: we have trained safeguarding leads, a programme of induction and training around safeguarding; and a clear and well understood process for referrals to expert and external agencies and support where needed. Policies on safeguarding, child protection and safeguarding vulnerable adults are regularly reviewed, kept up to date and scrutinised by the Board annually.

The health and safety of our team and our spaces: we have a dedicated, qualified Place and Space manager who leads on the safety of our spaces, supported by an external agency, AP Partnership. Staff induction focuses on health and safety, and our site is protected by security; visitors and external guests are made aware of their responsibilities and the operating environment which is there to protect them. As might be expected, the Covid pandemic created a range of additional health and safety needs and our approach to these is set out below.

Risks around Governance have been around ensuring the level of skills exist at trustee level to steer and scrutinise the organisation effectively; and additionally to ensure that the Board better reflected and understood the needs and concerns of those we work with. The Board has been through a period of change with 9 new trustees joining and 4 completing their terms in the past two years. The Board has spent more time in induction and learning sessions with the team, had more regular meetings and our governance support officer is now trained in charity governance principles thanks to NCVO.

Like all charities **our finances and financial model** – including our fundraising and income generation performance – create risks. Our finance committee (a sub committee of the full board) plays an active role in scrutinising our finances and performance; managers meet each month with Finance to look at budgets and reforecast; and we have a very strong and well adhered to set of financial procedures which govern how we use the charities resources.

There are risks around our **operational effectiveness**, so we provide – and scrutinise together – quarterly performance reports on how we are doing in relation to our agreed targets; and each year develop an operating plan, in consultation with the team and trustees, which sets out what these targets require of us. Through effective line management and communication we monitor and adapt performance accordingly.

We of course want to manage risks around **our reputation** – which might stem from financial, operational or other issues, including how we communicate, and where we generate income from through commercial and fundraising activities. We do have an ethical fundraising policy, and the presence of a Trustee on the Toynbee Hall Trading Board which oversees our commercial activities helps keep us conscious of mission related considerations. More widely, external communication is well managed through our communications team, and we spend a lot of time ensuring staff members understand our policies around social media and communicating more generally, and are kept informed about our progress and the news from across the charity.

As an employer of around 90 staff, **the wellbeing of our people** is a major concern, and we manage carefully the risks that a challenging operating environment, and work with vulnerable people could bring. We have a staff led wellbeing group; a dedicated confidential helpline; as well as an internal HR function to support managers, lead training and work on individual issues, backed up by external employment law advice on a retained basis from AP Partnership.

Related to this, we aim to be an inclusive organisation, and are very conscious of **risks around diversity and equality**. As above our HR systems ensure that we act within the law. But above and beyond this we have a strong commitment through the way we recruit, manage, reward and engage staff in ensuring that we are doing the best we can to be an organisation which not only challenges inequality externally, but does so in terms of our own structures and systems.

Finally, as an organisation which collects a lot of data – not only on our staff, but on members of the community who interact with us – **protection of personal information** is very important. We have a dedicated data

officer; use IT and data systems which have built in protections; and train and support our staff to adhere to our policies including around GDPR.

Covid-19 related risks

The other set of risks we have had to manage are those specific to the pandemic. These have been moving at a rapid pace, as guidance has continued to change; and as the crisis has continued, the need for us to maintain services and operations has meant regular reappraisal. We established an internal task force of the CEO, Director of Policy, Head of HR and Place and Space Manager early on to help us navigate this changing picture. We established new – safe – operating procedures; training and induction for staff; provided guidance and support around home working; and – crucially – provided a constant flow of information to the team and to the wider community to ensure that everyone understood what we were doing – and what was required of them – to stay safe. As a result, we have managed to continue our operations and keep our spaces open and have not encountered any cases of transmission due to our activities to date – and have a workforce who feel safe and supported, while able to do their jobs as best they can.

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 negative net movement in funds of £543k (2019 – positive net movement of £2.226m). This comprises:

- A net surplus of £471k (2019 - £115k) representing capital grants less management and overhead costs of the redevelopment not capitalised;
- An operational deficit of £579k (2019 - £83k), giving net expenditure before net gains of £108k (2019 – net income before net gains of £32k), which has been partly funded from brought forward reserves where grant income has been received in an earlier period; and
- Revaluation losses of £435k (2019 – gains of £2.194m) arising from the revaluation of the investment property located in the top four floors of the building at 28 Commercial Street.

Excluding capital grants received, income for the year was £7.389m compared to the previous year of £7.711m. The fall in income related to a c£480k reduction in Advice income for the three year Money Mentors programme as this draws to a close and a reduction in one-off projects. Financial Health income also dropped by £230k mainly due to the completion of a long term training programme. This was compensated by a c£230k increase in trading income as a result of the successful growth in the venue hire business.

Advice work continues to form the largest element with expenditure of £5.727m compared with £5.568m last year. This income varies depending on the extent to which the Charity, as a lead agency for the Money and Pensions Advice Service (MaPS), assists with the delivery of one-off projects. The core debt advice services being delivered have remained consistent as has working with a range of partners. The Charity has invested heavily in the quality aspects of its work which have resulted in the grant being extended until at least 31 March 2022. This investment has meant that the income no longer fully covers the associated core costs resulting in a deficit for the programme of £179k (2019 – surplus of £159k). However, the programme continues to make a significant contribution to the organisations support costs and provides valuable data that is utilised to help fulfil our charitable objectives.

As a result of the fall in other Advice income referred to above, this activity ran at a deficit for the year of £297k (2019 – surplus of £17k).

Our Education services have again run at a deficit for the year of £70k (2019 - £118k). The improvement reflects a reduction in costs relating to donated services.

With the reduction in Financial health income referred to above, our Financial Health activities resulted in a deficit of £220k for the year (2019 - £105k).

Whilst these programmes were running at a deficit in the year, a substantial amount of work was done to develop the resources of the Charity so that it could take on more relevant and valuable work in fulfilling its strategic aims.

By the end of the year, the Charity had a substantial pipeline of funding that would have enabled it to achieve this objective and achieve a break-even budget. With the outbreak of Covid-19, much of that pipeline disappeared. However, because the Charity had the right resources in place, it was able to react immediately and provided much needed support to the local community. As a result, since the year end, it has been successful in obtaining emergency Covid-19 grants that have substantially compensated for the loss of the pipeline.

Our venue hire business recommenced in June 2018, and achieved a strong performance in 2018/19 with a turnover of £139k. In 2019/20 the business continued to grow and achieved a turnover of £380k for the year and made a contribution to core costs of £115k.

Having completed the redevelopment of the historic Toynbee Hall building in the prior year, the new building at 28 Commercial Street was completed by June 2019 and £536k (2019 - £3.434m) of expenditure was capitalised as freehold buildings and £308k (2019 - £4.830m) capitalised as investment property and a further £31k (2019 - £33k) of associated construction overhead costs expensed in the Statement of Financial Activities.

The remaining work on 28CS carried out in the year related to the fit out of the Wellbeing and Advice centres in the ground and lower ground floors of the new building. This work was partly funded by a grant from the Greater London Authority of £280k and a £2.5 million loan facility from CAF Bank Limited which was fully drawn down in the year.

The investment property, represented by the top four floors of the new building at 28 Commercial Street, had a cost at 31 March 2019 of £4.830m and was revalued at that date to its fair market value of £7.030m. At 31 March 2020, the trustees revalued the property, taking into account the actual rents achieved in leasing out all the floors and utilising the same methodology as the 2018 professional valuation. The trustees acknowledge that the Covid 19 pandemic is likely to have an impact on property values with the likely reduction in the number of companies seeking to occupy office space in London and an economic downturn. However, their view is that any adjustment to the value of the building would relate to events substantially occurring after the year end and they have therefore valued the building at £6.89m. During the year, final costs of £308k were incurred to complete the property that did not enhance the value of the building, resulting in a reduction in the revaluation reserve of £447k.

The Charity ends the year with consolidated reserves of £13.643m (2019 - £14.186m). Of this amount, £449k (2019 - £2.163m) represents restricted reserves. Of the balance of £13.194m (2019 - £12.023m), £11.414m (2019 - £9.739m) has been designated 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£550k (2019 - £560k), 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.

As a result, during the redevelopment, the income from unrestricted activities have not been sufficient to fund the operating deficits arising from our charitable work, in relation to the community around us, which largely comprises restricted activities.

As a consequence, all of the unrestricted realised reserves of the Charity of £11.414m (2019 - £9.739m) have been designated for the fixed assets, leaving a £nil balance on the undesignated General Fund (2019 - £79k).

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 has utilised 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 2020 was 10 (2019 - 20). 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 22nd December 2020 and signed on their behalf by;



Name: Julian Corner Position: Chair

Independent Auditor's Report to the members of Toynbee Hall

Opinion

We have audited the financial statements of Toynbee Hall for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities (incorporating an income and expenditure account), the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows 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 2020, 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.

Responsibilities of trustees for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Use of our report

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



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

10 Queen Street Place, London
EC4R 1AG

Date: 23 December 2020

Toynbee Hall

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

For the year ended 31 March 2020

	Note	Restricted Debt Free London £'000	Restricted Other £'000	Unrestricted £'000	2020 Total £'000	2019 Total £'000
Income from						
Donations and legacies	3a	-	543	302	845	417
Charitable activities						
Advice		4,538	508	205	5,251	5,732
Wellbeing		-	808		808	845
Education		-	253		253	252
Financial health		-	103		103	332
Other activities						
Estates income		-	-	19	19	50
Trading income		-	-	401	401	178
Investments						
Dividends and interest received		-	-	1	1	4
Rentals from investment property		-	-	164	164	4
Other Income						
Release of deferred lease premium		-	-	46	46	46
Total income		4,538	2,215	1,138	7,891	7,860
Expenditure on						
Raising funds						
Fundraising and publicity		-	-	222	222	263
Costs of generating estates income		-	-	127	127	33
Costs of generating trading income		-	-	335	335	211
Costs of generating investment income		-	-	93	93	24
Charitable activities						
Advice		4,717	800	210	5,727	5,568
Wellbeing		-	846		846	919
Education		-	323	-	323	370
Financial health		-	323		323	437
Provision of accommodation		-	-	3	3	3
Total expenditure	4	4,717	2,292	990	7,999	7,828
Net (expenditure)/ income before net (losses)/ gains on investments		(179)	(77)	148	(108)	32
Net (losses)/ gains on investments	11,12	-	-	(435)	(435)	2,194
Net (expenditure)/ income for the year	5	(179)	(77)	(287)	(543)	2,226
Transfers between funds	20	136	(1,594)	1,458	-	-
Net movement in funds		(43)	(1,671)	1,171	(543)	2,226
Reconciliation of funds						
Total funds brought forward		159	2,004	12,023	14,186	11,960
Total funds carried forward	20	116	333	13,194	13,643	14,186

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.

The notes on pages 26 to 40 form part of these financial statements.

Toynbee Hall

Balance sheets

As at 31 March 2020

Company no. 00020080

	Note	The group 2020 £'000	2019 £'000	The charity 2020 £'000	2019 £'000
Fixed assets					
Tangible assets	10	9,448	8,711	9,416	8,669
Investment properties	11	7,195	7,318	7,195	7,318
Investments	12	14	18	14	18
		16,657	16,047	16,625	16,005
Current assets					
Debtors	14	842	729	860	695
Cash at bank and in hand		1,080	1,413	996	1,371
		1,922	2,142	1,856	2,066
Liabilities					
Creditors: amounts falling due within one year	16	(1,607)	(1,638)	(1,519)	(1,504)
		315	504	337	562
Total assets less current liabilities					
		16,972	16,551	16,962	16,567
Creditors: amounts falling due after one year	18	(3,329)	(2,365)	(3,329)	(2,365)
Net assets	20	13,643	14,186	13,633	14,202
Funds					
Restricted funds					
Debt Free London		116	159	116	159
Other funds		333	2,004	333	2,004
Total restricted funds		449	2,163	449	2,163
Unrestricted funds:					
Designated funds		11,414	9,739	11,414	9,739
General funds		10	79	-	95
Fair value reserve		1,770	2,205	1,770	2,205
Total unrestricted funds		13,194	12,023	13,184	12,039
Total funds	20	13,643	14,186	13,633	14,202

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 £7,570k (2019: £7,724k) and deficit of £570k (2019: Surplus of £2,269k).

Approved by the trustees and authorised for issue on 22nd December 2020 and signed on their behalf by



Julian Corner
Chair

Toynbee Hall

Consolidated statement of cash flows

For the year ended 31 March 2020

	Note	2020		2019	
		£'000	£'000	£'000	£'000
Net cash used in by operating activities	21		(186)		(272)
Cash flows from investing activities					
Dividends, interest and rents from investments		165		8	
Purchase of fixed assets		(1,255)		(3,619)	
Rental deposits from tenants at 28 CS		206		-	
Net cash used in investing activities			(884)		(3,611)
Cash flows from financing activities					
Draw down of bank loan		804		1,500	
Transfer from short term deposits		-		1,007	
Mortgage interest paid		(67)		(6)	
Net cash provided by financing activities			737		2,501
Change in cash and cash equivalents in the year			(333)		(1,382)
Cash and cash equivalents at the beginning of the year			1,413		2,795
Cash and cash equivalents at the end of the year	22		1,080		1,413

Toynbee Hall

Notes to the financial statements

For the year ended 31 March 2020

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) second edition effective 1 January 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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 Limited 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 Charity has produced a cash flow forecast up to 31 March 2022 based on its planned income and expenditure. The trustees have reviewed this forecast and, in particular, the key assumptions relating to future income that is not yet committed. Having discussed the forecast and assumptions with the management and having taken into account the Charity's fundraising plans and the wider funding environment, they consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

e) Income

Income, including that 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 income have been met, it is probable that the income will be received and the amount can be measured reliably.

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 2020

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 in the following way based on estimated staff time and space utilisation attributable to each activity.

● Advice	61.7%
● Wellbeing	12.4%
● Education	9.4%
● Financial health	7.4%
● Fundraising	5.6%
● Toynbee Hall Trading Limited	3.5%

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 2020

1 Accounting policies (continued)

k) Operating leases

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

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Amounts paid or payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless other systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

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 asset. Cost includes, for qualifying assets, attributable borrowing costs capitalised. Assets in the course of construction are not depreciated.

Fixtures, fittings and equipment are stated at cost, less accumulated depreciation, which is provided on a straight line basis as follows:

Computer equipment – over 3 years

Fixture, fittings and other equipment – over 15 years

Items of equipment are capitalised where the purchase price exceeds £1,000.

Plant and machinery is stated at cost, less accumulated depreciation, which is provided on a straight line basis over 15 years.

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.

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2020

1 Accounting policies (continued)

q) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

r) Cash at bank and in hand

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

s) Current asset investments

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

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

t) Creditors and provisions

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

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

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. In the prior year, this same proportion has been applied to the estimated fair value for the entire property, based on the formal valuation carried out by a firm of chartered surveyors. As the investment property was fully let at the year-end, in the current year, its fair value has been determined by applying the same valuation methods used by the surveyors to the actual rental values achieved. The carrying amount of the investment property component at the balance sheet date was £6,890k. An explanation of the key assumptions applied by the directors to estimate fair value is set out in note 11.

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2020

2 Detailed comparatives for the consolidated statement of financial activities

For the year ended 31 March 2019

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

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2020

3 Income	Restricted	Unrestricted	2020
	£'000	£'000	Total £'000
a) <u>Donations and legacies</u>			
Trust and foundation grants	-	110	110
Capital grants for the redevelopment project	501	1	502
Other donations	4	104	108
Donated services	38	87	125
	<u>543</u>	<u>302</u>	<u>845</u>

Detailed comparatives for income

For the year ended 31 March 2019

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

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 2019/20, the fair value of donated services from that firm is £85,751 (2018/19: £7,920) 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.

K&L Gates provided pro bono advice and contract work for Toynbee Hall's Free Legal Advice Centre. Their team advised us on tax risk and liability and also helped create standardised partnership and donation agreements for our work with corporate supporters. During 2019/20, the fair value of donated services from that firm was £38,335 (2018/19: £nil), on a market value basis.

During 2019/20, Holman Fenwick Willan LLP provided pro bono legal services to assist us with the arrangements for our Venue Hire inter-company licence agreement. The fair value of donated services from that firm was £876 (2018/19: £13,159), on a market value basis.

During 2018/19, Charity also received the following donated services:

- 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. The fair value of donated services from that firm was £41,169, 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. The fair value of donated services from that firm was £20,283, 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. The fair value of donated services from that firm was £36,882, on a market value basis.

b) Government funding

The charity has received funding from the Government and Government departments for the following projects:

Government funding	Project	2020 £'000	2019 £'000
London Borough Tower Hamlets	Tower Hamlets Debt and Money Advice	30	40
London Borough Tower Hamlets	LinkAge Plus	643	643
London Borough Tower Hamlets	Wellbeing Centre	34	19
London Borough Tower Hamlets	Wellbeing in Tower Hamlets	-	8
London Borough Tower Hamlets	Financial Health Research & Pilot	24	-
London Borough Tower Hamlets	Community Learning	-	1
Greater London Authority	Redevelopment	306	-
The Money & Pensions Service	Money Coaching Pilot	8	-
The Building a Stronger Britain Together Programme	School heritage workshop programme	8	-
City of London Corporation	City Advice	200	200
City of London Corporation	City Outreach - City Wellbeing	-	38
City of London Corporation	City Outreach - Memory Group	-	37
		<u></u>	<u></u>

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2020

4 Analysis of expenditure

	Staff costs (note 6) £'000	Direct costs £'000	Reallocation of support and governance costs £'000	2020 Total £'000	2019 Total £'000
Fundraising and publicity	133	22	67	222	263
Costs of generating estates income	-	127	-	127	33
Costs of generating trading income	120	172	43	335	211
Costs of generating investment	-	93	-	93	24
Advice	1,292	3,687	748	5,727	5,568
Wellbeing	193	503	150	846	919
Education	174	35	114	323	370
Financial health	173	60	90	323	437
Provision of accommodation	-	3	-	3	3
	2,085	4,702	1,212	7,999	7,828
Support costs	395	698	(1,093)	-	-
Governance costs	92	27	(119)	-	-
Total expenditure 2020	2,572	5,427	-	7,999	

Of the total expenditure, £990k was unrestricted and £7,009k was restricted.

Detailed comparatives for the analysis of expenditure

For the year ended 31 March 2019

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

Of the total expenditure, £1,008k was unrestricted and £6,819k was restricted.

Toynbee Hall**Notes to the financial statements (continued)****For the year ended 31 March 2020****5 Net incoming resources for the year**

This is stated after charging:

	2020 £'000	2019 £'000
Depreciation	210	62
Interest payable	67	6
Provision for bad debts	5	(40)
Operating lease rentals expense	25	166
Auditor's remuneration: audit fees		
Toynbee Hall	22	19
Toynbee Hall Trading Limited	4	3
Auditor's remuneration: non-audit fees		
Toynbee Hall	-	2
Toynbee Hall Trading Limited	1	1
	<u>222</u>	<u>239</u>

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

Staff costs were as follows:

	2020 £'000	2019 £'000
Salaries and wages	2,249	2,066
Social security costs	219	194
Employer's contribution to defined contribution pension schemes	95	81
Redundancy and termination costs	42	5
	<u>2,605</u>	<u>2,346</u>

Included within total staff costs of £2,605k (2019: £2,346k) is £33k (2019: £63k) representing project management costs incurred wholly and exclusively for the construction of a new building at 28 Commercial Street. These costs have been capitalised as part of the cost of construction.

Included within redundancy and termination costs is an ex-gratia payment of £5.5k (2019: £nil). This payment was considered by a sub-group of trustees to be in the best interests of the Charity, having taken professional advice.

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

	2020 No.	2019 No.
£60,000 - £69,999	2	2
£80,000 - £89,999	1	1
	<u>3</u>	<u>3</u>

The total employee benefits, including employer's NI and pension contributions, of the key management personnel were £309k (2019: £295k).

During the year, the Key Management Personnel comprised the Chief Executive; the Director of Policy and Innovation; the Director of Finance; and the Director of Redevelopment.

	Service Period	Gross Pay £'000	Employer Pension £'000	Total £'000
CEO	April 2019 to Mar 2020	80	6	86
Director of Policy and Innovation	April 2019 to Mar 2020	66	6	72
Director of Finance	April 2019 to Mar 2020	61	-	61
Director of Redevelopment	April 2019 to Sep 2019	57	2	59
		<u>264</u>	<u>14</u>	<u>278</u>

Trustees did not receive any remuneration or any other benefits for the current or prior year.

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2020

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 85 (2019: 83).

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

	2020	2019
	No.	No.
Fundraising and publicity	3	4
Advice	34	33
Wellbeing	6	6
Education	5	5
Financial health	4	2
Estates	2	1
Toynbee Hall redevelopment	-	1
Support costs	7	8
Toynbee Hall Trading Limited	2	1
	<u>63</u>	<u>61</u>

8 Related party transactions

During the year the Charity charged £61k (2019: 30k) 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 £65k (2019: £43k) in respect of royalties and shared costs. Toynbee Hall Trading Limited invoiced £22k (2019: £55k) to the Charity for the provision of consultancy services and venue hire in the year.

Aggregate donations from related parties for 2020 were £555 (2019: £13,026). There were no other related party transactions for 2020 (2019: none).

9 Taxation

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

10 Tangible fixed assets

The group

	Freehold land & buildings £'000	Fixtures, fittings & equipment £'000	Plant & machinery £'000	Total £'000
Cost				
At the start of the year	7,093	758	1,105	8,956
Additions in year	536	230	181	947
Disposals in year	-	(80)	-	(80)
At the end of the year	<u>7,629</u>	<u>908</u>	<u>1,286</u>	<u>9,823</u>
Depreciation				
At the start of the year	2	196	47	245
Charge for the year	32	98	80	210
Eliminated on disposal	-	(80)	-	(80)
At the end of the year	<u>34</u>	<u>214</u>	<u>127</u>	<u>375</u>
Net book value				
At the end of the year	<u>7,595</u>	<u>694</u>	<u>1,159</u>	<u>9,448</u>
At the start of the year	<u>7,091</u>	<u>562</u>	<u>1,058</u>	<u>8,711</u>

The Charity

	Freehold land & buildings £'000	Fixtures, fittings & equipment £'000	Plant & machinery £'000	Total £'000
Cost				
At the start of the year	7,093	715	1,105	8,913
Additions in year	536	231	181	948
Disposals in year	-	(80)	-	(80)
At the end of the year	<u>7,629</u>	<u>866</u>	<u>1,286</u>	<u>9,781</u>
Depreciation				
At the start of the year	2	195	47	244
Charge for the year	32	89	80	201
Eliminated on disposal	-	(80)	-	(80)
At the end of the year	<u>34</u>	<u>204</u>	<u>127</u>	<u>365</u>
Net book value				
At the end of the year	<u>7,595</u>	<u>662</u>	<u>1,159</u>	<u>9,416</u>
At the start of the year	<u>7,091</u>	<u>520</u>	<u>1,058</u>	<u>8,669</u>

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2020

11 Investment properties

	The group		The charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Fair value at the start of the year	7,318	295	7,318	295
Additions in year	308	-	308	-
Transfer from tangible fixed assets	-	4,830	-	4,830
Revaluation during the year	(431)	2,193	(431)	2,193
Fair value at the end of the year	7,195	7,318	7,195	7,318

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 £305k. The charity recognised an increase of £16k in the year which 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. In the prior year, the building was substantially complete and that proportion of the costs relating to the investment property component, being £4,830k, was transferred from tangible fixed assets to investment properties. At 31 March 2019, this component was remeasured at a fair value of £7,030k based on a valuation report carried out in October 2018 by an independent valuer in accordance with the RICS Valuation Standards. This resulted in a revaluation gain of £2,200k being recognised in the year to 31 March 2019.

During the current year, a further £308k had been incurred on completing the building and the directors' view is that this final expenditure did not have any material impact on the value of the property.

The basis of the professional valuation was to apply an expected yield to forecast rental values and deduct an allowance for holding costs for vacant periods. By the year end, all four floors of the property had been let at a discount to the forecast rentals of approximately 6%.

As the property was fully let at the year-end, the directors have adjusted the valuation basis to use the actual rents achieved and to value the top four floors only based on the same expected yield of 5.5%, taking into account the effect of rent free periods in the existing leases but without discounting for holding costs. Using this methodology, the directors have therefore remeasured the fair value of the investment property to £6,890k.

The directors expect that the value of the building will have fallen since the year end as a result of the Coronavirus pandemic although any fall in value will be mitigated by the fact that all four floors are let on leases with terms running up to February 2025. At the time of producing these accounts, they believe that the extent to which there has been a fall in value cannot be reliably measured.

12 Listed investments

	The group		The charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Fair value at the start of the year	18	17	18	17
Net gain on change in fair value	(4)	1	(4)	1
Fair value at the end of the year	14	18	14	18
Historic cost at the end of the year	1	1	1	1

13 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of Toynbee Hall Trading Limited, 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:

	2020 £'000	2019 £'000
Turnover	423	233
Cost of sales	(289)	(216)
Gross profit	134	17
Administrative expenses	(104)	(37)
Profit for the financial year	30	(20)
The aggregate of the assets, liabilities and funds was:		
Assets	178	200
Liabilities	(168)	(220)
Funds	10	(20)

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2020

14 Debtors

	The group		The charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade debtors	366	516	320	398
Prepayments and accrued income	449	66	435	65
VAT recoverable	19	37	19	37
Amounts due from subsidiary	-	-	20	26
Intercompany loan (see note 15)	-	-	60	60
Other debtors	8	110	6	109
	842	729	860	695

15 Debtors: amounts falling due after one year

	The group		The charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Intercompany loan	-	-	-	60
	-	-	-	60

On 16 August 2017 the parent charity signed a loan agreement allowing its subsidiary to borrow up to £100k which has to be repaid in 3 years of the signing date. As at 31 March 2020, only £60k has been drawn down. Interest is charged at base rate plus 2.5% per annum on amounts borrowed by Toynbee Hall Trading Limited. Following the year end, to support the subsidiary during the Coronavirus pandemic, the loan facility was increased to £125k and the repayment date was extended to 31 March 2023.

16 Creditors: amounts falling due within one year

	The group		The charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Bank loan	94	-	94	-
Trade creditors	833	728	817	707
Accrued expenditure	455	691	445	653
Taxation and social security	71	66	61	50
Deferred income	116	104	66	46
Other creditors	38	49	36	48
	1,607	1,638	1,519	1,504

17 Deferred income

	The group		The charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Balance at the beginning of the year	968	989	911	989
Amount released to income in the year	(103)	(78)	(46)	(78)
Amount deferred in the year	70	57	20	-
Balance at the end of the year	935	968	885	911

	The group		The charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Less than one year	116	103	66	46
Greater than one year	819	865	819	865
	935	968	885	911

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 2020, of the total balance of £935k (2019: £968k), £885k is in respect of the deferred income on the lease premium (2019: £911k).

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2020

18 Creditors: amounts falling due after one year

	The group		The charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Deferred income (Note 17)	819	865	819	865
Tenant deposits for 28 CS	206	-	206	-
Bank loan				
- amount falling due between one and two years	102	-	102	-
- amount falling due between two and five years	408	240	408	240
- more than five years	1,794	1,260	1,794	1,260
	3,329	2,365	3,329	2,365

The bank loan represents the amount drawn down at the year end, net of capitalised loan costs, in respect of a 25 year loan facility from CAF Bank Limited. Capital repayments were due to commence in May 2020. However, following the year-end, the bank offered a further six month capital repayment holiday, which was accepted. The accounts do not reflect this variation as it was agreed after the year-end. The loan is secured by fixed and floating charge over the charity's properties at 28 Commercial Street. Interest accrues on amounts outstanding at the rate of 2.5% per annum above the Bank of England base rate subject to a minimum rate of 2.5%.

19 Analysis of group net assets between funds

As at 31 March 2020

	Restricted	Designated funds	General funds	Fair value	Total funds £'000
	funds £'000	£'000	£'000	reserve £'000	
Tangible fixed assets	-	8,285	1,163	-	9,448
Investment properties	-	5,433	-	1,762	7,195
Investments	-	-	6	8	14
Net current assets	449	-	(134)	-	315
Long term liabilities	-	(2,304)	(1,025)	-	(3,329)
Net assets at 31 March 2020	449	11,414	10	1,770	13,643

As at 31 March 2019

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

20 Movements in funds

	At the start of	Income	Expenditure	Transfer of	Other transfers	At the end of
	the year			fundraising cost		
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted funds:						
Financial health (including donated services)	189	103	(323)	(3)	154	120
Education	81	253	(323)	(8)	66	69
Advice (excluding Debt Free London)	166	546	(800)	(31)	187	68
Wellbeing	36	808	(846)	(8)	48	38
Wilson Memorial Fund	49	4	-	-	(15)	38
The London Marathon Charitable Trust Grant	-	150	-	-	(150)	-
Restricted Redevelopment Fund	1,483	351	-	-	(1,834)	-
	2,004	2,215	(2,292)	(50)	(1,544)	333
Debt Free London	159	4,538	(4,717)	-	136	116
Total restricted funds	2,163	6,753	(7,009)	(50)	(1,408)	449
Unrestricted funds:						
Designated fund: Property fund	9,739	-	-	-	1,675	11,414
Total designated funds	9,739	-	-	-	1,675	11,414
Fair value reserve	2,205	-	(435)	-	-	1,770
General funds	79	1,138	(990)	50	(267)	10
Total unrestricted funds	12,023	1,138	(1,425)	50	1,408	13,194
Total funds	14,186	7,891	(8,434)	-	-	13,643

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2020

20 Movements in funds (continued)

Detailed comparatives for the movements in funds - for the year ended 31 March 2019

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

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 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.

Wilson Memorial Fund

This fund was originally set up to support Residential Volunteering at Toynbee Hall. During the year, the Family approved a £15k reallocation of the fund to a project for the creation and maintenance of the newly redeveloped Mallon Gardens for the benefit of the community which was completed this year following a major design and landscaping programme also funded with contributions from the developer of the residential flats and the GLA. During the previous year £20k was transferred from the Wilson Memorial Fund to the establishment of a new Residential Volunteering programme as part of the Redevelopment of Toynbee Hall.

The London Marathon Charitable Trust Grant

This grant was given specifically for the new Centre for Wellbeing in the new building at 28 Commercial Street. As this building was completed in the year, the fund was transferred to the Property Fund at the year end.

Property Fund

At 1 April 2018, the Restricted Redevelopment Fund was 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 and the Restricted Redevelopment Fund relating to this building was transferred to unrestricted designated funds last year and referred to as Land & Building (Redevelopment). The Restricted Redevelopment Fund at 1 April 2019 therefore relates to the new building at 28 Commercial Street. This includes a grant of £450k from the Big Lottery Fund ('BLF') and an allocation from the Patricia Singleton legacy of £455k for the Wellbeing Centre, which occupies the ground floor of the building. There is a BLF grant obligation on the charity to operate the Wellbeing Centre for a period of 20 years. As the building was completed in the year, the balance on this fund was transferred to unrestricted designated funds and this has been renamed as the Property Fund.

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 Advice 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 other organisations to assist with the delivery of the Project.

Purposes of designated funds

The Restricted Redevelopment Fund had been established to set aside funds for the continued costs associated with the completion of the estates strategy. Now that the buildings are back in use, the balance of the Restricted Redevelopment Fund has been transferred to the Property Fund as a designated fund. As the value of unrestricted funds is lower than the value of land and buildings, all unrestricted funds have been designated as the Property Fund leaving the free reserves of the charity with a £nil balance.

Fair value reserve

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

General Funds

The balance in this fund relates to the reserves of the trading subsidiary company.

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2020

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

	2020 £'000	2019 £'000
Net (expenditure)/ income for the reporting period	(543)	2,227
Depreciation charges	210	62
Losses / (gains) on investments	435	(2,194)
Dividends, interest and rent from investments	(165)	(8)
Interest payable	67	6
(Increase)/ decrease in debtors	(113)	551
Decrease in creditors	(77)	(916)
Net cash (used in) / provided by operating activities	(186)	(272)

22 Analysis of cash and cash equivalents

	At 1 April 2019 £'000	Cash flows £'000	At 31 March 2020 £'000
Cash at bank and in hand	1,413	(333)	1,080
Total cash and cash equivalents	1,413	(333)	1,080

23 Analysis of changes in net debt

	At 1 April 2019 £	Cash flows £	Other non- cash changes £	At 31 March 2020 £
Cash and cash equivalents				
Cash	1,413	(333)	-	1,080
Cash equivalents	-	-	-	-
	1,413	(333)		1,080
Borrowings				
Loan falling due within one year	-	-	(94)	(94)
Loan falling due after more than one year	(1,500)	(1,000)	196	(2,304)
	(1,500)	(1,000)	102	(2,398)
Total	(87)	(1,333)	102	(1,318)

24 Operating lease commitments

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

	Property		Equipment	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Less than one year	-	18	16	3
One to five years	-	-	44	-
	-	18	60	3

The group and charity have total future lease rentals receivable under non-cancellable operating leases for each of the following periods:

	Investment property	
	2020 £'000	2019 £'000
Less than one year	503	-
One to five years	1,698	-
	2,201	-

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2020

25 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, inclusive of irrecoverable VAT, was incurred by the 31 March 2019.

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, inclusive of irrecoverable VAT, had been incurred by 31 March 2019. In the current year, the final account was agreed with the main contractor for these works and all costs were incurred or accrued in the accounts as at 31 March 2020.

There were no capital commitments at 31 March 2020.

26 Post balance sheet events

At 31 March 2020, the Charity had a 25 year loan from CAF Bank Limited for £2.5m to fund the redevelopment, as set out in note 18. The commencement of capital repayments on this loan was due to be May 2020. Due to the Coronavirus outbreak, the bank offered a six-month capital repayment holiday which was accepted. Monthly repayments therefore commenced in November 2020.

Following the year-end, the Charity obtained an additional loan from CAF Bank Limited for £500k to provide sufficient working capital for the Charity. This loan, which has now been drawn down, has a term of 23.5 years so that its final repayment date is in line with the original loan.

27 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.

Reference and Administrative Information

For the year ended 31 March 2020

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
	David Warner	
	Annette Zera	(resigned December 2019)
	Emma Davies	(resigned December 2019)
	Sarah Squires	
	Katherine Swade	
	Kawsar Zaman	
	Husna Mortuza	
	Maysam Rizvi	
	Tahera Rouf	
	Halima Begum	(appointed March 2020)
	Laura Ratling	(appointed March 2020)
	Deirdre O'Connell	(appointed March 2020)
	Gemma Wosznicki	(appointed March 2020)
	Ali Hussein	(appointed March 2020)
	Samuel Thomas	(appointed March 2020)
Principal Staff	Jim Minton	Chief Executive

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 fairer and happier East London

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