



Annual Report 2022-2023

Trustees' Report and Accounts for year ended 31 March 2023

Charity No. 211850
Company No. 20080

TOYNBEE
HALL



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Foreword by Stephen Burns, Chair of the Board of Trustees

For Toynbee Hall, the period covered by this report brought change, challenge and a turbulent external environment. Despite the departure of our CEO, Jim Minton, in the summer of 2022, we were able to maintain organisational continuity and progress. The Trustees and I thank interim CEO, Alex Botha for his decisive contributions during this transitional period.

Externally, the post-pandemic optimism gave way to the cost-of-living crisis, deeply impacting families and communities in East London. It's a pressing concern that the crisis has had a disproportionate effect on low-income households who have fewer non-essential items to cut back on, less access to savings and, due to the poverty premium, pay more for goods and services. The impact of rising inflation has been felt disproportionately by women, caregivers, individuals with disabilities and low-paid workers. We know that Londoners from some black and minority ethnic backgrounds are disproportionately represented amongst low-paid workers and so are also more likely to experience economic hardship.

Toynbee Hall has felt the impact of the volatile external environment. While the return of in-person events has improved our income, the unpredictability of funding remains a concern. Despite increasing costs across all activities, our options to negotiate higher income from commissioners or raise prices are limited. This meant that during the year we had to review our own allocation of resources to ensure we focussed on where we can make the greatest impact with secured funding.

Our own team is not immune from cost-of-living issues, wellbeing issues or issues of equality. We try to build a supportive culture and encourage and enable practical support; however our resources are limited. We were able to award an annual salary increase to eligible staff this year, with a strategy in place to prioritise those on lower salaries.

Our commitment to Toynbee Hall's charitable objectives remains resolute: to mitigate poverty, promote social inclusion, advance education, and contribute to the preservation of Toynbee Hall for the benefit of the public. Our vision is focused on creating a fairer and happier future, starting here in East London. This is supported by a range of activities including frontline service delivery, participatory action research and policy influencing.

Our community services continue to be designed and delivered with local residents and people with lived experience of exclusion and inequality.

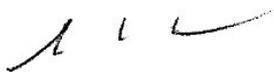
With so many people struggling to meet living costs, our advice helps people to increase their income and ensures they are receiving the money they are entitled to. With 1 in 4 Londoners at risk of problem debt, our debt advice service has adapted, making their services more accessible. Also the free legal advice we offer is vital in helping people to understand and exercise their legal rights in the context of a diminished legal aid system.

Beyond offering support to individuals, our participatory action research and policy influencing programme ensures local people are at the heart of identifying systemic barriers and shaping solutions, speaking directly about the issues they care about to people with the power to make change happen.



Throughout this year we have, as always, benefited from the support of a vast array of generous and like-minded partners, community members, as well as the trustee and staff team at Toynbee Hall. We are deeply grateful for their ongoing involvement and their ongoing encouragement to collaborate and shift power and the unwavering belief in lived-experience led policy making.

I am particularly grateful to the staff team and my fellow trustees, for navigating the challenges we have faced this year without losing sight of our vision for a fairer future and the path to achieving this.



Stephen Burns

Strategic Report

Introduction

Our vision and activities focus on building a fairer and happier future, starting here in East London. Our work supports this vision through direct services such as advice and our community programme alongside the activity we undertake to influence systems, so they are fairer – this is our participant research and the national influencing and advocacy based on its findings.

Our research and policy agenda is based on meaningful partnership working with communities and stakeholders; sharing power and resources, co-designing projects, supporting communities to have their voice heard and then to develop recommendations and influence change.

Over the year our plans focused on three overlapping themes. These themes strongly relate to our context and strategy:

- Tackling Poverty – directly and systemically
- Shaping a great place with the communities around us
- Shifting Power - amplifying voices and strengthening justice.

These are underpinned by a fourth theme which relates to our internal capacity and ensuring our organisation is equipped to deliver our objectives. This requires focus on achieving a sustainable financial position, progress on colleague well-being and on equity, diversity and inclusion.

Tackling poverty

Helping our communities with day-to-day affordability and challenging the systemic issues which impact on their income and cost of living.

This strand of work is both pressing – in that there is a real cost of living crisis upon us – and also timeless, in the sense that tackling poverty is part of our mission and purpose.



Our work includes the practical support we offer people around costs and income (debt advice, welfare benefits support, money mentoring) as well as the partnerships we support across London to provide debt advice across the capital. It also includes our system change and policy work around financial health and capability.

Across advice services and including the Debt Free Advice partnership we reached 23,000 people last year. Together these services enabled clients to collectively improve their financial position by £22,679,322 in FY22, which equates to £3.76 for every £1 of funding we receive for advice.

Image: Members of our debt team speaking to the public at a Debt Free Advice pop-up on Oxford Street.

Direct Advice at Toynbee Hall

Our four local advice teams between them offer advice on benefits, housing, employment, family law, immigration, civil matters, commercial rights, form filling support and general information, advice and guidance.

Our Tower Hamlets Generalist Advice service empowers residents to access the benefits they are entitled to and navigate the intricacies of the application process. Through our collaborative approach and knowledgeable advisors, we make a positive impact on the lives of individuals in Tower Hamlets. Last year the small team handled 496 cases and helped local people secure a financial gain of £756,629.

Our City advice service, for people living, working or studying in the City of London, handled 626 cases, helping people secure a financial gain of £619,598.

Our Macmillan advice service provides specialist welfare benefits advice to people living with cancer across North and East London, last year the service reached over 900 people.

Toynbee Hall has been running some form of free legal advice for almost 125 years. Today our Free Legal Advice Centre (FLAC) is supported by volunteer legal advisers; a mix of qualified barristers, solicitors, trainee solicitors and law students, who work with one of our four legal partners: Allen & Overy, Cleary Gottlieb LLP, Bank of New York Mellon, and, Howard Kennedy Law. The clinic provided advice to over 500 cases last year including through a specialist women-only legal advice clinic, one of only a small number of such support services in London. The main areas that people seek legal advice on are housing (33%), employment (19%) and immigration (13%).

The services are shaped and developed by local people as far as they can be. For example, City Advice includes community advocates to promote awareness of our services and gather valuable feedback to assess their effectiveness. This collaborative approach ensures that we tailor our assistance to meet the specific needs of the community we serve.

Debt Free Advice

The Debt Free Advice service is for all Londoners. Within the partnership, Toynbee Hall is responsible for delivering free local, expert debt advice across Tower Hamlets, Greenwich and Newham; reaching over 3200 people last year. During the year the partnership was relaunched as Debt Free Advice at an event in Parliament kindly hosted by our local MP. This change was due to the partnership starting to accept referrals from the Money & Pensions Service 'Money Advisor Network' some of which come from outside London.



Debt Advisor giving advice to a client over the phone

Overall, the Debt Free Advice partnership provided debt advice to over 20,000 people in 2022-23. As the lead body, Toynbee Hall provides the infrastructure, promotes the service, and supports training, quality and innovation.

The situation has got worse for those approaching our partnership for help managing debts. The average client now manages 3.9 debts or creditors, more than double the pre-pandemic average and the average debt of those approaching the partnership for help is £11,411. The most frequent types of debt we see are rent arrears (43% of clients experience rent arrears), followed by council tax arrears (43%) and credit card debt (34%). However, we are also seeing high levels of clients with utility bill debts; 34% have water bill arrears, 26% have electricity bill arrears and 17% gas bill arrears.

Added to this one in five of those seeking support are using costly pre-payment meters which is only exacerbating the choices they make about whether they can afford to heat their homes.

Financial health work

The UK's financial system is outdated, and exacerbates unfairness and unhappiness for people experiencing discrimination and exclusion. Our financial health work is a mix of practical peer-led support and research projects which are formed by those with lived experience of the issues.

Over the year, our Money Mentors programme providing training in person came to an end. However, we worked on the development of a new money mentoring scheme to be launched in April 2023 linked to work carried out over previous years centred on the experience of people denied access to affordable credit.

On a national level, we focused on policy regarding the transition to net-zero aiming to foster equitable and sustainable energy practices for all members of society; working in collaboration with Fair by Design and Ofgem, the UK energy regulator. Together professional researchers and community members who had direct experience with the energy poverty premium co-created research with 13 peer researchers and 38 community members actively participating in the project. Our report into a fair transition to net zero for low-income consumers outlined feasible pathways to achieve this goal. The recommendations were shared with the Department for Business, Energy & Industrial Strategy and the Competition and Markets Authority in response to a series of consultations.



Nasrat, Participatory Action Researcher, delivers a speech as part of Ofgem's presentation to the Social Research Association annual conference.

Shaping Place - Building a better neighbourhood with the communities who live and work here

This includes: our communities work, heritage activities, Linkage Plus and more of our participatory research – particularly around place and built environment; some of our commercial activities aimed at growing the local economy in a sustainable way; and some of our plans for our places and spaces with regard to our impact on the local ecosystem and sustainability.

The ways we manage our spaces and the opportunity for this to be a catalyst for economic and social activity within the neighbourhood are important to our impact on the local place.

Our neighbourhood is an incredible place, and we want the communities who live around us to feel welcome, cared for, safe and secure in our spaces. Our aim is that local people have more power to shape the services and support on offer both within Toynbee Hall and locally and to have a stronger voice in challenging systemic inequalities.

Community activities

Within Toynbee Hall and across the neighbourhood we offer free-to-access activities for anyone who lives in the local area, particularly older people, families, young people and people experiencing structural inequality. The activities on offer range from cultural and wellbeing events, to skills development, education, and gardening. We support those attending to decide what should be offered; to shape, design, deliver the sessions and then evaluate their impact.

We also lead Linkage Plus, the Tower Hamlets infrastructure and delivery project reducing isolation for older people. Through a partnership of six community organisations, we together support increased confidence, improved physical health, increased social inclusion and greater happiness across the Tower Hamlets older population.

Local groups continue to use our spaces to provide much-needed services, such as the fortnightly parent and baby group, led by a local Somali midwife, which supports 30 people a session. These sessions provide a supportive environment for parents and foster a sense of community.

Mallon Gardens, the redesigned community space in front of our historic building, continues to be used by a wide range of people who live, work or are visiting the local area. The Gardens also continue to host a food bank, and people now regularly fill their household water containers from our water taps, another sign of how hard the growing cost of living crisis is affecting local residents.



A 'Painting for Purpose' class for all ages in the Toynbee Hall Community Centre.

Heritage

Our take on heritage is that we should support local people to reinterpret and reimagine their history and that of the local area within today's context. The work includes: community-led local area appraisal through the Heritage Action Zone (HAZ); a suite of heritage and community-led activities including a new community projector.

The community projector project enables us to project large, outdoor images onto one of the walls. Some of the fantastic exhibitors have included, Memories of Brick Lane oral history films (Four Corners and Swadhinata Trust), The story of Cockney in 50 objects (The Modern Cockney Festival), Tiger Class captures Petticoat Lane (Canon Barnett Primary School and Historic England), and artwork from local individuals.



Brick Lane oral history film showing on the outdoor projector.

Last year, our community commissioned cultural programme achieved significant milestones. We completed and published the commissioning document in collaboration with our community decision-making group. The response was remarkable, with 40 expressions of interest received from artists and creatives seeking funding for cultural commissions. Notably, 25 of these applications came from local individuals, underscoring the strong engagement within our Petticoat Lane community.

Through a thorough shortlisting process, we successfully commissioned 11 projects that reflect the diversity and creativity of our community. The launch event featured the debut of "Petticoat Lane: The Musical!" an improvised performance inspired by a community member. Additionally, workshops in painting, textiles, and film-making were well-received, fostering local talent and celebrating our cultural heritage.

The heritage project is only the second in the country to be entirely led by local residents. Through this journey, we've learned valuable lessons and discovered a realistic demand for support in this type of activity. Looking ahead, we are committed to building on these achievements and creating a thriving cultural programme that truly reflects the essence of the community.



Community members enjoying a lunch at one of our community-led cultural events.

Local research and policy work

Our research and policy agenda is essential to shaping the place around us, through the participation of local people who identify the issues, co-create the activities and create plans to act on the results for themselves as well as influencing others who have power to make change.

The local elections in 2022 were a vital opportunity; a group of 30 Tower Hamlets residents worked alongside Toynbee Hall's research and policy team to create a comprehensive manifesto for Tower Hamlets. Based on insights from our peer research in the last five years, this document featured 10 ideas addressing significant issues, including poverty, safety, and housing within the community. We gathered further input from over 180 local residents and discussed the manifesto with candidates before the Tower Hamlets Mayoral election.

The Safer Homes and Neighbourhood project, funded by Trust for London, was finalised successfully in 2022. Involving 28 peer researchers and over 1000 local residents, this participatory action research project focused on enhancing community safety and connectedness. Building on the peer research findings, we implemented action in the local community. One example of this was residents co-designing and participating in a women's safety walk alongside local council and the police, with a turnout of 60 women from Asian backgrounds. This safety walk has now become an annual practice, demonstrating the sustainability and impact of our efforts in fostering a safer and more connected local area.



Local residents talk about law enforcement as part of our community safety peer research project.

Commercial events and operations

After several challenging years, events fully returned to Toynbee Hall during 2022-23. Our facilities have been used by a wide range of not-for-profit organisations including Crisis, the National Lottery Community Fund, The National Trust, The Barrow Cadbury Trust, and Power to Change. We are extremely positive about the opportunities that 2023-24 will bring to further bolster our income and financial sustainability.

Our tenants at 28 Commercial Street, Arts Admin and the Young Foundation (who rent desk space in our main office), have all become a key part of the day-to-day experience on site, contributing to both our financial sustainability and our diversity.

We have places and spaces that can be used easily, safely and with dignity, by all, regardless of age, disability or gender. We balance the needs of our commercial clients (paying for venue hire and renting space from us) with ensuring our spaces are managed in the best way they can be to support and improve the local community. We buy locally; we donate surplus food; we share spaces; and we help our clients discover our heritage and that of the local area.

Shifting Power - Amplifying voices and strengthening justice

The other key strand of our work, which overlaps strongly with both the cost-of-living related activity and place shaping, is strengthening justice and amplifying voice. The areas of our work this includes are: our public legal education work (part of our advice services); and aspects of our policy and research work and how we communicate and influence.

Our free legal advice centre (FLAC) seeks to increase access to justice through pro-bono solicitors and barristers who help clients understand and exercise their legal rights, prepare court documents and navigate the system. On our website we provide free legal education packs to help people know their rights, the videos and guides on topics such as housing, employment, family, and discrimination were created and shaped by local people.

Research and policy work

We continue to develop, learn from and share our model of participatory action research – last year working with over 250 peer researchers and experts by experience. In this approach local people are at the heart of identifying systemic barriers and shaping solutions, advocating for and shaping change at a local and national level.

As we reflected on our commitment to co-production, we embarked on an experiment to explore a different way to make policy. This led to our establishing an innovative forum for residents and policy makers to collaborate to drive positive change. The Knowledge Exchange Circle was co-developed, bringing together a diverse group of stakeholders. It was launched in January 2023 and will run throughout the year.

Looking to the future

The new Chief Executive joined the organisation in April 2023 and the Board has agreed that her priorities will be reviewing our strategy, strengthening culture and securing a sustainable financial position.

The cost-of-living crisis shows no sign of lessening and this means our advice services will continue to be in demand alongside our community support. Our approach to advice will be reviewed to identify ways to make it easier for people to access it, to clarify our local offering at Toynbee Hall and to find ways to reach more people - especially when accessing free legal advice.

We will develop our approach to participant research and explore the path from research to influence to social change through the Knowledge Exchange Circle. As part of our review of strategy we will set out priority areas based on the co-created work we have carried out. This will also be reflected in our approach to equity, diversity and inclusion as we set out future priorities to address systemic inequality.

Our Money Mentors service will launch and enable us to further explore how mentoring can empower people to make decisions about their money, leading to improvements in their overall financial position through reductions in debt and being able to put small amounts of money into savings for emergency situations.

Work alongside our local community through the Heritage Action Zone will continue; there will be a range of events and activities which were commissioned with our community decision-making group.

To share our progress with wider audiences we will publish a report showing our impact in more detail and an update to the People report which we published in 2021. Before the end of the year we will produce a new strategic plan which sets out our objectives over the next three years. Alongside this will be our equity, diversity and inclusion plan which will include how we will measure and report progress.

Our funders – A thank you

Throughout the year, we were deeply grateful for the commitment of funders, new and old, and your trust in us.

There are certainly great challenges ahead for communities and organisations like ours. However, your commitment, understanding, and generosity makes us confident that together we can shape a fairer, happier future for East London and drive the sustainable recovery everyone in our community needs.

From all of the team and everyone we have supported this year, a heartfelt and sincere thank you.

Our People

We want to ensure that Toynbee Hall is experienced as a fairer and happier organisation; able to deliver and sustain the ambitions and outcomes within our strategy.

This means a focus on equity, diversity and inclusion to drive strong positive internal culture and also to underpin our activities to tackle the systemic causes of poverty and inequality. We also focus on wellbeing so that we are supporting colleagues and enabling them to feel safe to be authentic in the workplace.

In terms of our commitment to equity and diversity the demographics of our organisation are changing; as we have reviewed and reshaped our approach to recruitment. Across the organisation 43% of our colleagues are white, with 57% of colleagues from all other ethnic groups, while 34% are male and 66% are female. We also know that 26% of our colleagues live in the borough of Tower Hamlets, and 11% live within a mile of Toynbee Hall. We believe we can go further in offering employment for those who live locally and across east London as well as in supporting local businesses through what we purchase.

Our commitment to flexible working means we can reach a more diverse range of job seekers, including people with caring responsibilities and/or health or disability needs, both of which can make full-time office work inaccessible. Last year 21% of our colleagues told us they had a health need or a disability (compared to 15% last year).

Our Board is as diverse as our overall organisation and many of our Trustees bring with them strong connections to the community Toynbee Hall is part of. However, we can still improve on our diversity at management and senior management levels.

There has been slow progress on the development of our equalities plan. The Board has apologised to the organisation for this and made a commitment to ensure that we publish a report into our People (updating a 2021 report) in autumn of 2023 and alongside that produce an equity and anti-racism statement and set of activities to measure our progress by the end of 2023.

In March 2023 we had a total of 81 employees (down from 90 in March 2022); 66 full time and 15 part-time. Over the year there was change within the Executive and senior management level across the organisation in addition to Alex Botha taking over as interim CEO for the year. Towards the end of the year Sian Williams, Director of Policy and Innovation moved on as did members of the Senior Management Team. Not only at Senior Management level but across the organisation over half of our colleagues have been with Toynbee Hall for less than two years. This presents both opportunities and risks. There is always the risk of loss of institutional knowledge and history when long-standing colleagues move on but at the same time as new colleagues join us the organisation benefits from their experience and fresh perspectives.

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.



Young people taking part in some gardening exercises as part of a project on emotional support for young people and their families.

Toynbee Hall's 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.

The following Trustees have resigned from the Board since 31 March 2022:

Kawsar Zaman resigned 11 November 2022

Sarah Squires resigned 14 December 2022

Gemma Woznicki resigned 21 June 2023

We are grateful to them for their service.

The Board currently stands at 9 members and the Board of Trustees are about to commence recruiting for additional members.

Once Trustees are recruited, our Senior Management Team will carry out a full induction, supporting them to understand not only their legal responsibilities but also the scope and nature of work done by the organisation, and how they can best contribute as Trustees.

Committees

In addition to the Board meetings, the governance structure of Toynbee Hall provides engagement for trustees through the Finance and Fundraising Committee, People Committees and the newly formed Audit and Risk Committee.

Membership of the Committees is as follows:

Finance and Fundraising Committee

Ali Hussein	Chair
Stephen Burns	
Maysam Rizvi	
Gemma Woznicki	resigned 21 June 2023

The Board has the power to co-opt non-trustee Members to the Committees to address specific and identified skills gaps and Sarah Squires, a former Trustee, was appointed as a co-opted member of the Finance and Fundraising Committee on 22 March 2023.

People Committee

Sam Thomas	Chair
Laura Ratling	
Tahera Rouf	

Audit and Risk Committee (established 3 April 2023)

Ali Hussein
Stephen Burns

Senior Management Team

The Trustees delegate the day-to-day management of Toynbee Hall to the Chief Executive. Jim Minton was in post as Chief Executive until July and Alex Botha was Interim Chief Executive from August 2022 to March 2023. The Chief Executives were supported by an Executive Team comprising the Director of Finance, Howard Jackson (resigned January 2023), and Director of Policy and Innovation, Sian Williams (resigned August 2022). Following a restructure which was approved by the Board in December 2022 the Chief Executive is now supported by the Senior Management Team.

Rebecca Sycamore joined as Chief Executive in April 2023.

The senior management team comprises:

Ruth McGregor	Director of Finance (appointed February 2023)
Matthew Dronfield	Managing Director, Debt Free Advice
Xia Lin	Head of Research
Mila Smith	Head of People (resigned June 2023)
Ben Champion	Head of Commercial and Operations
Elizabeth Stevenson	Head of Fundraising (appointed May 2023)

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. 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 take equity issues around pay extremely seriously.

At 31 March 2023 the Chief Executive was not in post; the ratio of the incoming CEO's pay to median pay equates to 3:1 (2022 2.7:1); and of the incoming CEO's pay to the lowest salary was 4.6:1 (2022 4.1:1).

We recognise the Trade Union, Unite, and are happy to enjoy a good relationship with the Union as an important stakeholder in encouraging and assisting good industrial relations.

Equity and Diversity

As an organisation with a vision of a fairer and happier future, with a very diverse staff team, and deep roots and connections within a hugely diverse community in East London, our mission requires us to put equity and diversity at the heart of all we do.

Due to a number of changes during the year including changes to senior management and a restructure of the organisation, we have not made as much progress in this area as we had intended and we recognise that we need to make further changes and will be addressing this in the coming year.

We want our staff and volunteer opportunities to be accessible to and representative of the local community, with people from all backgrounds able to join us and thrive here, making their contribution in whichever way is best for them. We have made changes to our recruitment process to be fairer and more inclusive by increasing community participation in our recruitment.

We have a very diverse team and we constantly strive to make this organisation a safe place for everyone. We want to achieve this by:

- increasing our staff awareness beyond just protected characteristics, also on neurodiversity.
- continuing with our effort to support staff's well-being, by providing more workshops and activities.

Our efforts to broaden the diversity and experience of our Board are a continued success.

We conduct salary impact assessments annually at the time of the salary review, to identify inequality gaps, explore how they had arisen and how to address those gaps. We recognise that the cost-of-living crisis is having a disproportionate impact on people with low incomes; to that end our pay award this year was structured in a way to provide higher percentage increases to our lower paid staff and we intend to adopt a similar approach for the next year.

As previously stated there is still much important work for us to do if we want to be the best champions we can for full inclusion and fairness for all people. We believe absolutely that by doing this work we will be better able to fulfil our mission to build a fairer and happier future with the communities around us.

Fundraising

We are registered members of the Fundraising Regulator and are committed to follow the Code of Fundraising Practice and the Fundraising Promise. We have received no complaints during the year.

Fundraising's primary goal is to increase and diversify our income generation, ensuring we can continue to meet our mission to make East London, and beyond, a fairer place. We will continue to increase our financial resiliency, build our unrestricted reserves to support our core costs, and give focus to programmes that are critical to our community, yet need more restricted funding to ensure they can continue.

Management of Risk

The Board and senior management recognize that managing risks is essential to ensuring the success and sustainability of our operations. We are committed to implementing effective risk management practices that safeguard our mission, stakeholders, and resources.

Our aim is to create a culture of effective risk management and mitigation within the organisation linked to our long-term strategic plan, operating plan and annual budget, all of which are approved by the trustees. We do this through our regular reviews amongst senior managers, and in line with updating on progress against operational plans and targets.

We carry out training - for instance on financial procedures, health and safety and safeguarding - for all staff as necessary to instil 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 reviewed and updated by senior managers on an annual basis and scrutinised by the Board.

The Board regularly review the risk register which allocates risks to strategic; governance; financial; operational; people and resources; compliance and external categories. A simple scoring system is used, rating likelihood and impact, to highlight those that are most significant. The register sets out the mitigating factors that we adopt to manage risks.

During 2022/23 there was a review of the governance structure carried out by the Interim Chief Executive and following this a new Audit and Risk Committee was formed. The Committee first met in June 2023 and will now regularly review the risk register and report to the Board.

The most significant risks facing the charity for the year ahead have been identified as:

Risk	Background	Mitigating factors
Limited resources force unstrategic choices regarding resources	Income from grants and services contracts is not fully covering the cost of delivery.	Review of costs by contract and activity. Restructure to focus on grants with full cost recovery and cease unfunded activities. New bids to focus on funding of core activities.
Insufficient free reserves inhibit investment in longer term strategy.	The impact of the cost of living crisis on our costs has not been matched by increased funding resulting in a deficit which has reduced our reserves.	Budget to break even in next financial year and to deliver a surplus in future years. Costs are tightly controlled and new funding is being sought to cover core costs. New grants and contracts will be required to deliver net contribution.
Fundraising does not bring in expected income	The external environment has resulted in increased competition for grants and funding.	Our new CEO and Head of Fundraising have been recruited, challenging but achievable fundraising targets have been set, and work is commencing on developing our strategy to demonstrate a clear offering to funders. Income streams are to be diversified through exploring commercial opportunities.

Table continued on the next page...

Risk	Background	Mitigating factors
<p>Poor staff morale leading to staff turnover and inability to deliver services</p>	<p>Financial uncertainty and the cost of living crisis are impacting staff and there have been a number of changes within the organisation including the restructure.</p>	<p>The new strategy to be clearly communicated internally. We will focus on well being with staff meetings and a staff survey. Reward strategy to be reviewed. EDI work and the recommendations from the equalities review to be progressed and a clear and realistic delivery plan linked to the strategy.</p>

The Senior Management Team and Board are proactive in considering long term risks and establishing mitigating factors.

As our strategy is due to be refreshed following the appointment of our new Chief Executive, we will be carrying out a full review of our strategic risks in line with the new strategy.

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 £1,469k (2022 – £4k positive). This comprises:

- An operational deficit of £428k (2022 – £9k);
- Revaluation loss of £1,041k (2022 – gain £13k) arising from a reduction in value of the Charity's investment properties.

Income for the year was £8,569k compared to the previous year of £9,188k. Income for the previous year included additional funding from the Money and Pensions Service ('MaPS') to fund the training of additional debt advisers to provide support for the increase in demand arising from the pandemic.

Overall income has been reduced by £619k. Significant changes in income were as follows:

- Income from donations and legacies was £142k lower than the previous year due to the challenging fundraising environment.
- Income from Debt Free Advice (formerly Debt Free London) reduced by £686k due to the cessation of additional funding, and a 9% reduction in funding for the new grant awarded during 2022/23 and which commenced in February 2023.
- Income for other advice services fell by £76k;
- Our Wellbeing income was £78k lower than the prior year;
- Income from Financial Health increased by £150k.
- Estates income increased by c.£55k but this was due to increased building costs resulting in higher recharges to tenants
- Venue Hire income increased by £166k as business returned to near pre- pandemic levels.

The Debt Free London programme was rebranded as Debt Free Advice during 2022/23. A new grant was awarded by MaPS to cover the 26 month period from 1 February to 31 March 2025 but the level of funding was reduced. We have renegotiated our targets in order to deliver the service at this reduced level of funding.

Other advice services include City Advice, MacMillan benefits advice and the Free Legal Advice Centre (FLAC). As in previous years there is an overall deficit on providing these services. The increased costs of providing these services coupled with a drop in donations to FLAC resulted in these activities running at an deficit for the year of £193k (2022 £188k). Our Wellbeing services continued to run at a deficit which increased to £133k for the year (2021 £73k) mainly due to increased staff costs.

Income for our Education services (which includes our Youth, Heritage and Research work) reduced slightly resulting in an increased deficit for the year to £111k (2022 £94k).

Our Financial Health activities during the year generated an increase in funding from the No Interest Loan Scheme (NILS) and the overall deficit reduced to £155k (2021 £219k).

Our venue hire business, traded through the subsidiary Toynbee Hall Trading Limited, achieved income of £371k

(2022 - £204k) as business continued to recover following the pandemic. The company achieved a profit of £42k for the year (2022 -£6k) and has been able to repay in full the balance of £60k on the loan provided from the Charity.

The central London property market has been impacted by cost of capital and returns on other investments, and following external advice on the markets we have reduced the valuation of our investment property by 15%. This relates to the top four floors of the 28 Commercial Street building.

The charity has £3.0m of long-term borrowings from CAF Bank Limited. During the year the loan was converted to a fixed rate of 7.48% for five years, after which it will revert to a variable rate. The loan is being repaid in monthly instalments and the outstanding balance of £2.6m will be fully repaid by June 2044.

With this long-term funding in place, the expectation that Funders will continue to support community-based organisations, and the expected increase in future venue hire income, the trustees are confident that the Charity has sufficient working capital to be able to fund its operations and meet its loan repayment obligations.

The Group ends the year with consolidated reserves of £12,659k (2022 £14,128k). Of this amount, £401k (2022 - £528k) represents restricted reserves. Of the balance of £12;258k (2022 £13,600k), £11,477k (2022 £11,501k) has been designated in respect of our properties. The remaining reserves of £782k (2022 £1,823k) represent revaluation reserves.

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 £650k (2022 £500k), calculated by excluding the direct costs of our Debt Free Advice programme, which include funds distributed to and expended by the debt advice partners.

While we are now generating income from our estate, the rise in interest rates means that we are incurring additional costs for servicing the loan and consequently the net return is lower than previously budgeted.

In line with our policy, all of the unrestricted realised reserves of the Charity of £11,477k (2022 £11,501k) have been designated for the fixed assets, leaving a £nil balance on the undesignated General Fund (2022 - £nil).

With the income generating assets now fully renewed as a result of the redevelopment, and with a realistic budget in place to return to a break even position in the near future, the Charity is confident that it will rebuild its unrestricted funds in the future to meet its reserves policy requirements going forward. 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

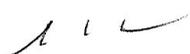
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 2022 was 12 (2021 - 13). 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 28 September 2022 and signed on their behalf by:



Name: Stephen Burns 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 2022 which comprise 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 notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2023, and of the group's net movement in funds, including the 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, corporation tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- inspecting correspondence with regulators and tax authorities;
- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- review of meeting minutes of the Board of Directors;
- evaluating management's controls designed to prevent and detect irregularities;
- identifying and testing journals, in particular journal entries posted that significantly impact on the result for the year and posting in areas subject to significant judgements or estimates; and
- challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the 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: **19/10/2023**
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Toynbee Hall

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

For the year ended 31 March 2023

	Note	Restricted Debt Free £'000	Restricted Other £'000	Unrestricted £'000	2023 Total £'000	2022 Total £'000
Income from						
Donations and legacies	3a	-	3	156	159	301
Charitable activities						
Advice		5,601	281	229	6,111	6,864
Wellbeing		-	817	-	817	895
Education		-	142	-	142	164
Financial health		-	192	110	302	152
Other activities		-	-	-	-	-
Estates income		-	-	106	106	51
Trading income		-	-	440	440	274
Investments		-	-	-	-	-
Dividends and interest received		-	-	6	6	-
Rentals from investment property		-	-	440	440	441
Other Income						
Release of deferred lease premium		-	-	46	46	46
Total income		5,601	1,435	1,533	8,569	9,188
Expenditure on						
Raising funds						
Fundraising and publicity		-	-	168	168	255
Costs of generating estates income		-	-	49	49	16
Costs of generating trading income		-	-	318	318	239
Costs of generating investment income		-	-	208	208	130
Charitable activities						
Advice		5,887	410	293	6,590	6,953
Wellbeing		-	950	-	950	968
Education		-	253	-	253	258
Financial health		-	410	47	457	371
Provision of accommodation		-	-	4	4	7
Total expenditure	4	5,887	2,023	1,087	8,997	9,197
Net income / (expenditure) before net gains / (losses) on investments		(286)	(588)	446	(428)	(9)
Net gains/ (losses) on investments	11,12	-	-	(1,041)	(1,041)	13
Net income / (expenditure) for the year	5	(286)	(588)	(595)	(1,469)	4
Transfers between funds	20	201	544	(745)	-	-
Net movement in funds		(85)	(44)	(1,340)	(1,469)	4
Reconciliation of funds						
Total funds brought forward		344	184	13,600	14,128	14,124
Total funds carried forward	20	259	140	12,260	12,659	14,128

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

Toynbee Hall Balance sheets

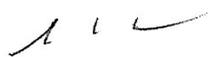
As at 31 March 2023

Company no. 00020080

		The group		The charity	
	Note	2023	2022	2023	2022
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	10	9,091	9,318	9,082	9,302
Investment properties	11	6,225	7,268	6,225	7,268
Investments	12	22	22	22	22
		15,338	16,608	15,329	16,592
Current assets					
Debtors	14	1,391	1,156	1,380	1,174
Short term cash deposits					
Cash at bank and in hand		744	1,459	692	1,422
		2,135	2,615	2,072	2,596
Liabilities					
Creditors: amounts falling due within one year	16	(1,286)	(1,503)	(1,190)	(1,401)
Net current assets		849	1,112	882	1,195
Total assets less current liabilities		16,187	17,720	16,211	17,787
Creditors: amounts falling due after one year	18	(3,528)	(3,592)	(3,528)	(3,592)
Net assets	20	12,659	14,128	12,683	14,195
Funds					
Restricted funds					
Debt Free London		259	344	259	344
Other funds		142	184	142	184
Total restricted funds		401	528	401	528
Unrestricted funds:					
Designated funds		11,476	11,777	11,500	11,844
General funds		-	-	-	-
Fair value reserve		782	1,823	782	1,823
Total unrestricted funds		12,258	13,600	12,282	13,667
Total funds	20	12,659	14,128	12,683	14,195

As permitted by Section 408 of the Companies Act 2006, the Statement of Financial Activities and Income and Expenditure Account of the Parent Charitable Company have not been presented as part of these financial statements. The gross income of the parent charitable company was £8,265k (2022: £8,984k) and deficit of £1,511k (2022: deficit of £2k).

Approved by the trustees and authorised for issue on 7 September 2023 and signed on their behalf by



Stephen Burns
Chair

The notes on pages 28 to 42 form part of these financial statements.

Toynbee Hall

**Consolidated statement of cash flows For
the year ended 31 March 2023**

	Note	2023		2022	
		£'000	£'000	£'000	£'000
Net cash used in operating activities	21		(893)		(149)
Cash flows from investing activities					
Dividends, interest and rents from investments		446		441	
Purchase of fixed assets		(42)		(258)	
Net cash provided by / (used in) investing activities			404		183
Cash flows from financing activities					
Draw down of bank loan		-		-	
Loan repayments		(75)		(96)	
Loan interest paid		(151)		(79)	
Net cash (used in)/ provided by financing activities			(226)		(175)
Change in cash and cash equivalents in the year			(715)		(141)
Cash and cash equivalents at the beginning of the year			1,459		1,600
Cash and cash equivalents at the end of the year	22		744		1,459

Toynbee Hall

Notes to the financial statements

For the year ended 31 March 2023

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.

d) Going concern

The Charity has produced a cash flow forecast up to 31 March 2024 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 as well as future expenditure that will be required. 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. Government grants are accounted for under the accruals model as permitted by FRS 102. Revenue based grants made under the Coronavirus Job Retention Scheme have been recognised as donations and legacies in the Consolidated Statement of Financial Activities in the same period as the related expenditure.

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.

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2023

1 Accounting policies (continued)

f) Donations of gifts, services and facilities (continued)

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.

The charity provides a range of benefits to employees including paid holiday arrangements and defined contribution pension plans. Short-term employee benefits, including holidays and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received. All costs included in terminating employee contracts are accounted for on an accruals basis and disclosed in aggregate in staff costs.

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	76.5%
● Wellbeing	8.6%
● Education	4.0%
● Financial health	6.3%
● Fundraising	2.4%
● Toynbee Hall Trading Limited	2.2%

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 2023

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.

q) Debtors

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

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2023

1 Accounting policies (continued)

r) Cash at bank and in hand

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

s) Current asset investments

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

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

t) Creditors and provisions

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

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

u) Pensions

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

v) Critical accounting estimates and judgements

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

Key areas subject to judgement and estimation are as follows:

Revaluation of investment properties

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

Mixed use property

The Group's property at 28 Commercial Street is partly occupied for its own operations and partly for the purpose of earning investment returns in the form of rental income. FRS 102 requires such mixed use property be separated between investment property and tangible fixed assets, and for the investment property component to be measured at fair value. The Group has separated the cost of construction between the components on the basis of the square footage of each floor.

A desktop valuation was obtained from the surveyors valuing the investment property at £6.95m in June 2021 and this valuation was used as the carrying amount of the investment property component at 31 March 2021 and 31 March 2022. Following external advice that the central London market has been impacted by cost of capital and returns on other investments, leading to reduction in value of c15%, the value of the investment property has been reduced to £5.9m as at 31 March 2023.

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2023

2 Detailed comparatives for the consolidated statement of financial activities

For the year ended 31 March 2022

	Restricted Debt Free London £'000	Restricted Other £'000	Unrestricted £'000	2022 Total £'000
Income from:				
Donations and legacies	9	3	289	301
Charitable activities				
Advice	6,278	365	221	6,864
Wellbeing	-	895	-	895
Education	-	164	-	164
Financial health	-	152	-	152
London Fairness Commission				-
Provision of accommodation				-
Other trading activities				
Estates income	-	-	51	51
Trading income	-	-	274	274
Investments				
Rentals from investment property	-	-	441	441
Other Income				
Release of deferred lease premium	-	-	46	46
Total income	6,287	1,579	1,322	9,188
Expenditure on				
Raising funds				
Fundraising and publicity	-	-	255	255
Costs of generating estates income	-	-	16	16
Costs of generating trading income	-	-	239	239
Costs of generating investment income	-	-	130	130
Charitable activities				
Advice	6,179	519	255	6,953
Wellbeing	-	968	-	968
Education	-	258	-	258
Financial health	-	371	-	371
Provision of accommodation	-	-	7	7
Total expenditure	6,179	2,116	902	9,197
Net expenditure before net losses on investments	108	(537)	420	(9)
Net gains on investments			13	13
Net expenditure for the year	108	(537)	433	4
Transfers between funds	(253)	470	(217)	-
Net movement in funds	(145)	(67)	216	4
Reconciliation of funds:				
Total funds brought forward	489	251	13,384	14,124
Total funds carried forward	1,344	184	13,600	14,128

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2023

3 Income	Restricted £'000	Unrestricted £'000	2023 Total £'000
a) <u>Donations and legacies</u>			
Trust and foundation grants	-	71	71
Other donations	3	68	71
Donated services	-	17	17
	3	156	159
Detailed comparatives for income			
For the year ended 31 March 2022			2022
	Restricted £'000	Unrestricted £'000	Total £'000
<u>Donations and legacies</u>			
Trust and foundation grants	-	182	182
Other donations	3	75	78
CJRS grants	-	6	6
DWP grants	-	5	5
Donated services	9	21	30
	12	289	301

Donated legal and other services

Linklaters LLP has provided pro bono legal advice to Toynbee Hall for many years. Over the past five years, their support has included assisting with the strategy and implementation of our estate regeneration project, advice on access to certain charity funds and the governance of our debt advice partnership. During 2022/23 the fair value of donated services from that firm is £17,255 (2021/22: £10,061) on a 'cost to firm' basis. This valuation methodology was developed by the 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 paid had it been charged at commercial rates'. Linklaters followed that protocol in providing this evaluation.

Allen & Overy LLP have previously provided pro bono legal services to review and advise on our legal capability and discrimination guides; residential tenancy agreements; and our new residential programme proposal. There were no donated services from that firm in 2022/23 (fair value 2021/22: £19,411).

Russell-Cooke LLP have previously provided pro bono legal advice for our trustee recruitment. There were no donated services in 2022/23 (fair value 2020/21: £444).

Acknowledgments

The Charity is extremely grateful to all its supporters, without whom we could not achieve all that is outlined in this report. We are pleased to formally acknowledge here income from certain funders in accordance with their wishes.

Funder	Total grant £'000	Received in year £'000	Purpose
The Mercers' Charitable Foundation	75	20	Piloting and evaluating targeted interventions to address loneliness
London Borough Tower Hamlets	48	21	Lead on community engagement to update the Character Appraisal and Management Plan for the Wentworth Street Conservation Area
London Borough Tower Hamlets	93	23	Deliver cultural programme in conjunction with the local community and Cultural Consortium
London Borough Tower Hamlets	90	15	For events and activities contained within the Petticoat Lane Cultural Programme

b) Government funding

The charity has received funding from central and local government and government departments for the following projects:

Government funding	Project	2023 £'000	2022 £'000
London Borough Tower Hamlets	Tower Hamlets Debt and Money Advice	15	21
London Borough Tower Hamlets	LinkAge Plus	643	643
London Borough Tower Hamlets	Wellbeing Centre	41	41
London Borough Tower Hamlets	Wellbeing Centre - Warm Bank	55	-
London Borough Tower Hamlets	Financial Health Research	-	5
London Borough Tower Hamlets	Heritage Activity Plan	21	76
London Borough Tower Hamlets	Heritage Action Zone	38	66
Greater London Authority	Adult Education Budget (AEB) Peer-led Research	-	71
Greater London Authority	Debt Free Advice	145	49
City of London Corporation	City Advice	200	200
HMRC Coronavirus Job Retention Scheme	Across the organisation	-	6
Department for Work and Pension	Youth - Kickstart	16	-

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2023

4 Analysis of expenditure

	Staff costs (note 6) £'000	Direct costs £'000	Reallocation of support and governance costs £'000	2023 Total £'000	2022 Total £'000
Fundraising and publicity	86	46	36	168	255
Costs of generating estates income	-	49	-	49	16
Costs of generating trading income	97	189	32	318	239
Costs of generating investment income	-	208	-	208	130
Charitable activities					
Advice	2,286	3,174	1,130	6,590	6,953
Wellbeing	314	509	127	950	968
Education	156	38	59	253	258
Financial health	237	127	93	457	371
Provision of accommodation	-	4	-	4	7
	3,176	4,344	1,477	8,997	9,197
Support costs	391	888	(1,279)	-	-
Governance costs	158	40	(198)	-	-
Total expenditure 2023	3,725	5,272	-	8,997	

Detailed comparatives for the analysis of expenditure

For the year ended 31 March 2022

	Staff costs (note 6) £'000	Direct costs £'000	Reallocation of support and governance costs £'000	2022 Total £'000
Fundraising and publicity	165	34	56	255
Costs of generating estates income	-	16	-	16
Costs of generating trading income	132	89	18	239
Costs of generating investment income	-	120	10	130
Charitable activities				
Advice	2,572	3,618	763	6,953
Wellbeing	268	517	183	968
Education	146	29	83	258
Financial health	203	100	68	371
Provision of accommodation	-	7	-	7
	3,486	4,530	1,181	9,197
Support costs	381	690	(1,071)	-
Governance costs	87	23	(110)	-
Total expenditure 2022	3,954	5,243	-	9,197

Analysis of support costs

	2023 £'000	2022 £'000
Finance & Administration	321	375
IT Systems	170	92
Human Resources	127	80
Corp Communications	41	36
Estate costs	620	488
	1,279	1,071

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2023

5 Net income / (expenditure) for the year

This is stated after charging:

	2023	2022
	£'000	£'000
Depreciation	268	237
Interest payable	151	79
Provision for bad debts	22	-
Operating lease rentals expense	61	61
Auditor's remuneration: audit fees		
Toynbee Hall	24	21
Toynbee Hall Trading Limited	5	4
Auditor's remuneration: non-audit fees		
Toynbee Hall	1	1
Toynbee Hall Trading Limited	1	1
	<u>3,725</u>	<u>3,954</u>

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

Staff costs were as follows:

	2023	2022
	£'000	£'000
Salaries and wages	3,121	3,458
Social security costs	340	341
Employer's contribution to defined contribution pension	120	133
Redundancy and termination costs	144	22
	<u>3,725</u>	<u>3,954</u>

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

	2023	2022
	No.	No.
£60,000 - £69,999	2	3
£70,000 - £79,999	-	1
£80,000 - £89,999	1	1
	<u>3</u>	<u>5</u>

The total employee benefits, including employer's NI and pension contributions, of the key management personnel were £327k (2022: £256k).

During the year, the Key Management Personnel comprised the Chief Executive; Interim Chief executive, the Director of Policy and Innovation and the Director of Finance. Following a restructure in January 2023 the Senior Management team now includes the Managing Director of DFA, Head of People, Head of Research and Head of Operations and Commercial.

	Service Period as key management personnel	Gross Pay	Employer Pension	Total
		£'000	£'000	£'000
CEO	April 2022 to Jul 2022	27	2	29
Interim CEO	August 2022 to March 2023	86	2	88
Director of Policy & Innovation	April 2022 to October 2022	38	3	41
Director of Finance	April 2022 to January 2023	53		53
Director of Finance	February 2023 to March 2023	11		11
MD DFA	January to March 2023	17	1	18
Head of Research	January to March 2023	16	1	18
Head of People	January to March 2023	14	1	14
Head of Commercial and Operations*	January to March 2023	17	1	18
		<u>327</u>	<u>10</u>	<u>337</u>

*joint employment contract with Toynbee Hall Trading

Trustees did not receive any remuneration or any other benefits for the current or prior year. During the year the Charity made one reimbursement of £84.10 to a trustee for attending a board meeting (2022: nil).

Toynbee Hall**Notes to the financial statements (continued)****For the year ended 31 March 2023****7 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 93 (2022: 115).

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

	2023	2022
	No.	No.
Fundraising and publicity	2	5
Advice	60	77
Wellbeing	7	7
Education	3	4
Financial health	5	4
Estates	2	1
Support costs	7	7
Toynbee Hall Trading Limited	2	3
	88	108

8 Related party transactions

During the year the Charity charged £100k (2022: £41k) 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 £31k (2022: £18k) mainly in respect of shared costs. Toynbee Hall Trading Limited invoiced £24k (2022: £14k) to the Charity for the provision of consultancy services and venue hire in the year. Details of the loan to the subsidiary are provided in note 15. Our Trustee Muna Yassin is connected to Rooted Finance Ltd (formerly Fair Money Advice) which is a Debt Free Advice partner organisation. The charity made payments amounting to £228k to Rooted Finance UK during the year. Our Trustee Stephen Burns is connected to Peabody which is a LINKAGE partner organisation. The charity made payments amounting to £51k to Peabody during the year.

Aggregate donations to the Charity from related parties for 2023 were £9,050 (2022: £187). There were no other related party transactions for 2023 (2022: 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	7,620	1,238	1,285	10,143
Additions in year	-	42	-	42
Adjustments in year	(2)	-	-	(2)
At the end of the year	7,618	1,280	1,285	10,183
Depreciation				
At the start of the year	105	422	298	825
Charge for the year	35	146	86	267
At the end of the year	140	568	384	1,092
Net book value				
At the end of the year	7,478	712	901	9,091
At the start of the year	7,515	816	987	9,318

The Charity

	Freehold land & buildings £'000	Fixtures, fittings & equipment £'000	Plant & machinery £'000	Total £'000
Cost				
At the start of the year	7,620	1,194	1,285	10,099
Additions in year	-	39	-	39
Adjustments in year	(2)	-	-	(2)
At the end of the year	7,618	1,233	1,285	10,136
Depreciation				
At the start of the year	105	394	298	797
Charge for the year	35	137	85	257
Eliminated on disposal	-	-	-	-
At the end of the year	140	531	383	1,054
Net book value				
At the end of the year	7,478	702	902	9,082
At the start of the year	7,515	800	987	9,302

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2023

11 Investment properties

	The group		The charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fair value at the start of the year	7,268	7,256	7,268	7,256
Additions in year	-	-	-	-
Revaluation during the year	(1,043)	12	(1,043)	12
Fair value at the end of the year	6,225	7,268	6,225	7,268

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 £319k (2022: £319k).

Investment properties also include that part of the charity's land and buildings held for the purpose of generating an investment return.

In June 2021, a professional 'desktop' valuation was carried out by the same independent valuer appointed in 2019, resulting in a valuation in the region of £6,950k. The Trustees have sought advice concerning this valuation, with regard to the state of the market as at 31 March 2023. They have subsequently reduced the valuation of the property by 15% to £5.9m as at 31 March 2023 (2022 - £6.95m). There were no additional costs of construction in the current year.

12 Listed investments

	The group		The charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fair value at the start of the year	22	21	22	21
Net gain on change in fair value	-	1	-	1
Fair value at the end of the year	22	22	22	22
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:

	2023 £'000	2022 £'000
Turnover	463	288
Cost of sales	(327)	(178)
Gross profit	136	110
Administrative expenses	(94)	(104)
Profit / (loss) for the financial year	42	6
The aggregate of the assets, liabilities and funds was:		
Assets	116	114
Liabilities	(140)	(181)
Funds	(24)	(67)

14 Debtors

	The group		The charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade debtors	320	551	268	490
Prepayments and accrued income	1,070	604	1,068	604
Amounts due from subsidiary	-	-	43	19
Intercompany loan	-	-	-	60
Other debtors	1	1	1	1
	1,391	1,156	1,380	1,174

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2023

15 Debtors: amounts falling due after one year

On 16 August 2017 the parent charity signed a loan agreement allowing its subsidiary to borrow up to £100k which had to be repaid in 3 years of the signing date. Interest is charged at base rate plus 2.5% per annum on amounts borrowed by Toynbee Hall Trading Limited. As at 31 March 2020, only £60k had been drawn down. On 1 October 2020, to support the subsidiary during the Covid-19 pandemic, the loan facility was increased to £125k and the repayment date was extended to 31 March 2023. The loan was repaid on 31 March 2023.

16 Creditors: amounts falling due within one year

	The group		The charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Bank loan	56	105	56	105
Trade creditors	514	541	494	521
Accrued expenditure	319	318	315	309
Taxation and social security	163	139	151	128
Deferred income	185	368	126	307
Other creditors	49	32	48	31
	1,286	1,503	1,190	1,401

17 Deferred income

	The group		The charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Balance at the beginning of the year	1,095	942	1,034	858
Amount released to income in the year	(367)	(169)	(308)	(85)
Amount deferred in the year	139	322	80	261
Balance at the end of the year	867	1,095	806	1,034

	The group		The charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Less than one year	185	368	126	307
Greater than one year	681	727	681	727
	866	1,095	807	1,034

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 2023, of the total balance of £1,095k (2022: £1,095k), £727k is in respect of the deferred income on the lease premium (2022: £773k).

18 Creditors: amounts falling due after one year

	The group		The charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Deferred income (Note 17)	681	727	681	727
Tenant deposits for 28 CS	208	206	208	206
Bank loans				
- amount falling due between one and two years	60	111	60	111
- amount falling due between two and five years	314	476	314	476
- more than five years	2,265	2,072	2,265	2,072
	3,528	3,592	3,528	3,592

The bank loans represent amounts drawn down, net of capitalised loan costs, in respect of loan facilities from CAF Bank Limited. Interest accrues on amounts outstanding under the Facility at the Fixed rate of 7.48% for the 5 years from the 19th October 2022.

After the 5-year Fixed rate has expired, the facility will revert to a variable rate and interest shall accrue on amounts outstanding under the Facility at the rate of the greater of:

- (A) 2.70% per annum above the Bank of England base rate from time to time; and
(B) 2.70% per annum.

Both loans are secured by a fixed charge over the charity's property at 28 Commercial Street and a floating charge over all the charity's assets. The loans are being paid off in equal monthly instalments and the details are:

Initial loan value	Final repayment date	Interest rate above base rate	Minimum interest rate
£			
2,500,000	31/10/2043	2.5%	2.5%
500,000	30/06/2044	2.7%	2.7%

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2023

19 Analysis of group net assets between funds

As at 31 March 2023

	Restricted funds	Designated funds	General funds	Fair value reserve	Total funds
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	8,648	443	-	9,091
Investment properties	-	5,467	(1)	759	6,225
Investments	-	-	1	23	22
Net current assets	401	-	448	-	849
Long term liabilities	-	(2,639)	(889)	-	(3,528)
Net assets at 31 March 2023	401	11,476	-	782	12,659

As at 31 March 2022

	Restricted funds	Designated funds	General funds	Fair value reserve	Total funds
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	8,969	349	-	9,318
Investment properties	-	5,466	-	1,802	7,268
Investments	-	1	-	21	22
Net current assets	528	-	584	-	1,112
Long term liabilities	-	(2,659)	(933)	-	(3,592)
Net assets at 31 March 2022	528	11,777	-	1,823	14,128

20 Movements in funds

	At the start of the year	Income	Expenditure	Transfer of fundraising cost	Other transfers	At the end of the year
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted funds:						
Financial health (including donated services)	72	193	(410)	-	211	65
Education	30	142	(253)	-	82	1
Advice (excluding Debt Free London)	-	281	(410)	-	129	1
Wellbeing	37	817	(950)	-	124	27
Wilson Memorial Fund	45	3	-	-	-	48
	184	1,435	(2,023)	-	546	142
Debt Free London	344	5,601	(5,887)	-	201	259
Total restricted funds	528	7,036	(7,910)	-	747	401
Unrestricted funds:						
Designated fund: Property Fund	11,777	-	-	-	(301)	11,477
Fair value reserve	1,823	(1,041)	-	-	-	782
General funds	-	1,531	(1,087)	-	(446)	(1)
Total unrestricted funds	13,600	490	(1,087)	-	(747)	12,258
Total funds	14,128	7,528	(8,997)	-	-	12,659

The trustees' report sets out the reasons for a number of restricted funds running at a deficit for the year. As a result, it has been necessary to transfer reserves of £747k (2021/22: £470k) from our unrestricted funds to our Financial Health, Education, Advice, Wellbeing and Debt Free Advice funds to fulfill our commitments to these funders.

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2023

20 Movements in funds (continued)

Detailed comparatives for the movements in funds - for the year ended 31 March 2022

	At the start of the year	Income	Expenditure	Transfer of fundraising cost	Other transfers	At the end of the year
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted funds:						
Financial health (including donated services)	96	152	(371)	-	195	72
Education	45	164	(258)	-	79	30
Advice (excluding Debt Free Advice)	43	365	(519)	-	111	-
Wellbeing	25	895	(968)	(6)	91	37
Wilson Memorial Fund	42	3	-	-	-	45
	251	1,579	(2,116)	(6)	476	184
Debt Free Advice (formerly Debt Free London)	489	6,287	(6,179)	-	(253)	344
Total restricted funds	740	7,866	(8,295)	(6)	223	528
Unrestricted funds:						
Designated fund: Property Fund	11,574	-	-	-	203	11,777
Fair value reserve	1,810	13	-	-	-	1,823
General funds	-	1,322	(902)	6	(426)	-
Total unrestricted funds	13,384	1,335	(902)	6	(223)	13,600
Total funds	14,124	9,201	(9,197)	-	-	14,128

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 Advice)

Funds for advice services 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. The Money Mentors programme provided the support of everyday money management and was 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.

Property Fund

Whilst our historic site was developed, funds were held in the Restricted Redevelopment Fund. Funding came from the Heritage Lottery Fund, which awarded Toynbee Hall with a five year grant of £1,709k for the redevelopment of the historic Halls building; a grant of £450k from the Big Lottery Fund ('BLF') and an allocation from the Patricia Singleton legacy of £455k both for the Wellbeing Centre, which occupies the ground floor of the new building at 28 Commercial Street. There is a BLF grant obligation on the charity to operate the Wellbeing Centre for a period of 20 years.

Following the completion of the redevelopment, the Restricted Redevelopment Fund was transferred to unrestricted designated funds and was renamed as the Property Fund.

During the prior year £203k was transferred from unrestricted net income to the Property Fund in order to designate the charity's unrestricted reserves.

Debt Free Advice (formerly Debt Free London)

Debt Free Advice is funded by the Money and Pensions Service. This is a debt advice programme for which Toynbee Hall are one of the lead partners. A substantial proportion of funds received from MaPS by Toynbee Hall are passed down to other organisations to assist with the delivery of the Project.

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2023

20 Movements in funds (continued)

Purposes of restricted funds (continued):

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 was transferred to the Property Fund as a designated fund in the prior year. 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 investment properties.

General Funds

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

21 Reconciliation of net income to net cash flow from operating activities

	2023	2022
	£'000	£'000
Net income/ (expenditure) for the reporting period	(1,469)	5
Depreciation charges	268	237
Losses / (gains) on investments	1,043	(13)
Dividends, interest and rent from investments	(446)	(442)
Amortisation of bank loan fees	5	5
Interest payable	151	79
Decrease / (increase) in debtors	(235)	208
(Decrease) / increase in creditors	(210)	(228)
Net cash used in operating activities	(893)	(149)

22 Analysis of cash and cash equivalents

	At 1 April 2022	Cash flows	At 31 March 2023
	£'000	£'000	£'000
Cash at bank and in hand	1,459	(715)	744
Total cash and cash equivalents	1,459	(715)	744

23 Analysis of changes in net debt

	At 1 April 2022	Cash flows	Other non- cash changes	At 31 March 2023
	£	£	£	£
Cash and cash equivalents				
Cash	1,459	(715)	-	744
Cash equivalents	-	-	-	-
	1,459	(715)	-	744
Borrowings				
Loan falling due within one year	(105)	49	-	(56)
Loan falling due after more than one year	(2,659)	24	(5)	(2,640)
	(2,764)	73	(5)	(2,696)
Total	(1,305)	(642)	(5)	(1,952)

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:

	Equipment	
	2023	2022
	£'000	£'000
Less than one year	15	14
One to five years	3	24
	18	38

Toynbee Hall

Notes to the financial statements (continued)

For the year ended 31 March 2023

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

	Investment property	
	2023	2022
	£'000	£'000
Less than one year	503	503
One to five years	670	826
	<u>1,173</u>	<u>1,329</u>

25 Post balance sheet events

There were no post balance sheet events.

26 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 2023
Company number: 20080
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:

Stephen Burns
Ali Hussein
Husna Mortuza
Dee O'Connell
Laura Ratling
Maysam Rizvi
Tahera Rouf
Sarah Squires (Retired as Trustee on 14 December 2022)
Sam Thomas
Gemma Wosznicki (Retired as Trustee on 21 June 2023)
Muna Yassin
Kawsar Zaman (Retired as Trustee on 10 November 2022)

Chief Executive Rebecca Sycamore (appointed April 2023)

Bankers:

CAF Bank Limited 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

National Westminster Bank Plc, Aldgate Branch, 130 Whitechapel High Street, London, E1 7PS

Auditors:

Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG

Help us create a fairer and happier East London

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 Find us on Facebook

 Follow @ToynbeeHall

Sign up to our e-newsletter online

Charity Number. 211850. A company limited by guarantee.
Company Number. 20080 England

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