# TOYNBEE HALL

England & Wales · Charity number 211850

## Details

| | |
|---|---|
| **Other names** | THE UNIVERSITIES SETTLEMENT IN EAST LONDON, TOYNBEE HALL |
| **Status** | Registered |
| **Legal form** | Other |
| **Company number** | 00020080 |
| **Registered** | 1962-12-04 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | Toynbee Hall<br>28 Commercial Street<br>London<br>E1 6LS |
| **Phone** | 02073922984 |
| **Email** | info@toynbeehall.org.uk |
| **Website** | www.toynbeehall.org.uk |

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## Activities

**Objects:** 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 HARDSHIP AND THE MOST APPROPRIATE WAYS TO MITIGATE THESE; AND1.3 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 THE 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.

**Activities:** We are a multi-purpose charity working to eradicate poverty and disadvantage. We deliver a range of community services in advice, financial inclusion, learning and wellbeing. We share our experience of local action to influence national policy. We are also a residential community, conference and venue hire centre. More information can be found at www.toynbeehall.org.uk

## Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes, Education/training, The Prevention Or Relief Of Poverty, Accommodation/housing, Arts/culture/heritage/science
- **Who:** Children/young People, Elderly/old People, People Of A Particular Ethnic Or Racial Origin

## Geography

- Throughout London

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## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2025-03-31 | £7,662,000 | £8,206,000 | £10,875,000 | 83 |
| 2024-03-31 | £7,777,000 | £8,002,000 | £12,436,000 | 89 |
| 2023-03-31 | £8,569,000 | £8,997,000 | £12,659,000 | 93 |
| 2022-03-31 | £9,188,000 | £9,197,000 | £14,128,000 | 115 |
| 2021-03-31 | £8,919,000 | £8,478,000 | £14,124,000 | 102 |

## Trustees

| Name | Role | Appointed |
|---|---|---|
| **Alice Gac** | Chair | 2023-12-13 |
| Adedamola Adedayo Olaleye | | 2024-06-11 |
| Camile Claros De Oliveira | | 2026-03-10 |
| Claire Anne Collins | | 2024-06-11 |
| Kubrat Oladunni Ayandipo | | 2026-03-10 |
| Liam Jonathan Patrick Keogh | | 2024-06-11 |
| Luis Hui | | 2026-03-10 |
| Nicholas Philip Edward Bowman-Scargill | | 2026-03-10 |
| Samuel Joseph Thomas | | 2020-04-21 |
| Thomas Nowacki | | 2023-12-13 |
| Yu-Shan Chiu | | 2023-12-13 |

## Linked charities

- CHOWN MUSIC SCHOLARSHIP FUND (211850-1)
- TOYNBEE HALL ENDOWMENT FUND (211850-2)

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**TOYNBEE HALL**

England & Wales - Charity number 211850

# Accounts

**Registered number: 00020080**
**Charity number: 211850**

# TOYNBEE HALL

## TRUSTEES' REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2025

**TOYNBEE HALL**

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**TOYNBEE HALL**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2025**

| | |
|---|---|
| **Trustees** | S E Burns (Chair)<br>Y-S Chiu<br>C A Collins (appointed 11 June 2024)<br>A C Gac<br>A M Hussein (resigned 31 March 2025)<br>L J P Keogh (appointed 11 June 2024)<br>H B Mortuza (resigned 31 March 2025)<br>T P Nowacki<br>A A Olaleye (appointed 11 June 2024)<br>H B Mortuza (resigned 31 March 2025)<br>L E Ratling (resigned 10 September 2024)<br>T Rouf (resigned 18 April 2024)<br>S J Thomas<br>M M R Yassin (resigned 4 July 2024) |
| **Company registered number** | 00020080 |
| **Charity registered number** | 211850 |
| **Registered office** | Toynbee Hall<br>28 Commercial Street<br>London<br>E1 6LS |
| **Finance and Fundraising Committee** | Ali Hussein (Chair)<br>Stephen Burns<br>Alice Gac (appointed May 2024)<br>Sarah Squires (co-opted member) |
| **Independent auditors** | HaysMac LLP<br>Statutory Auditors<br>10 Queen Street Place<br>London<br>EC4R 1AG |
| **Bankers** | CAF Bank Limited<br>25 Kings Hill Avenue<br>Kings Hill<br>West Malling<br>Kent<br>ME19 4JQ<br><br>National Westminster Bank Plc,<br>130 Whitechapel High Street<br>London<br>E1 7PS |

## CHAIR'S STATEMENT
## FOR THE YEAR ENDED 31 MARCH 2025

The chair presents his statement for the year.

In 2024, Toynbee Hall marked 140 years since its founding. Our December anniversary event and the creation of a short film offered more than a chance to reflect on our history, they allowed us to examine the relevance of our mission today, and to look ahead.

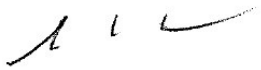
When we first opened our doors in 1884, the surrounding community was among the most deprived in the country. Today, many of those challenges persist. Tower Hamlets remains one of the most unequal boroughs in the UK, with 48% of children living in poverty. This sits within a broader national context of rising hardship: in 2022, 3.8 million people, including around one million children, experienced destitution.

Charities like Toynbee Hall are facing soaring demand at a time of increasing financial pressure. According to the 2024 NPC State of the Sector report, only one in four public sector contracts held by charities have kept pace with inflation. Alarmingly, 62% of charities believe they are not reimbursed for the full cost of delivering such contracts, with the average organisation subsidising 35% of the contract value.

In this environment, we are especially grateful to the commissioners who worked with us to increase funding in line with inflation, enabling us to maintain services and offer a cost-of-living pay increase to staff.

We also extend our heartfelt thanks to our partners and funders, and to the community members whose contributions shape and enrich our organisation.

This year, we said farewell to Trustees Laura Ratling, Husna Mortuza, Tahera Rouf, Mirza Yassin, and Ali Hussein. I would like to thank each of them for their valuable service and dedication.



.....
S E Burns, Chair of Trustees
Date: 20/11/2025

# TRUSTEES' REPORT
# FOR THE YEAR ENDED 31 MARCH 2025

The Trustees present their annual report together with the audited financial statements of the Company for the year 1 April 2024 to 31 March 2025. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

## Objectives and activities

### a. Policies and objectives

### Our Vision

We believe in a fairer future, one free from poverty, injustice and inequality.

### Our Strategic Objectives

To realise this vision, our strategic plan sets out four core objectives:

- **Improving economic security** for those affected by poverty, debt, low pay, insecure employment and housing, through both direct support and systemic change.
- **Helping our local community thrive** by enhancing emotional wellbeing, optimism and economic stability, particularly within key groups, while celebrating the strengths, resilience and history of our community.
- **Collaborating to drive social change** in ways that amplify the ideas and solutions of those with lived experience.
- **Prioritising systemic inequality and racial discrimination** as central issues across all aspects of our work and our organisation.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

## Strategic report

## Achievements and performance

### a. Review of activities

**Introduction**
This past year has seen us take important steps to implement our new strategic plan.

A core focus has been using the insights from our frontline services and peer research to inform our engagement with policymakers - locally, regionally and nationally.

Key concerns for our community-housing, low pay, employment rights and access to mental health services were recognised by the incoming government in the King’s Speech of July 2024. We were also encouraged by the establishment of a cabinet-level Child Poverty Taskforce, a move towards a national strategy.

However, we continue to argue that no child poverty strategy can succeed without addressing two of its biggest drivers: the benefit cap and the two-child limit. As a committed member of the End Child Poverty coalition, we will continue pressing for reform in this area.

During the summer, communities across the UK - including Muslim, refugee and ethnic minority groups - faced a troubling wave of racist and Islamophobic violence. Many in our staff team, their families, and the people who use our services told us they felt fearful and unsafe. This fear was not new, but they felt it had been emboldened.

**Strategic report (continued)**

**Achievements and performance (continued)**

In response, we prioritised staff welfare, offered support, and stood in solidarity with the community. Alongside other voluntary and community organisations in Tower Hamlets, we issued a joint statement condemning the violence and the rhetoric fuelling it.

**Building Collaborative Solutions**
Toynbee Hall has played a central role in civic society for 140 years. In tackling poverty and inequality today, we recognise that no single organisation holds all the answers. Lasting change requires collaboration with partners and, crucially, with those who have direct experience of the issues.

We are committed to solutions that reflect the disproportionate impact of poverty and injustice on marginalised communities, including ethnic minority groups, women, carers and disabled people.

**Our Approach to Research and Advocacy**
We use Participatory Action Research (PAR), a methodology that treats people with lived experience as equal partners in shaping the research agenda and identifying practical solutions.

Over the past year, we have focused on deepening our impact by identifying key research themes and increasing our advocacy alongside peer researchers. This work has been rooted in four core themes:

- Income and Employment: Everyone should have the financial security to live a good life.
- Social and Financial Inclusion: Everyone should have equal access to participate fully in society.
- Housing and the Environment: Everyone should live in high-quality housing and a healthy environment.
- Health, Social Care and Community: Everyone should have access to the support and services needed for a healthy life.

In the following sections, we explore how our objectives and themes have informed our activities and advocacy over the past year.

**Our Operating Context**
Our work takes place against a backdrop of entrenched inequality. According to the London Poverty Profile by Trust for London:

- 24% of Londoners live in poverty
- The figure rises to 34% for people in non-white households
- It climbs to 47% for single-parent households
- Across the UK, the Money and Pensions Service estimated in 2023 that 15% of adults, 8.1 million people, needed debt advice. They were typically:
    - Under the age of 35
    - Living in households with children and on low incomes (73% had a household income below £30,000)
    - Renting their home (61% from private or social landlords; 28% had a mortgage)
    - More likely to be from ethnic minority backgrounds (31%), despite making up less than 20% of the UK's adult population.

In addition, 24% around 12.6 million people were identified as at risk of needing debt advice. These individuals were struggling with bills and credit, or relying on high-cost borrowing to cover essentials.

In Tower Hamlets, the picture is especially stark. Local data shows that:

- Child poverty, overall poverty and income deprivation rates are among the worst in London
- Unemployment is higher than in any other borough.
- Mental health issues, including anxiety and depression, exceed both the London and national average.

Older people in Tower Hamlets face particular challenges. Though a smaller population segment, 44% live in income deprivation. Life expectancy is lower here than in any other borough except Barking and Dagenham, with health outcomes beginning to decline a full decade earlier than the national average. Chronic loneliness remains widespread among older residents.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 MARCH 2025

### Strategic report (continued)

### Achievements and performance (continued)

**Where We Work**
We are proudly rooted in Tower Hamlets, and many of our activities, particularly our community engagement and research, are hyper-local. However, the support and advice we offer extends well beyond our immediate area. Through our networks and partnerships, we aim to influence change at a city-wide, regional and national level.

**Improving Economic Security**
Our services provide practical support for people experiencing financial hardship. This includes debt advice, welfare benefits support, and legal guidance on housing and employment rights.

Toynbee Hall's advice services include dedicated teams for debt and specialist welfare benefits advice. Our Free Legal Advice Centre, which has supported the community for over 125 years, continues to thrive through partnerships with leading law firms.

We are proud to lead Debt Free Advice, a long-standing coalition of charities that has delivered face-to-face financial guidance for nearly two decades. With partners based across London, the service ensures that impartial, accessible advice reaches those who need it most.

Our services are targeted at those most affected by economic insecurity. Last year:
- 64% of our clients were from ethnic minority backgrounds
- 57% were women
- 19% identified as having a disability

**Our Impact**
In 2024–25, we supported 15,848 people through our advice services, including 6,487 people via our onsite Advice Hub.

As a result of the advice received, clients were financially better off by a total of £25,888,506, of which £7,913,210 was delivered directly through Toynbee Hall services.

Our innovative Video Advice Kiosks, developed during the pandemic, were recognised with the Best Service Delivery Innovation award at the Third Sector Awards 2024. These soundproof booths, deployed across Greater London in community settings, provide users with access to a debt adviser within 90 seconds through a simple tablet interface. Since launch, the kiosks have:
- Supported 5,162 video conversations
- Delivered an average financial improvement of £1,200 per user
- Achieved 99% client satisfaction.

In March 2024, we launched our first in-prison debt advice service at HMP Brixton, a UK first. This pioneering initiative aims to equip prisoners with financial knowledge, contributing to reduced reoffending. Plans are underway to expand the project to three additional prisons.

**Our research**
Since 2022, our PAR has worked with people who rely on cash to understand their experiences. This participatory action research project aimed to:
1. Evaluate the impact of declining access to cash post-pandemic
2. Identify where solutions, like free-to-use ATMs, should be located to protect vulnerable users

A team of 12 peer researchers from across the UK, supported by three community organisations, led the work. They conducted two rounds of interviews and contributed to a survey of over 1,000 UK residents who rely on cash.

Key barriers identified included the reduced availability and poor visibility of cash withdrawal options. The final report is due in 2025–26.

## Strategic report (continued)

## Achievements and performance (continued)

### Helping Our Local Community Thrive

We continue to promote wellbeing, optimism, and economic security, particularly for groups at risk of exclusion, while celebrating the resilience, strengths and history of our community.

### LinkAge Plus

We lead LinkAge Plus, commissioned by the London Borough of Tower Hamlets. This partnership project supports older people to improve health, confidence and connection. A core element is co-production: service users regularly contribute ideas and feedback through meetings, and many lead their own activities such as arts, gardening or karaoke. In 2024–25, LinkAge hubs recorded over 1,000 attendances, including 200+ at Toynbee Hall. 127 people received 1:1 support from our Outreach Worker for tasks like form-filling, referrals and follow-up.

From our 2024–25 user satisfaction survey:

- 89% said they felt more connected to their community
- 72% felt more confident making decisions about their lives.

We also advocated for improved services for housebound older residents, submitting evidence to Tower Hamlets Council and the Health and Adult Scrutiny Committee.

### Winter Fuel Support

In partnership with the Council's Tackling Poverty Team, we supported the launch of the Mayor's Winter Fuel Payment scheme. Our team:

- Tested the online application form
- Identified and supported residents who missed the initial deadline
- Successfully lobbied for an extended deadline and access to a simplified application process for vulnerable people.

### Play and Creativity for Children

Our Play programme supports primary-aged children through outdoor sessions, nature workshops with local schools, and a weekly art club at Toynbee Hall. This year we worked with:

- Around 320 children
- 50 parents and carers.

Feedback from participants:
"We're seeing fewer fights and better interaction in the playground since you started." – Playground Supervisor
"You provide what schools don't have time for anymore; children need this." – Teacher
"Living in the city, this feels like a luxury for kids and families." – Parent.

### Collaborating to Drive Social Change

We continue to embed and expand our PAR model; ensuring those with lived experience are at the centre of change. Through this approach, we identify systemic barriers and co-produce solutions at both local and national levels.

Over the past two years, we have worked with a group of young peer researchers from low-income families in Tower Hamlets. Their investigation explored the emotional support available to young people amid the cost-of-living crisis. This is under our research theme Health, Social Care and Community: Everyone has access to services and support to lead a healthy life.

The project involved:

- Interviews and workshops with 44 young people and 25 parents or carers
- A national survey of 1,515 people aged 16–22.

The research highlighted the intense pressures young people face supporting their families while navigating financial instability, overcrowded housing, and gaps in mental health provision.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 MARCH 2025

### Strategic report (continued)

### Achievements and performance (continued)

Our peer researchers presented findings to:
- The Department for Education's London-wide mental health team
- Queen Mary University's Youth Peer Researcher programme
- Tower Hamlets' Trauma-Informed Community of Practice and other forums.

As a result, we secured funding in 2024 to pilot new, locally tailored mental health support sessions co-designed by young people.

**People**
We are committed to building a workforce that reflects the diversity of the communities we serve, upholds fairness as an employer, and benefits from the richness that diversity brings.

As of 1 April 2025, Toynbee Hall employed 92 staff members, and our Board of Trustees comprised 8 individuals. Of our staff team:
- 59.78% were female (55 people)
- 40.22% were male (37 people)
- 55% identified as being from an ethnic minority background (51 people).

**Socio-Economic Background**
In 2024, we began collecting voluntary data on the socio-economic background of staff and job applicants, in recognition that the charity sector is not always representative of people from lower-income backgrounds.

We used the Social Mobility Commission's recommended question: "What was the occupation of your household's main earner when you were about 14?

From the responses received:
- 17 reported a professional or 'higher' socio-economic background
- 5 identified as being from an intermediate background
- 12 reported a working-class or 'lower' background
- 2 selected "other"
- 2 preferred not to say
- 54 had not yet shared this information.

We acknowledge that more work is needed to encourage participation in this data collection. Understanding socio-economic diversity is critical to shaping inclusive recruitment and progression.

**Reward, Pay and Progression**
In 2024–25, we launched a comprehensive Total Reward Review to increase transparency and fairness in pay and progression. This has included:
- The introduction of a formal job evaluation system
- Standardised job descriptions across the organisation
- A clear method for assessing the size and responsibilities of each role
- Joint assessments conducted by a panel including managers, HR, and union representation.

In April 2025, we conducted a salary benchmarking exercise. We are now working with our recognised union to develop a transparent pay and remuneration policy, which will include a new salary scale.

This work aims to support fairer progression, greater consistency across teams, and a stronger foundation for talent development.

**Strategic report (continued)**

**Achievements and performance (continued)**

**Leadership Changes and Transparency**
In 2024, our Finance Director Ruth McGregor retired. A new Chief Operating Officer was appointed and began in April 2025.

We also published a People Report in Autumn 2024, reinforcing our commitment to transparency and accountability. This report outlined steps taken to improve internal communication and implement key findings from our staff survey.

**Supporting what matters**
We rely on a balance of unrestricted and restricted income to sustain our work:
- Unrestricted income whilst often harder to secure is vital, as it supports our day-to-day operations and strengthens our financial resilience.
- Restricted income allows us to deliver targeted projects that respond to the needs and priorities of our community.

This essential funding comes from a wide and generous network:
- Individuals support us through one-off or regular donations, volunteering, organising community events, and taking part in challenge events.
- Corporate partners provide a mix of financial gifts, gifts-in-kind, pro bono expertise, and longer-term partnerships.
- Trusts and foundations continue to be vital allies, offering grant support that powers real and lasting change for those we serve.

**A year of celebration and participation**
In 2024, we proudly marked 140 years of Toynbee Hall with a series of special events. From comedy nights and Open House activities to a celebratory evening reception, we welcomed over 250 guests, many new to our work, and many returning supporters. It was a joyful celebration of our heritage and our future.

We were also delighted to cheer on our team of runners in the Big Half Marathon, whose efforts helped raise funds and awareness for our mission. Looking ahead, we're excited to expand our challenge events and build even more opportunities for supporters to get involved.

We're also preparing to launch a new legacy giving programme - a way to honour and connect with those who have chosen to leave a gift in their will to Toynbee Hall. These deeply meaningful commitments help sustain our work for generations to come, making an impact long after someone has died. Through this programme, we'll celebrate the enduring legacy of those supporters and the vital role they will continue to play in building a fairer future.

**b. Fundraising activities and income generation**

**Fundraising: Strength through community**

Fundraising has not been without its challenges this year - both across the sector and here at Toynbee Hall. In this context, we are especially grateful to our supporters for their continued generosity and commitment. Thank you for everything you make possible.

At its core, fundraising enables us to increase and diversify our income, so we can continue delivering on our mission: to make East London, and beyond, a fairer place for everyone. It is integral to how we tackle unfairness and ensure every individual has the opportunity to thrive.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 MARCH 2025

### Strategic report (continued)

### Achievements and performance (continued)

**Fundraising standards**
We hold organisational membership to the Fundraising Regulator, who set and maintain the standard for charitable giving. This ensures our fundraising meets best practice as set out by the Regulator, and our supporters can be reassured that we are working to the highest standards. We vigilantly adhere to regulation standards and General Data Protection Regulation (GDPR), both as a wider organisation, and in our fundraising practices. Our governance also extends to how we protect vulnerable people in the context of fundraising.

Our Ethical Fundraising policy ensures fundraising at Toynbee Hall is done so fairly and recognises vulnerabilities, and ensures no undue pressure is placed on supporters. To ensure a good supporter experience, we monitor fundraisers acting on our behalf. We provide guidelines, policies and dedicated support to fundraisers acting for us in communities. We ensure volunteers and interns acting on our behalf, in our office and within the community, represent our charity in the best way, by providing policies, guidelines and dedicated support.

We do not use the services of external Professional Fundraising Organisations (PFOs) but we may employ freelancers from time to time for specific projects; they are paid on a day rate and do not receive commission, and we ensure that they also follow the Code of Fundraising Practice.

We aim for everyone to have a positive fundraising experience and are pleased to have received no fundraising complaints in the past year. When complaints arise, we follow Toynbee Hall's complaint procedure. If complaints are escalated to the Fundraising Regulator, we will follow their procedure for handling complaints. We continue to strive for excellence and monitor the number of complaints we have against communication touchpoints in our key performance indicators. We regularly review our supporter feedback and internal reporting to ensure our fundraising remains ethical, inclusive and effective. We are always keen to hear from our supporters and understand what inspires them to tackle injustice and inequality.

Our Board of Trustees maintains oversight of our fundraising strategy and compliance, ensuring that all activities align with our charitable objectives and legal duties.

We ensure supporters can clearly opt out of receiving communications, or how they hear from us, by contacting us directly or via the unsubscribe button on our emails. We also ensure our fundraisers are well trained in GDPR regulation, and on our policies and guidelines. Looking forward, we will continue to increase our financial resilience, working with our supporters, to 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.

**Our funders – A big thank you**

Throughout the year, we've been deeply grateful for the commitment of our funders, both long-standing and new, and for the trust you place in us. You support Toynbee Hall in so many ways: through grants and donations, volunteering, taking part in challenge events, and some have even chosen to leave a gift in their will.

The year ahead holds real challenges for communities and organisations like ours. But your continued generosity, understanding, and commitment give us confidence that, together, we can help shape a fairer, happier future for East London, and support the sustainable recovery our community needs.

From all of us at Toynbee Hall, and everyone we've supported this year: thank you, sincerely.

**Strategic report (continued)**

**Achievements and performance (continued)**

29th May 1961 Charitable Trust
A&O Shearman
Advice UK
Aldgate Connect
Ancaster Trust
Charities Trust
Childhood Trust
City of London Corporation
Cleary Gottlieb Steen & Hamilton LLP
Compass Wellbeing
Dentons LLP Charitable Trust
Derek Shuttleworth Educational Trust
Disability Rights UK
Dudley and Geoffrey Cox Charitable Trust
East End Citizens Advice Bureau
Fair4All Finance
Farrer & Co Charitable Trust
Fordham University
French Huguenot Church of London Charitable Trust
Gladys Jane Wightwick Charitable Trust
Hampstead Garden Suburb Fellowship
Health Foundation
Herbert Smith Freehills Kramer LLP
Homestead Charitable Trust
Impact on Urban Health
J E Posnansky Charitable Trust
John and Ruth Howard Charitable Trust
London Borough of Tower Hamlets Council
London Legal Support Trust
Lord Faringdon Charitable Trust
Macmillan Cancer Support
Maitlands Fund Charitable Trust
Michael Watson Charitable Trust
Money and Pensions Service
Ofenheim Charitable Trust
P F Charitable Trust
Patrick and Helena Frost Foundation
Proms at St Jude’s
Queen Mary, University of London
Richard Allan
Salisbury Pool Charity
Simon's Charity
Souter Charitable Trust
Spear Charitable Trust
Switchback
Three Hands
Tower Hill Trust
Vera Outhwaite Charitable Trust
We Are Group
Worshipful Company of Coopers.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 MARCH 2025

### Strategic report (continued)

### Financial review

#### a. Results for the year

The results for the year, as set out in the Consolidated Statement of Financial Activities, show a net deficit for the year of £1.5m (2024: £223k), after losses on investments of £1.01m (2024: gains of £2k).

Income for the year was £7.66m compared to the previous year of £7.77m, whilst expenditure for the year totalled to £8.21m, compared to £8.00m in the previous period.

The Group ends the year with consolidated reserves of £10.88m (2024: £12.44m). Of this amount, £117k (2024: £257k) represents restricted reserves. The balance of unrestricted funds, of £10.76m (2024: £12.18m), has been designated in respect of our properties (2024: £11.40m). In the prior year there was also a revaluation reserve comprised of £0.78m, which is now £Nil.

#### b. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

As part of Trustees longer term strategy and sustainability for the organisation, since year end they have made the decision to market 28 Commercial Street and are in the process of selecting the appropriate partner.

#### c. 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 £670k (2024: £650k), 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 generating income from our estate, the increased interest rate 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 £10.76m (2024: £11.40m) have been designated for the fixed assets, laving a £Nil balance on the undesignated general fund (2024: £Nil).

The Trustees approved a deficit budget in 2025/26 with an action plan in place to help the organisation improve upon this position over the year and achieve a balanced position.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 MARCH 2025

### Structure, governance and management

#### a. Constitution

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.

#### b. Methods of appointment or election of Trustees

The management of the Group and the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum and Articles of Association.

#### c. Toynbee Hall's Board of Trustees

The Board of Trustees plays a critical governance role in the life of the charity. In line with Charity Commission regulations, the Board:

- Oversees the disposal and acquisition of property
- Approves and monitors key operational policies
- Takes responsibility for risk management and the adequacy of mitigation strategies.

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.

We are grateful to them for their service.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 MARCH 2025

### Structure, governance and management (continued)

### d. Committees

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

Membership of the Committees is as follows:

**Finance and Fundraising Committee**

| | |
|---|---|
| Ali Hussein | Chair – (resigned March 2025) |
| Stephen Burns | |
| Alice Gac | (appointed May 2024) |
| Sarah Squires | co-opted member |

**People Committee**

| | |
|---|---|
| Sam Thomas | Chair |
| Laura Ratling | (resigned Sept 24) |
| Naomi White | co-opted member (appointed May 2024) |
| Yu-Shan Chiu | (appointed June 2024) |

**Audit and Risk Committee**

| | |
|---|---|
| Ali Hussein | (resigned March 2025) |
| Stephen Burns | |
| Thomas Nowacki | (appointed June 2024) |

### e. Senior Management and Strategy Oversight

The Trustees delegate day-to-day management to the Chief Executive, Rebecca Sycamore. The Chief Executive is supported by the Senior Management Team and is responsible for delivering the charity's strategic and business plans, which are approved and regularly reviewed by the Board.

Performance management systems are in place to ensure transparency, track progress against strategic objectives, and fulfil commitments to funders. The Chief Executive reports on organisational performance at each Board meeting, enabling timely governance scrutiny and action.

The senior management team comprises:

| | |
|---|---|
| Ruth McGregor | Director of Finance |
| Matthew Dronfield | Managing Director DFA and Director of Advice Services |
| Katie Taylor | Head of Communities and Social Change |
| Dot Calvert | Head of People |
| Ben Campion | Head of Commercial and Operations |
| Lizzie Stevenson | Head of Fundraising |

SMT members who left during the year:

| | | |
|---|---|---|
| Ben Campion | Head of Commercial and Operations | (resigned July 2024) |
| Ruth McGregor | Director of Finance | (resigned December 2024) |

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 MARCH 2025

### Structure, governance and management (continued)

### f. Transparency and accountability

Toynbee Hall is a proud London Living Wage employer and an anti-poverty charity committed to equitable pay. We disclose the salaries of senior leaders and publish our wage differentials in line with our values and remuneration policy.

As of 31 March 2025, the Chief Executive pay ratio to the lowest-paid staff member was approximately 4:1.

We also maintain a positive and collaborative relationship with our recognised union, Unite, and view the union as an important stakeholder in promoting fairness and constructive industrial relations.

### g. Risk management

The Board and senior management recognise 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 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. Key financial controls are tested at least annually and reviewed by external auditors and an in house check list is carried out by the finance and fundraising committee.

The Audit and Risk Committee and the Board regularly review the risk register which allocates risks to strategic; governance; financial; operational; people and resources; compliance and external categories. This is completed at least twice a year.

Toynbee Hall maintains qualifying third-party indemnity insurance for trustees, as permitted by the Charities Act 2006. The trustees' indemnity policy is in place and remains in force on the date of approval of these financial statements.

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.

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

**Structure, governance and management (continued)**

| Risk | Background | Mitigating Factors |
|---|---|---|
| Limited resources force un-strategic choices or inability to move forward strategic actions | Tight budgetary positions limit possibility of investment | A financial strategy is being developed with Trustees. |
| Insufficient free reserves inhibit investment in longer term strategy. | Cost increases not always matched by increased funding resulting in a deficit which has reduced our reserves. | A financial strategy is being developed with Trustees. In the interim work is ongoing to ensure income is maximised e.g. from use of our assets. |
| Fundraising does not bring in expected income | Fundraising targets are challenging and there is a competitive environment in funding. Great pressure on funders, including closures of some funds. | A new fundraising team is in place and improved supporter engagement strategy in development. |
| Failure to comply with the law and/ or regulatory requirements of external bodies. | Included as a key risk due to volume or requirements and severity of impact | Policies and procedures in place, annual audits and ownership assigned for regulatory requirements, and regular staff training. |
| Risk of cyber-attack / IT security breach leading to a reduced. | Included as a key risk due to heightened threats and severity of impact on ability to deliver our programmes, services and operations and reputational risk. | Multifactor Authentication in place. Cyber essentials certification and insurance / support in place. Progressing to Cyber Essentials Plus accreditation during 2025 is already underway. |
| Recruitment & retention / turnover and well-being | There are difficulties in filling some roles and concerns about losing experienced personnel. | A pay and reward review is underway. There is increasing support and training for managers so they can address well-being or performance concerns. Employee Assistance Programme in place. |

The Senior Management Team and Board are proactive in considering long term risks and establishing mitigating factors, they review the risk register monthly.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 MARCH 2025

### Structure, governance and management (continued)

### h. Equity and Diversity

As an organisation working toward a fairer, happier future, and with deep roots in one of the most diverse communities in the UK, Toynbee Hall is committed to putting equity, diversity and inclusion (EDI) at the heart of all that we do.

This commitment is embedded in our strategic plan through the following objective:
Ensure that addressing systemic inequality and racial discrimination is a priority across our work and our organisation.

In 2024–25, we developed a formal Equity, Diversity and Inclusion Strategy, building on prior work, staff focus groups, and guidance from an external EDI specialist. The strategy is anchored in four clear aims:

- Aim 1: Demonstrate a tangible and action-focused approach to equity, diversity and inclusion at Toynbee Hall.
- Aim 2: Increase representation, particularly in leadership, and provide clear support for internal progression.
- Aim 3: Improve visibility of leaders, internal communication of decisions and access to policies and procedures to create greater trust.
- Aim 4: Ensure that our approach to EDI is reflected in the delivery, development and reach of our services and our approach to research and advocacy. Demonstrate how we are addressing discrimination and racism as it affects our colleagues and our services.

**Embedding Equity in Our People Practices**
A major focus in 2024 was a comprehensive review of pay and reward, designed to establish a simpler, fairer and more transparent system. This has included:

- Standardising job descriptions across the organisation
- Introducing a structured job evaluation system
- Establishing a consistent process for assessing all roles, carried out by a panel comprising a line manager, HR representative and union representative.

In 2025, we are also rolling out a new applicant tracking system. This will help us:

- Improve the accessibility of our recruitment processes
- Gather better data to understand how we can further support inclusive hiring
- Ensure our recruitment practices actively align with our EDI goals.

### Plans for future periods

In 2025, our priorities include:

- Completing the implementation of our revised pay and reward framework
- Expanding our participatory action research, particularly in response to changes in the welfare system
- Further rolling out our debt advice kiosks, including to new settings
- Developing a financial strategy and asset review to secure Toynbee Hall’s long-term sustainability.

### Members' liability

The Members of the Company guarantee to contribute an amount not exceeding £10 to the assets of the Company in the event of winding up.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 MARCH 2025

### Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

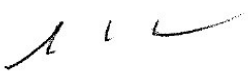
- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

### Auditors

During the year the auditors changed their name, from haysmacintyre LLP, to HaysMac LLP. There was no change in the charity's engagement with them.

The auditors, HaysMac LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



.....
**S E Burns**
Chair of Trustees

Date: 20/11/2025

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOYNBEE HALL

### Opinion

We have audited the financial statements of Toynbee Hall and its subsidiary for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2025 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 or the parent charitable company'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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOYNBEE HALL (CONTINUED)

### Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### Opinion 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' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, 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

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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOYNBEE HALL (CONTINUED)

### Auditors' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the legal and regulatory frameworks applicable to the company and the industry, we identified that the principal risks of noncompliance with laws and regulations related to regulatory requirements in respect of employment law, including but not limited to minimum wage regulation, foods standards requirements, and alcohol licencing. 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, income tax, payroll tax and sales tax regulations.

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 posting inappropriate manual journal entries to revenue and the risk of management bias in accounting estimates and in making critical accounting 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;
- Undertaking tests and reviews of the Company's compliance with identified regulatory requirements;
- Evaluating management’s controls designed to prevent and detect irregularities;
- Applying audit procedures to reconcile revenue recognised in the financial statements to cash receipts and investigating and corroborating any expected exceptions;
- Identifying and testing journals, in particular in particular journal entries which shared key risk characteristics; 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 Auditors' Report.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOYNBEE HALL (CONTINUED)

### 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 Auditors' 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 its 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
**HaysMac LLP**
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

Date: 24/11/2025

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
## FOR THE YEAR ENDED 31 MARCH 2025

| | Note | Restricted funds 2025 £000 | Unrestricted funds 2025 £000 | Total funds 2025 £000 | Total funds 2024 £000 |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Donations and legacies | 4 | 2 | 113 | 115 | 188 |
| Charitable activities | 5 | 5,884 | 524 | 6,408 | 6,613 |
| Other trading activities | 6 | - | 648 | 648 | 491 |
| Investments | 7 | - | 445 | 445 | 439 |
| Other income | 8 | - | 46 | 46 | 46 |
| **Total income** | | 5,886 | 1,776 | 7,662 | 7,777 |
| **Expenditure on:** | | | | | |
| Raising funds | | - | 874 | 874 | 919 |
| Charitable activities | 9 | 6,796 | 536 | 7,332 | 7,083 |
| **Total expenditure** | | 6,796 | 1,410 | 8,206 | 8,002 |
| **Net (expenditure)/income before net (losses)/gains on investments** | | (910) | 366 | (544) | (225) |
| Net (losses)/gains on investments | | - | (1,017) | (1,017) | 2 |
| **Net expenditure** | | (910) | (651) | (1,561) | (223) |
| Transfers between funds | 19 | 770 | (770) | - | - |
| **Net movement in funds** | | (140) | (1,421) | (1,561) | (223) |
| **Reconciliation of funds:** | | | | | |
| Total funds brought forward | | 257 | 12,179 | 12,436 | 12,659 |
| Net movement in funds | | (140) | (1,421) | (1,561) | (223) |
| **Total funds carried forward** | | 117 | 10,758 | 10,875 | 12,436 |

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

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 19 to the financial statements.

The notes on pages 26 to 45 form part of these financial statements.

**TOYNBEE HALL**
**REGISTERED NUMBER: 00020080**

## CONSOLIDATED BALANCE SHEET
## AS AT 31 MARCH 2025

| | Note | | 2025 £000 | | 2024 £000 |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 13 | | 8,846 | | 9,098 |
| Investments | 15 | | 25 | | 24 |
| Investment property | 14 | | 5,208 | | 6,225 |
| | | | 14,079 | | 15,347 |
| **Current assets** | | | | | |
| Debtors | 16 | 633 | | 525 | |
| Cash at bank and in hand | | 586 | | 865 | |
| | | 1,219 | | 1,390 | |
| Creditors: amounts falling due within one year | 17 | (1,230) | | (874) | |
| **Net current liabilities / assets** | | | (11) | | 516 |
| **Total assets less current liabilities** | | | 14,068 | | 15,863 |
| Creditors: amounts falling due after more than one year | 18 | | (3,193) | | (3,427) |
| **Total net assets** | | | 10,875 | | 12,436 |
| **Charity funds** | | | | | |
| Restricted funds | 19 | | 117 | | 257 |
| Unrestricted funds | 19 | | 10,758 | | 12,179 |
| **Total funds** | | | 10,875 | | 12,436 |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....
**S E Burns**
Chair of Trustees

Date: 20/11/2025

The notes on pages 26 to 45 form part of these financial statements.

**TOYNBEE HALL**
**REGISTERED NUMBER: 00020080**

## COMPANY BALANCE SHEET
## AS AT 31 MARCH 2025

| | Note | | 2025 £000 | | 2024 £000 |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 13 | | 8,843 | | 9,093 |
| Investments | 15 | | 25 | | 24 |
| Investment property | 14 | | 5,208 | | 6,225 |
| | | | 14,076 | | 15,342 |
| **Current assets** | | | | | |
| Debtors | 16 | 530 | | 491 | |
| Cash at bank and in hand | | 521 | | 853 | |
| | | 1,051 | | 1,344 | |
| Creditors: amounts falling due within one year | 17 | (1,059) | | (784) | |
| **Net current liabilities / assets** | | | (8) | | 560 |
| **Total assets less current liabilities** | | | 14,068 | | 15,902 |
| Creditors: amounts falling due after more than one year | 18 | | (3,193) | | (3,427) |
| **Total net assets** | | | 10,875 | | 12,475 |
| **Charity funds** | | | | | |
| Restricted funds | 19 | 117 | | 257 | |
| General funds | 19 | 10,758 | | 12,218 | |
| **Total funds** | | | 10,875 | | 12,475 |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....
**S E Burns**
Chair of Trustees

Date: 20/11/2025

The notes on pages 26 to 45 form part of these financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31 MARCH 2025

| | 2025<br>£000 | 2024<br>£000 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net cash used in operating activities (note 22) | (424) | 222 |
| **Cash flows from investing activities** | | |
| Dividends, interests and rents from investments | 445 | 439 |
| Purchase of tangible fixed assets | (34) | (276) |
| **Net cash provided by investing activities** | 411 | 163 |
| **Cash flows from financing activities** | | |
| Repayments of borrowing | (63) | (57) |
| Loan interest paid | (203) | (207) |
| **Net cash used in financing activities** | (266) | (264) |
| **Change in cash and cash equivalents in the year** | (279) | 121 |
| Cash and cash equivalents at the beginning of the year | 865 | 744 |
| **Cash and cash equivalents at the end of the year** | 586 | 865 |

The notes on pages 26 to 45 form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### 1. 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.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Toynbee Hall meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements. The financial statements have been presented in UK pound sterling, the Charity's reporting currency, and have been rounded to the nearest one thousand pound.

#### 2.2 Going concern

The Charity has produced a cash flow forecast up to 30 November 2026, 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.

#### 2.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Company's accounting policies.

## 2. Accounting policies (continued)

### 2.3 Income (continued)

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Company which is the amount it 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.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

### 2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

### 2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated Statement of Financial Activities as the related expenditure is incurred.

### 2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

### 2.7 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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FOR THE YEAR ENDED 31 MARCH 2025

## 2. Accounting policies (continued)

### 2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

| | |
|---|---|
| Freehold property | - 50 years straight line |
| Fixtures, fittings and other equipment | - 15 years straight line |

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.

### 2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as ‘Gains/(Losses) on investments’ in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

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.

### 2.10 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid net.

### 2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

## 2. Accounting policies (continued)

### 2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

### 2.13 Financial instruments

The Group 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.

### 2.14 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the lease term.

### 2.15 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

### 2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

## 3. Critical accounting estimates and areas of judgement

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.

Critical accounting estimates and assumptions:

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 14.

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 was impacted by cost of capital and returns on other investments, leading to a reduction in value of c15%, the value of the investment property was reduced to £5.9m as at 31 March 2023. Following advice this valuation remained unchanged, at 31 March 2024. The Trustees sought advice concerning this valuation, with regard to the state of the market as at 31 March 2025. They have concluded that there is a revaluation loss of £1.01m this year, reducing the valuation as at 31 March 2025 to £4.9m (2024: £5.9m). There were no additional costs of construction in the current year.

## 4. Income from donations and legacies

| | Restricted funds 2025 £000 | Unrestricted funds 2025 £000 | Total funds 2025 £000 | Total funds 2024 £000 |
|---|---|---|---|---|
| Donations | 2 | 113 | 115 | 63 |
| Grants | - | - | - | 125 |
| | 2 | 113 | 115 | 188 |
| Total 2024 | 3 | 185 | 188 | |

## 4. Income from donations and legacies (continued)

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 as well as advice on property agreements. During 2024/25 the fair value of donated services from that firm is £53,491 (2023/24: £19,315) 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.

## 5. Income from charitable activities

| | Restricted funds 2025 £000 | Unrestricted funds 2025 £000 | Total funds 2025 £000 | Total funds 2024 £000 |
|---|---|---|---|---|
| Income from charitable activities - Advice | 4,941 | 524 | 5,465 | 5,420 |
| Income from charitable activities - Wellbeing | 686 | - | 686 | 770 |
| Income from charitable activities - Education | 114 | - | 114 | 88 |
| Income from charitable activities - Financial health | 143 | - | 143 | 335 |
| | 5,884 | 524 | 6,408 | 6,613 |
| Total 2024 | 6,134 | 479 | 6,613 | |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### 6. Income from other trading activities

| | Unrestricted funds 2025 £000 | Total funds 2025 £000 | Total funds 2024 £000 |
|---|---|---|---|
| Trading income | 516 | 516 | 410 |
| Estates income | 132 | 132 | 81 |
| | 648 | 648 | 491 |
| Total 2024 | 491 | 491 | |

### 7. Investment income

| | Unrestricted funds 2025 £000 | Total funds 2025 £000 | Total funds 2024 £000 |
|---|---|---|---|
| Rentals from investment property | 440 | 440 | 437 |
| Dividends and interest received | 5 | 5 | 2 |
| | 445 | 445 | 439 |
| Total 2024 | 439 | 439 | |

### 8. Other income

| | Unrestricted funds 2025 £000 | Total funds 2025 £000 | Total funds 2024 £000 |
|---|---|---|---|
| Release of deferred lease premium | 46 | 46 | 46 |
| Total 2024 | 46 | 46 | |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### 9. Analysis of expenditure on charitable activities

**Summary by fund type**

| | Restricted funds 2025 £000 | Unrestricted funds 2025 £000 | Total 2025 £000 | Total 2024 £000 |
|---|---|---|---|---|
| Advice | 5,631 | 529 | 6,160 | 5,720 |
| Wellbeing | 820 | - | 820 | 820 |
| Education | 105 | - | 105 | 42 |
| Financial health | 240 | - | 240 | 498 |
| Provision of accommodation | - | 7 | 7 | 3 |
| | 6,796 | 536 | 7,332 | 7,083 |
| Total 2024 | 6,389 | 694 | 7,083 | |

### 10. Analysis of expenditure by activities

| | Direct costs 2025 £000 | Support costs 2025 £000 | Total funds 2025 £000 | Total funds 2024 £000 |
|---|---|---|---|---|
| Advice | 5,062 | 1,099 | 6,161 | 5,720 |
| Wellbeing | 651 | 169 | 820 | 820 |
| Education | (35) | 139 | 104 | 42 |
| Financial health | 171 | 69 | 240 | 498 |
| Provision of accommodation | 7 | - | 7 | 3 |
| | 5,856 | 1,476 | 7,332 | 7,083 |
| Total 2024 | 5,862 | 1,221 | 7,083 | |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### 11. Staff costs

| | Group 2025 £000 | Group 2024 £000 | Company 2025 £000 | Company 2024 £000 |
|---|---|---|---|---|
| Wages and salaries | 3,260 | 2,835 | 3,143 | 2,772 |
| Social security costs | 323 | 288 | 311 | 281 |
| Pension costs | 113 | 102 | 111 | 101 |
| | 3,696 | 3,225 | 3,565 | 3,154 |

During the year the Charity paid redundancy and termination costs totalling to £24k (2024 - £1k).

The average number of persons employed by the Company during the year was as follows:

| | Group 2025 No. | Group 2024 No. | Company 2025 No. | Company 2024 No. |
|---|---|---|---|---|
| Fundraising and publicity | 3 | 3 | 3 | 3 |
| Advice | 59 | 50 | 59 | 50 |
| Wellbeing | 4 | 4 | 4 | 4 |
| Education | 1 | 1 | 1 | 1 |
| Financial health | 3 | 8 | 3 | 8 |
| Estates | 3 | 3 | 3 | 3 |
| Support costs | 7 | 7 | 7 | 7 |
| Toynbee Hall Trading Limited | 3 | 2 | - | - |
| | 83 | 78 | 80 | 76 |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | Group 2025 No. | Group 2024 No. |
|---|---|---|
| In the band £60,001 - £70,000 | 2 | 1 |
| In the band £70,001 - £80,000 | - | 2 |
| In the band £80,001 - £90,000 | 1 | - |
| In the band £90,001 - £100,000 | 1 | - |
| In the band £100,001 - £110,000 | - | 1 |

The total employee benefits, including employer's NI and pension contributions, of the key management personnel were £456k (2024: £544k).

During the year, the Key Management Personnel comprised the Chief Executive, Director of Finance, Managing Director of DFA/Director of Advice Services, Head of People, Head of Communities and Social Change, Head of Operations and Commercial, and Head of Fundraising.

NOTES TO THE FINANCIAL STATEMENTS
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## 12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 March 2025, no Trustee expenses have been incurred (2024 - £NIL).

## 13. Tangible fixed assets

### Group

| | Freehold land and buildings £000 | Plant and machinery £000 | Fixtures, fittings and other equipment £000 | Total £000 |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 April 2024 | 7,616 | 1,285 | 1,549 | 10,450 |
| Additions | - | - | 34 | 34 |
| At 31 March 2025 | 7,616 | 1,285 | 1,583 | 10,484 |
| **Depreciation** | | | | |
| At 1 April 2024 | 175 | 470 | 707 | 1,352 |
| Charge for the year | 36 | 86 | 164 | 286 |
| At 31 March 2025 | 211 | 556 | 871 | 1,638 |
| **Net book value** | | | | |
| At 31 March 2025 | 7,405 | 729 | 712 | 8,846 |
| At 31 March 2024 | 7,441 | 815 | 842 | 9,098 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

## 13. Tangible fixed assets (continued)

### Company

| | Freehold property £000 | Plant and machinery £000 | Fixtures and fittings £000 | Total £000 |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 April 2024 | 7,616 | 1,285 | 1,501 | 10,402 |
| Additions | - | - | 34 | 34 |
| At 31 March 2025 | 7,616 | 1,285 | 1,535 | 10,436 |
| **Depreciation** | | | | |
| At 1 April 2024 | 175 | 470 | 664 | 1,309 |
| Charge for the year | 36 | 86 | 162 | 284 |
| At 31 March 2025 | 211 | 556 | 826 | 1,593 |
| **Net book value** | | | | |
| At 31 March 2025 | 7,405 | 729 | 709 | 8,843 |
| At 31 March 2024 | 7,441 | 815 | 837 | 9,093 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### 14. Investment property

**Group and Company**

| | Freehold investment property £000 |
|---|---|
| **Valuation** | |
| At 1 April 2024 | 6,225 |
| Loss on investment property revaluation | (1,017) |
| At 31 March 2025 | 5,208 |

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 £316k (2024: £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 £6.95m. The Trustees sought advice concerning this valuation, with regard to the state of the market as at 31 March 2025. They have concluded that there is a revaluation loss of £1.01m this year, reducing the valuation as at 31 March 2025 to £4.9m (2024: £5.9m). There were no additional costs of construction in the current year.

### 15. Fixed asset investments

| **Group and Company** | Listed investments £000 |
|---|---|
| **Cost or valuation** | |
| At 1 April 2024 | 24 |
| Revaluations | 1 |
| At 31 March 2025 | 25 |
| **Net book value** | |
| At 31 March 2025 | 25 |
| At 31 March 2024 | 24 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### 16. Debtors

| | Group 2025 £000 | Group 2024 £000 | Company 2025 £000 | Company 2024 £000 |
|---|---|---|---|---|
| **Due after more than one year** | | | | |
| Trade debtors | 37 | - | - | - |
| | 37 | - | - | - |
| **Due within one year** | | | | |
| Trade debtors | 420 | 371 | 313 | 271 |
| Amounts owed by group undertakings | - | - | 41 | 74 |
| Other debtors | 96 | 2 | 96 | 2 |
| Prepayments and accrued income | 80 | 152 | 80 | 144 |
| | 633 | 525 | 530 | 491 |

### 17. Creditors: Amounts falling due within one year

| | Group 2025 £000 | Group 2024 £000 | Company 2025 £000 | Company 2024 £000 |
|---|---|---|---|---|
| Bank loans | 67 | 60 | 67 | 60 |
| Trade creditors | 203 | 245 | 192 | 229 |
| Other taxation and social security | 147 | 120 | 135 | 114 |
| Other creditors | 246 | 44 | 246 | 43 |
| Accruals and deferred income | 567 | 405 | 419 | 338 |
| | 1,230 | 874 | 1,059 | 784 |

| | Group 2025 £000 | Group 2024 £000 | Company 2025 £000 | Company 2024 £000 |
|---|---|---|---|---|
| Deferred income at 1 April 2024 | 843 | 867 | 788 | 806 |
| Resources deferred during the year | 240 | 162 | 100 | 107 |
| Amounts released from previous periods | (208) | (186) | (153) | (125) |
| | 875 | 843 | 735 | 788 |

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 £1.05m. At 31 March 2025, of the total balance of £1.10m (2024: £1,095k), £635k is in respect of the deferred income on the lease premium (2024: £681k).

This analysis includes the deferred income due both in more and less than one year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

## 18. Creditors: Amounts falling due after more than one year

| | Group 2025 £000 | Group 2024 £000 | Company 2025 £000 | Company 2024 £000 |
|---|---|---|---|---|
| Bank loans | 2,604 | 2,584 | 2,604 | 2,584 |
| Other creditors | - | 208 | - | 208 |
| Accruals and deferred income | 589 | 635 | 589 | 635 |
| | 3,193 | 3,427 | 3,193 | 3,427 |

Included within the above are amounts falling due as follows:

| | Group 2025 £000 | Group 2024 £000 | Company 2025 £000 | Company 2024 £000 |
|---|---|---|---|---|
| **Between one and two years** | | | | |
| Bank loans | 73 | 65 | 73 | 65 |
| **Between two and five years** | | | | |
| Bank loans | 292 | 250 | 292 | 250 |
| **Over five years** | | | | |
| Bank loans | 2,239 | 2,269 | 2,239 | 2,269 |

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:

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### 19. Statement of funds

**Statement of funds - current year**

| | Balance at 1 April 2024 £000 | Income £000 | Expenditure £000 | Transfers in/out £000 | Gains/ (Losses) £000 | Balance at 31 March 2025 £000 |
|---|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | | |
| **Designated funds** | | | | | | |
| Designated fund: Property Fund | 11,395 | - | - | (637) | - | 10,758 |
| Fair value reserve | 784 | - | - | 233 | (1,017) | - |
| | 12,179 | - | - | (404) | (1,017) | 10,758 |
| **General funds** | | | | | | |
| General Funds | - | 1,776 | (1,410) | (366) | - | - |
| **Total Unrestricted funds** | 12,179 | 1,776 | (1,410) | (770) | (1,017) | 10,758 |
| **Restricted funds** | | | | | | |
| Financial health (including donated services) | 25 | 143 | (190) | 22 | - | - |
| Education | 1 | 114 | (104) | (11) | - | - |
| Advice (excluding Debt Free London) | (1) | 460 | (434) | (25) | - | - |
| Wellbeing | 33 | 686 | (820) | 101 | - | - |
| Wilson Memorial Fund | 51 | 1 | (50) | (2) | - | - |
| Debt Free Advice | 148 | 4,482 | (5,198) | 685 | - | 117 |
| | 257 | 5,886 | (6,796) | 770 | - | 117 |
| **Total of funds** | 12,436 | 7,662 | (8,206) | - | (1,017) | 10,875 |

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2025**

**19. Statement of funds (continued)**

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 unrestricted general reserves of £770k to the restricted reserves.

However, in doing so, this required an additional transfer of £404k, out of the charity's designated funds, to the unrestricted general reserves, to prevent those from being overdrawn, and bring the balance back to the trustees preferred position of a Nil balance.

**Statement of funds - prior year**

| | Balance at 1 April 2023 £000 | Income £000 | Expenditure £000 | Transfers in/out £000 | Balance at 31 March 2024 £000 |
|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | |
| Designated fund: Property Fund | 11,477 | - | - | (82) | 11,395 |
| Fair value reserve | 782 | 2 | - | - | 784 |
| General funds | (1) | 1,640 | (1,513) | (126) | - |
| | 12,258 | 1,642 | (1,513) | (208) | 12,179 |
| **Restricted funds** | | | | | |
| Financial health (including donated services) | 65 | 109 | (217) | 68 | 25 |
| Education | 1 | 88 | (42) | (46) | 1 |
| Advice (excluding Debt Free London) | - | 382 | (389) | 6 | (1) |
| Wellbeing | 28 | 770 | (820) | 55 | 33 |
| Wilson Memorial Fund | 48 | 3 | - | - | 51 |
| Debt Free Advice | 259 | 4,785 | (5,021) | 125 | 148 |
| | 401 | 6,137 | (6,489) | 208 | 257 |
| **Total of funds** | 12,659 | 7,779 | (8,002) | - | 12,436 |

NOTES TO THE FINANCIAL STATEMENTS
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**19. Statement of funds (continued)**

**Purposes of restricted funds:**

**Financial health**
Funds for activities to improve financial health, including training services and research. The Emotional support for young people project has also been included under this heading.

**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.

**Debt Free Advice**
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.

**Purposes of designated fund**
The Redevelopment Fund had been established to set aside funds for the continued costs associated with the completion of the estates strategy. 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.

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

**Fair value reserve**
This is a revaluation reserve for the unrealised gain on the investments and investment properties.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

## 20. Analysis of net assets between funds

### Analysis of net assets between funds - current year

| | Restricted funds 2025 £000 | Unrestricted funds 2025 £000 | Total funds 2025 £000 |
|---|---|---|---|
| Tangible fixed assets | - | 8,846 | 8,846 |
| Fixed asset investments | - | 25 | 25 |
| Investment property | - | 5,208 | 5,208 |
| Debtors due after more than one year | - | 37 | 37 |
| Current assets | 117 | 1,065 | 1,182 |
| Creditors due within one year | - | (1,230) | (1,230) |
| Creditors due in more than one year | - | (3,193) | (3,193) |
| **Total** | 117 | 10,758 | 10,875 |

### Analysis of net assets between funds - prior year

| | Restricted funds 2024 £000 | Unrestricted funds 2024 £000 | Total funds 2024 £000 |
|---|---|---|---|
| Tangible fixed assets | - | 9,098 | 9,098 |
| Fixed asset investments | - | 24 | 24 |
| Investment property | - | 6,225 | 6,225 |
| Current assets | 257 | 1,133 | 1,390 |
| Creditors due within one year | - | (874) | (874) |
| Creditors due in more than one year | - | (3,427) | (3,427) |
| **Total** | 257 | 12,179 | 12,436 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### 21. Reconciliation of net movement in funds to net cash flow from operating activities

| | Group 2025 £000 | Group 2024 £000 |
|---|---|---|
| Net expenditure for the year (as per Statement of Financial Activities) | (1,561) | (223) |
| **Adjustments for:** | | |
| Depreciation charges | 286 | 260 |
| Gains/(losses) on investments | 1,011 | (2) |
| Dividends, interests and rents from investments | (445) | (439) |
| Decrease/(increase) in debtors | (108) | 631 |
| Increase/(decrease) in creditors | 186 | (216) |
| Amortisation of bank loan fees | 5 | 5 |
| Interest payable | 202 | 207 |
| **Net cash (used in)/provided by operating activities** | (424) | 223 |

### 22. Analysis of cash and cash equivalents

| | Group 2025 £000 | Group 2024 £000 |
|---|---|---|
| Cash in hand | 586 | 865 |
| **Total cash and cash equivalents** | 586 | 865 |

### 23. Analysis of changes in net debt

| | At 1 April 2024 £000 | Cash flows £000 | At 31 March 2025 £000 |
|---|---|---|---|
| Cash at bank and in hand | 865 | (279) | 586 |
| Debt due within 1 year | (60) | (7) | (67) |
| Debt due after 1 year | (2,584) | (20) | (2,604) |
| | (1,779) | (306) | (2,085) |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### 24. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £20k (2024 - £17k) were payable to the fund at the balance sheet date and are included in creditors.

### 25. Operating lease commitments

At 31 March 2025 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | Group 2025 £000 | Group 2024 £000 | Company 2025 £000 | Company 2024 £000 |
|---|---|---|---|---|
| Not later than 1 year | 449 | 453 | 449 | 453 |
| Later than 1 year and not later than 5 years | 1,040 | 231 | 1,040 | 231 |
| | 1,489 | 684 | 1,489 | 684 |

### 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.

### 27. Related party transactions

During the year the Charity charged £100k (2024 - £100k) 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 £63k (2024 - £68k) mainly in respect of shared costs. Toynbee Hall Trading Limited invoiced £49k (2024 - £91k) to the Charity for the provision of staff and venue hire in the year.

Stephen Burns is connected to Peabody which is a LINKAGE partner organisation.The charity made payments amounting to £45k (2024 - £55k) to Peabody during the year. There was no balance outstanding to either of these related parties at the end of the financial year.

Aggregate donations to the Charity from related parties for 2025 were £500 (2023 - £850). There were no other related party transactions for 2025 (2024 - none).

**TOYNBEE HALL**

England & Wales - Charity number 211850

# Accounts

Docusign Envelope ID: E5C932CC-D3E7-46CE-B822-058E7146ECB0

# Annual Report 2023-2024

Trustees' Report and Accounts for year ended 31 March 2024

Charity No. 211850
Company No. 00020080

Toynbee Hall

Docusign Envelope ID: E5C932CC-D3E7-46CE-B822-058E7146ECB0



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# Foreword by Stephen Burns, Chair of the Board of Trustees

Toynbee Hall is a charity that works alongside people facing poverty, injustice, and inequality. We have been east London-based and focussed since 1884 and work with our local community to build a fairer society.

We provide vital advice and support, working in partnership to ensure everyone has an equal chance to thrive.

During 2023 we welcomed our new Chief Executive, Rebecca Sycamore, and published our Strategic Plan for 2023-26.

The strategic plan is an evolution of our work over the last few years and a recognition of the challenges we and other charities face. It draws from consultation and discussion, as well as the thinking of current and previous colleagues. It also involves the ideas of people who use our services and our peer researchers.

When Toynbee Hall first opened its doors in 1884, the need for help and support in the area outside those doors was greater than almost anywhere else in the UK. One-hundred and forty years later, and the community in which we work remains one of the most unequal in the country. However, we recognise that addressing poverty in 2024 requires new solutions, developed in collaboration with other organisations, and with those who have lived experience of the issues. Those solutions must recognise and address the disproportionate impact of poverty and injustice on minority communities, women, carers and people with disabilities.

The cost-of-living crisis continues to impact families and communities in East London as well as our own team who are dealing with similar issues to those service users they are delivering to on the front line. During 2023 we paid a cost-of-living increase to eligible staff, with those on lower salaries receiving a higher amount. We want to ensure that equity and diversity is embedded in our organisation and are currently undertaking a project to review grading, pay and reward with a view to establishing a more transparent system.

Colleagues from across the organisation took part in a survey towards the end of the year and, following this, we developed an action plan that identifies a range of actions to improve their experience and support them to carry out their roles effectively.

We are grateful to partners and funders, who continue to support us, and to the community members who contribute so much to our organisation.

This year we said goodbye to a number of our Trustees - Maysam Rizvi, Tahera Rouf, Gemma Woznicki, Dee O'Connell and Muna Yassin, and I would like to extend our thanks to all of them for their contributions over the few years. We welcome new Trustees Yu-Shan Chiu, Alice Gac, Thomas Nowacki, Claire Collins, Liam Keogh and Ademola Olaleye and look forward to working with them as we deliver our vision for a fairer future.

Signed by:
Stephen Burns
CE522FABC7914B2...

**Stephen Burns**

Chair of Trustees

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# Strategic Report

## Introduction

Last year the Board set our new CEO the objectives of reviewing our strategy, strengthening culture and securing a sustainable financial position.

In December a new three-year strategic plan was launched with an updated vision, mission and values.

We also carried out a colleague survey which had high levels of participation from across the organisation and gave us a clear set of actions to support strengthening our culture.

However, it is very clear that charities across the country, including Toynbee Hall, are experiencing increased demand alongside pressure on funding. According to NPC's State of the Sector report (2024)[1] only a quarter of government or local authority contracts held by charities have been uplifted in line with inflation. The survey also found 62% of charities believe that they do not receive the full value it costs to deliver a public sector contract, with the average charity contributing 35% the value of a contract.

In their 2023 State of the Sector report Tower Hamlets CVS found the key challenges facing organisations are finding funding, rising costs, and short-term funding[2].

We are grateful to commissioners who responded positively to our requests to increase funding so we could keep up with inflation including ensuring we could provide a cost-of-living increase to staff. We recruited a new fundraising team and also supported colleagues in services to find ways to maximise income including exploring opportunities to increase the scope of our advice services and research activity.

Photo: FLAC 125 celebration event in December 2023

As part of our commitment to safeguarding we reviewed our approach last year; including commissioning an external organisation to review our approach and update our policies. We also carried out a review of our Complaints policy.

Towards the end 2023 we marked the 125 anniversary of our free legal advice centre (FLAC), an institution that has been at the forefront of providing access to justice since its inception as 'the Poor Man's Lawyer' in 1898. As the longest continuously running free legal advice service anywhere in the world, FLAC has helped thousands of Londoners with their legal issues. With only 1 in 4 people currently eligible for legal aid, Toynbee Hall's free legal advice service continues to be lifeline to those in need of legal support.

The 140th anniversary of Toynbee Hall's opening is in 2024 and we are planning a series of events to mark this milestone.

1. NPC's State of the Sector report (2024)
2. NPC's State of the Sector report (2023)

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Over the course of the year we reviewed our strategy and took the opportunity to reconsider our Vision, Mission and Values.

Our new strategy is an evolution of our work over the last few years and a recognition of the challenges Toynbee Hall and other charities face. It draws from consultation and discussion, as well as the thinking of current and previous colleagues. It also involves the ideas of some of the people who use our services and our peer researchers.

Our vision is of a fairer future with an end to poverty, injustice and inequality. The activities we undertake contribute to our vision. They are:

- Addressing poverty and injustice through advice and support and influencing systemic change.
- Shifting power to people and communities affected by injustice and inequality.
- Collaborating to end poverty and build fairer systems and institutions.

What we want to see in the world starts with our community and our organisation. This means:

Working together to build a thriving local community where people have the resources they need, feel their voices are heard and are optimistic about the future.

Being a good employer, where people are treated fairly, feel engaged and empowered, and work together to achieve our shared vision.

On a day-to-day basis our activities continue to be:

- Advice work, including debt advice
- Community support for older people, children and their families
- Research, promoting social change and involvement

Over the 140 years of our history, Toynbee Hall has played a significant role in civic society. However, as we seek solutions for poverty and inequality we recognise those solutions must be built in collaboration with other organisations, and with those who have lived experience of the issues. They must recognise the disproportionate impact of poverty and injustice on minority communities, women, carers and people with disabilities.

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.

We conduct Participatory Action Research (PAR) which is a research method that involves professional researchers and people with lived experience of an issue (peer researchers) working as equal partners.

Photo: peer researchers present their findings at the Emotion Support for Young People's project exhibition event

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A core aspect is to ensure those with lived experience are able to shape research, to focus on what is important to them and those around them. Another aspect of PAR is to work with stakeholders to implement solutions.

We have set the following objectives for the strategic plan:

- Improving economic security for those affected by poverty, debt, low pay, insecure employment and housing through direct support and through work to bring about system change.
- Helping our local community thrive – increasing emotional wellbeing, optimism, economic security in key groups and focusing on celebrating the strengths, resilience and history of our community.
- Collaborating to drive social change in a way that gives a platform to the ideas and solutions of people with lived experience.
- Ensure that addressing systemic inequality and racial discrimination is a priority across our work and our organisation.

Photo: Painting with Purpose - a painting class in the Community Centre.

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# Improving economic security

Our work includes the practical support we offer people around debt and money (debt advice, welfare benefits support) and the advice we provide about housing and employment rights. It also includes our system change and policy work around financial health and capability.

Trust for London's work on London's Poverty Profile shows that 24% of Londoners are living in poverty[3]. This figure rises to 34% for Londoners living in non-white households and 47% for single parent households.

According to Money and Pensions Service, in 2023 15% of the UK adult population needed debt advice, equivalent to 8.1 million people[4].

They are typically:

- Under 35 years old
- In households with children and low incomes (73% have an annual household income of less than £30,000 before tax)
- Most (61%) rent their home from social or private landlords and a further 28% own their house on a mortgage.
- People needing debt advice are from ethnic minority communities (31%), which make up less than 20% of the adult population as a whole.
- They also were more likely to have experienced an income shock in the previous three years, like redundancy or a drop in earnings.

A further 24%, or 12.6 million people, are at risk of needing debt advice. These people are struggling to keep up with bills and credit commitments, or they are running short of money for essentials and using high-cost credit instead.

Across all our advice services a total of 14,991 people were supported last year, including 3,263 people we directly supported through our Advice Hub at Toynbee Hall. Those that accessed our advice services were £23,666,670 financially better off as a result of the advice given – this includes £6,565,487 for people that live locally.

Across our advice services we seek to reach those most effected by economic insecurity and ensure we continue to improve economic security in east London. Last year 27% of our clients were from east London, 66% were from an ethnic minority, 59% were female and 11% had a disability.

Our Money Coaching project, which launched this year, builds on our experience with money mentoring and is strategically aligned with the No Interest Loan Scheme (NILS). Whilst Toynbee Hall provided strategic input and advice in the setup of NILS, we were not directly involved in delivering the loan scheme itself. Instead, our focus was on enhancing the financial capabilities of a select group of participants from NILS through our Money Coaching sessions. The project specifically targeted individuals typically excluded from mainstream loan services due to poor credit histories, offering them tailored financial education to complement the financial relief provided by NILS. By working with a small subset of NILS participants, our Money Coaching initiative aimed to empower these individuals to make informed financial decisions, improve their financial resilience, and reduce their dependency on credit.

3. London Poverty Profile, Trust for London
4. The UK's Debt Landscape report 2023, Money and Pensions Service

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Throughout the year, we engaged with 114 participants, offering modules that covered budgeting, debt management, and savings strategies. These sessions were designed to foster long-term financial stability and independence, aligning with the broader objectives of NILS to provide ethical credit options and support to underserved populations.  We have many Ssuccess stories, such as that of Ms. SK,  demonstrate demonstrating the tangible benefits of this approach, where participants not only managed to meet their immediate financial needs but also laid the groundwork for future financial wellbeing. Through personalised coaching, we were able to help participants achieve positive outcomes, such as debt reduction and increased savings, despite operating on a smaller scale within the larger NILS framework.

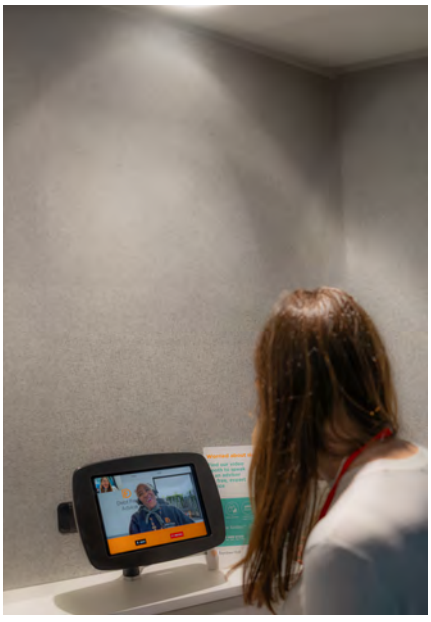
## Reducing the impact of debt

We are funded by the Money & Pensions Service (MaPS) to provide FCA regulated debt across London. To achieve this, we deliver advice directly at Toynbee Halls' Advice Hub at 28 Commercial Street as well as at satellite locations in Newham, Barking & Dagenham, and Greenwich. In addition, we are the lead partner for a partnership of 15 charities that together make up the Debt Free Advice service (DFA).

In FY23/24 DFA supported 12,697 individuals with their debt and money worries, this figure includes 2,316 in East London. As a result clients accessing this service were a minimum of £17,822,088 financially better off this includes clients in East London being £1,269,500 better off.

Given the pressure of debt on individual well-being we have been focusing on finding more convenient and accessible ways for people to access debt advice. Our video kiosks have been important in this; they are placed in locations such as town halls and employment support centres and allow people to receive free, impartial debt advice quickly and efficiently.

In March 2024 we launched one of the most notable deployments of these kiosks at HMP Brixton. This is the first instance of delivering debt advice services via video in a prison setting. This initiative aims to support prisoners by providing them with financial guidance, helping to reduce reoffending rates by equipping them with essential life management skills. The success at HMP Brixton has led to plans for expanding this service to three additional prisons, further bridging the support gap for this vulnerable group.



Photos: Debt Free Advice kiosks in locations across London

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## Advice for people in Tower Hamlets and City of London

Toynbee Hall provides two primary generalist advice services, tailored to meet the specific needs of different communities close to our location: the general advice service for Tower Hamlets and the City Advice project for the City of London. Both services are funded by local authorities and aim to support a wide range of issues affecting people who live and work in these areas.

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.

As much as possible, the services are shaped and developed with input from local people.

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.

Together these teams supported 838 people and those that received support were collectively £1,896,717 better off.

Photo: A member of the Generalist Advice team is helping a client in the Advice Centre

## Free Legal Advice

Toynbee Hall's Free Legal Advice Centre (FLAC) has been providing free, high-quality legal advice for 125 years, making it the longest continuously running free legal advice service in the world. The service is volunteer-run and offers confidential legal advice to individuals who live or work in London, prioritising low-income applicants.

The aim is to for pro-bono solicitors to help clients understand and exercise their legal rights, prepare court documents and navigate the system. Our Free Legal Advice Clinic (FLAC) is supported by volunteer legal advisers Toynbee Hall from leading law firms: A&O Shearman on employment law advice, Herbert Smith Freehills on housing law advice and Cleary Gottlieb on the Women's Free Legal Advice Clinic, focusing on issues such as domestic violence and family law.

Last year we were able to provide free legal advice to 309 people including on housing (118 cases) and employment (76 cases) and family law (31 cases).

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### Welfare Benefits Advice for individuals affected by cancer

Toynbee Hall is funded by Macmillan Cancer Support to provide specialised welfare benefits advice to individuals affected by cancer. This service aims to alleviate the financial burden experienced by cancer patients and their families, offering comprehensive support in several key areas. This service is delivered at several major hospitals in East & North London, ensuring that patients can access support during their treatment. Last year this service supported 1,062 patients and those that accessed the service were almost £4m better off.

### Increasing fairness and equity in the financial system

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. Areas of interest for our researchers are a fair transition to net zero, the impact of the poverty premium which leads to people on lower incomes paying more for goods and services and understanding more about the impact on the reduction in the use of and access to cash on low-income communities.

## Helping our local community thrive

This includes: the services running from our community centre, heritage activities, and more of our participatory action research. It also includes how we make sure our commercial activities have a positive effect on the local economy.

### 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 and people experiencing structural inequality.

Tower Hamlets has a relatively small population of older people, but it is a very deprived group with 44% living in income deprivation[5]. This has clear implications for their physical, social and emotional well-being.

5. Tower Hamlets State of the Borough report 2023

Photos: Sewing and ballet activities in the Community Centre

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We lead Linkage Plus, a project commissioned by London Borough of Tower Hamlets. Through a partnership of local community organisations, we support increased confidence, improved physical health, increased social inclusion and greater happiness across the Tower Hamlets older population.

Last year across the partnership LinkAge Plus provided practical support to 990 people, delivered 890 physical activity sessions and 1200+ sessions of social activities. At our own LinkAge Plus hub in the Community Centre at Toynbee Hall we have provided practical assistance to 187 people and run a daily programme of social and physical activities and learning sessions which have over 1,000 attendances.

We also contributed to wider work for example, collaborating with Health Watch Tower Hamlets on their research about barriers adults 65+ and people from diverse ethnic communities' face in accessing mental health and cancer screening services in the borough.

Another area of focus is enabling local children to play. Tower Hamlets children live in a borough which has the fastest growing population of any local authority in England and Wales; and it is the most densely populated, 37 times higher than any the England average (15,695 residents per square km versus 424). In 2021 the vast majority (87.8%) of Tower Hamlets residents lived in a flat. This is against the average for England of 22%.6 Space is so limited and not only is overcrowding an issue but so are safe outdoor play opportunities for children. Added to this the level of child poverty is the highest in London, with 48% of children growing up in poverty compared to a London average of 33%. Local parents told us they could not afford the local opportunities available to play or that to travel for free opportunities is an extra strain on limited resources. Our Play programme for primary school aged children developed last year as a result of this; we provided weekly sessions at two local primary schools and ran a weekly after school art club from our own space. We are planning to expand this programme next year. Over 100 local children participated in these activities.

Photo: A child is playing with a home-made mask during a Play session in the Toynbee Hall courtyard

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## Heritage

For the last three years we have been running a heritage project (the Peoples History of Petticoat Lane) delivered by local people and organisations to celebrate an area rich in working-class and migrant history.

Our community commissioning in 2022-23 resulted in a series of projects that reflected the diversity and creativity of our community. Ten events took place throughout 2023, including a radical history walking tour, a traditional Bengali festival led by a local women's organisation, an exploration of the cultural history of Dhakai Jamdani weaving, a documentary about the Uber workers protest, a festival of music, art and food and a community-designed mosaic.

Over 100 local residents engaged in either commissioning or delivering activities and over a thousand people attended events.

Photo: A group of women wearing ceremonial dress at the Amm-Katli Fruit Festival as part of the People's History of Pettitocat Lane project.

## Commercial events and operations

Our tenants at 28 Commercial Street, Arts Admin who lease Toynbee Studios 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.

Photo: Toynbee Hall

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# Collaborating to drive social change

We continue to develop, learn from and share our model of participatory action research. 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.

Over the year we ran a peer research project to understand how local cafes and pubs can help tackle older people loneliness and isolation. Peer researchers aged 65 and over carried out interviews with customers and managers across cafes and pubs in Tower Hamlets. These interviews explored the role of hospitality venues in the lives of these residents, as well as ideas for driving changes for more age-friendly venues
to tackle social isolation among older residents while also bringing benefits to the hospitality sector as it continues to struggle on the back of covid and the cost-of-living crisis. Using key findings and themes from these interviews peer researchers, venue managers and policy makers came together to co-design recommendations and possible solutions/actions.

In further research, we collaborated with Thrive LDN and young peer researchers to conduct Participatory Action Research investigating the emotional support young people from low-income backgrounds access during transition to adulthood in the context of the cost-of-living crisis. A group of 12 peer researchers from low-income families residing in Tower Hamlets identified key issues, designed question guides, and conducted interviews and workshops with 44 young people and 25 of their parents/ guardians.

Photos from workshops and final exhibtion of the Emotional Support for Young People's Peer Research project.

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# Collaborating to end poverty and build fairer systems and institutions

Data collected by London's Poverty Profile (Trust for London) shows Tower Hamlets has the worst rate of child poverty and the worst rate of overall poverty in London. Over many years our peer research programme has looked into and suggested actions to improve the impact of poverty on our local community. We use our approach to peer research to ensure that the lived experience of our local community contributes to solutions and actions to build a fairer future.

We have worked in collaboration with staff from London Borough of Tower Hamlets and other local organisations. This year we hosted workshops for over 40 participants including peer researchers and local residents to help shape the council's Tackling Poverty Strategy.

Over the year we also piloted a new project; the Knowledge Exchange Circle was a forum for policy makers, community organisations and residents to build relationships and consider if greater shared understanding and trust could lead to more effective policy making on areas the group selected (debt, education and employment). The debt group was able to bring together peer researchers, advice organisations and researchers from the Department of Work and Pensions. Their discussions included the barriers to obtaining Debt Relief Orders (which is a cheaper alternative to bankruptcy) such as the fee of £90. The fee was abolished for lower-income applications in England and Wales from April 2024 and we are proud that this group was able to play a part shaping this decision.

Overall 20 local people from Tower Hamlets and representatives of 22 organisations made up our Knowledge Exchange Circle and we following the pilot we are exploring how to take the approach forward.

Photo: A panel discussion at a Knowledge Exchange Circle event.

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# Addressing systemic inequality and racial discrimination across our work and our organisation

We know that the solutions we seek for poverty, injustice and inequality cannot be developed by Toynbee Hall alone. They must be built in collaboration with other organisations, and with those who have lived experience of the issues. Crucially those solutions must address the disproportionate impact of poverty and injustice on minority communities, women, carers and people with disabilities.

Our priorities in delivering our strategic plan include embedding our approach to diversity, inclusion, equity and doing the work necessary to become an inclusive and anti-racist organisation.

This work is delivered not only through our approach to Our People outlined in the section that follows but also in how we work across our other priorities; in our advice and community work and our participant research.

Work undertaken in 2021 identified principles for Toynbee Hall to be an equitable and inclusive organisation, which include:

- Governance, systems, and structure which are transparent.
- A strategy that explicitly declares its commitment to equality and is supported by a plan to set out priorities and actions.
- A staff team who experiences the value the organisation places on equity and fairness in both what we do and how we do it, from recruitment through to leaving the organisation.
- Policies that reflect our values and that are clear, usable, and inclusive.
- External communications that are accessible and provide a platform for underrepresented voices.
- Internal communications that provide clarity, transparency, and safety to the whole staff team.
- Services and activity that are proactive in increasing equality and which are designed by / with those they are for.

Since many of our colleagues have joined Toynbee Hall since this work was undertaken, our intention is to spend some time in 2024 reviewing what these principles mean in our current context and what else needs to be a focus of our attention.

Photo: colleagues share their work at a Debt Free Advice Townhall meeting.

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# Looking to the future

In the next year we will be finalizing our participant research into the emotional support needs of young people and reporting the findings and actions that have been identified by the young people leading the project. We have funding to test out some of these approaches with the participant researchers who developed them. We also hope to launch an additional money coaching project in partnership with a London based NHS Trust.

Many of our services could be re-tendered / re-negotiated or the contract come to an end during 2024/25. Contract renegotiations or contract ends would have a significant impact on the organisation and we are trying to ensure we have the appropriate capacity to support these changes. At the same time we are seeking new funding for our research based on the priorities in the strategic plan and the areas the community want to focus on. We have built a new team, bringing together our research and communities work so we can increase our advocacy and influencing activity. As part of this refresh we are also excited to welcome new colleagues to our community centre team who will bring local experience and understanding to our work.

Photo: colleagues at the Debt Free Advice Townhall meeting.

We are prioritizing income generation but are also looking at the financial strategy of the organisation from a strategic perspective – working with Trustees to develop longer term thinking.

We will be carrying out some strategic internal projects; a review or our approach to pay and reward and the development of a new equity, diversity and inclusion plan are both priorities.

Finally, 2024 marks the 140 anniversary of the opening of Toynbee Hall and we have a series of events planned to mark this milestone. We hope to work alongside other Tower Hamlets based settlement organisations and other partners to showcase the need for place-based organisations in providing local solutions to poverty, injustice and inequality as well as sharing this learning with wider audiences and where relevant having a national impact.

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# 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.

A&O Shearman

Aldgate Connect

Ashurst

Big Give Christmas Challenge

BNY Mellon

Childhood Trust

Citizens Advice

City Bridge Foundation

City of London Corporation

Cleary Gottlieb Steen & Hamilton

Compass Wellbeing

David Hills Trust

Dudley and Geoffrey Cox Charitable Trust

Childwick Trust

French Huguenot Church of London Charitable Trust

The 29th May 1961 Charitable Trust

East End Citizens Advice Bureau

Farrer & Co Charitable Trust

Fellowship House

Financial Conduct Authority

Hampstead Garden Suburb Trust

Health Foundation

Herbert Smith Freehills

Heritage Action Zone

Historic England

London Borough of Tower Hamlets Council

London Legal Support Trust

Mills & Reeve Charitable Trust

Monday Charitable Trust

Money and Pensions Service

Ofenheim Charitable Trust

Proms at St Jude's

Spear Charitable Trust

The Worshipful Company of Coopers

Tompkins Foundation

Vera Outhwaite Charitable Trust

Vandervell Foundation

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

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# 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 new strategy.

This year we have continued to place a focus on equity, diversity and inclusion, wellbeing and building and maintaining a culture that reflects our values – inclusive, courageous and empowering.

As at 31 March 2024 we had a total of 84 employees; 67 are full time and 17 part time.

Across the organisation 40% of our colleagues describe their ethnicity as White British, English, Irish or Welsh, with 57% of colleagues from other Ethnic Minority groups and 3% not disclosed.

61% of our workforce are female and 39% are male.

19% of our colleagues have disclosed that they have a disability or long-term health condition.

Throughout 2023 and 2024 there were new appointments into the Senior Management Team. Rebecca Sycamore took over as permanent CEO in April 2023 and permanent appointments for Head of Fundraising, Head of People and Head of Communities and Social change were made throughout the year.

A People report was published in Autum 2023 and we expect to publish an updated report in Autum 2024 to demonstrate our commitment to transparency and accountability in this area.

In November 2023 we ran an internal colleague survey to help inform and prioritise some of the work centred around our staff and culture. A clear priority from colleagues was a review of our pay and reward and a total reward project is being undertaken in 2024 to increase fairness and transparency in how we pay our staff.

Photo: the staff team at Toynbee Hall.

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# Fundraising

Fundraising has not been without its challenges this year - both across the sector and here at Toynbee Hall, and we're hugely grateful to our supporters for their continued generosity and commitment. Thank you for everything you make possible!

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. Fundraising is integral to the delivery of Toynbee Hall's mission to tackle unfairness and ensure everyone has an equal chance to thrive. Unrestricted income is vital for our charity's financial health and is needed to cover the day to day running of the charity. Restricted income enables us to deliver projects that are needed by our community.

Our voluntary income comes from a wide range of sources. Individuals support us in various ways - through regular or one-off cash donations, volunteering, hosting fundraising events like concerts, or taking part in challenge events. Companies offer their pro bono expertise, partnership, gift in kind and cash gifts. Trusts and foundations provide valuable grants to make a real difference to the community we support.

## Fundraising standards

We hold organisational membership to the Fundraising Regulator, who set and maintain the standard for charitable giving. This ensures our fundraising meets best practice as set out by the Regulator, and our supporters can be reassured that we are working to the highest standards.

We vigilantly adhere to regulation standards and General Data Protection Regulation (GDPR), both as a wider organisation, and in our fundraising practices. Our governance also extends to how we protect vulnerable people in the context of fundraising. Our Ethical Fundraising policy ensures fundraising at Toynbee Hall is done so fairly and recognises vulnerabilities, and ensures no undue pressure is placed on supporters.

To ensure a good supporter experience, we monitor fundraisers acting on our behalf. We provide guidelines, policies and dedicated support to fundraisers acting for us in communities. We ensure volunteers and interns acting on our behalf, in our office and within the community, represent our charity in the best way, by providing policies, guidelines and dedicated support. We do not use the services of external Professional Fundraising Organisations (PFOs) but we may employ freelancers from time to time for specific projects; they are paid on a day rate and do not receive commission, and we ensure that they also follow the Code of Fundraising Practice.

We aim for everyone to have a positive fundraising experience and are pleased to have received no fundraising complaints in the past year. When complaints arise, we follow Toynbee Hall's complaint procedure. If complaints are escalated to the Fundraising Regulator, we will follow their procedure for handling complaints.

Photo: Toynbee Hall staff with staff from pro bono partners Cleary Gottleib at the London Legal Walk.

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We continue to strive for excellence and monitor the number of complaints we have against communication touchpoints in our key performance indicators.

We are keen to hear from our supporters and understand what inspires them to tackle injustice and inequality. As we celebrate our 140th anniversary next year, we will carry out supporter surveys to give our supporters the opportunity to share their stories, let us know how they would like to stay in touch and learn more about what they want hear about.  We ensure supporters can clearly opt out of receiving communications and ensure our fundraisers are well trained in GDPR regulation, and on our policies and guidelines.

Looking forward, we will continue to increase our financial resilience, working with our supporters, to 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.  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.

Photo: Toynbee Hall team members at Cleary Gottleib offices to mark a new pro bono partnership.

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# 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.

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# 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 Board of Trustees comprises:

| | |
|---|---|
| Stephen Burns, Chair | appointed 23 March 2023 |
| Ali Hussein | appointed 21 April 2020, re-appointed 13 December 2023 |
| Husna Mortuza | appointed 21 February 2019, re-appointed 14 December 2022 |
| Laura Ratling | appointed 21 April 2020, re-appointed 13 December 2023 |
| Sam Thomas | appointed 21 April 2020, re-appointed 13 December 2023 |
| Yu-Shan Chiu | appointed 13 December 2023 |
| Alice Gac | appointed 13 December 2023 |
| Thomas Nowacki | appointed 13 December 2023 |
| Claire Collins | appointed 11 June 2024 |
| Liam Keogh | appointed 11 June 2024 |
| Ademola Olaleye | appointed 11 June 2024 |

The following Trustees have resigned from the Board since 31 March 2023:

Gemma Woznicki resigned 21 June 2023
Dee O'Connell resigned 13 March 2024
Maysam Rizvi resigned 20 March 2024
Tahera Rouf resigned 28 April 2024
Muna Yassin resigned 4 July 2024

We are grateful to them for their service.

The Board comprised 8 members at 31 March 2024 and the Board of Trustees appointed three additional members at the 11 June 2024 meeting following a successful recruitment process.

## Committees

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

Membership of the Committees is as follows:

### Finance and Fundraising Committee

| | |
|---|---|
| Ali Hussein | Chair |
| Stephen Burns | |
| Alice Gac | appointed May 2024 |
| Sarah Squires | co-opted member |

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**People Committee**

| | |
|---|---|
| Sam Thomas | Chair |
| Laura Ratling | |
| Naomi White | co-opted member appointed May 2024 |
| Tahera Rouf | resigned 13 March 2024 |

**Audit and Risk Committee**

| | |
|---|---|
| Ali Hussein | |
| Stephen Burns | |
| Naomi White | |
| Thomas Nowacki | appointed May 2024 |

## Senior Management Team

The Trustees delegate the day-to-day management of Toynbee Hall to the Chief Executive. Rebecca Sycamore joined as Chief Executive in April 2023. The Chief Executive is supported by the Senior Management Team.

The senior management team comprises:

| | |
|---|---|
| Ruth McGregor | Director of Finance |
| Matthew Dronfield | Managing Director DFA and Director of Advice Services |
| Katie Taylor | Head of Communities and Social Change (appointed January 2024) |
| Dot Calvert | Head of People (appointed September 2023) |
| Ben Campion | Head of Commercial and Operations |
| Lizzie Stevenson | Head of Fundraising (appointed May 2023) |

SMT members who left during the year:

| | |
|---|---|
| Mila Smith | Head of People |
| Xia Lin | Head of Research |

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 2024 the ratio of the CEO's pay to median FTE salary equates to 2.87:1 (2023 3:1); and of the CEO's pay to the lowest FTE salary was 4.18:1 (2023 4.6:1).

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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.

As mentioned in earlier sections, the new strategic plan sets out a key objective to:

Ensure that addressing systemic inequality and racial discrimination is a priority across our work and our organisation.

This is reflected in one of our priorities to deliver the strategic plan which sets out that we will embed our approach to diversity, inclusion, equity and do the work to become a genuinely anti-racist organisation.

Throughout this report, as we talk about the reach of our advice work, our participant research and how we work with colleagues we have identified areas of work which intend to increase equity and diversity. For example, 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.

Work undertaken in 2021 identified principles for Toynbee Hall to be an equitable and inclusive organisation, which include:

- Governance, systems, and structure which are transparent.
- A strategy that explicitly declares its commitment to equality and is supported by a plan to set out priorities and actions.
- A staff team who experiences the value the organisation places on equity and fairness in both what we do and how we do it, from recruitment through to leaving the organisation.
- Policies that reflect our values and that are clear, usable, and inclusive.
- External communications that are accessible and provide a platform for underrepresented voices.
- Internal communications that provide clarity, transparency, and safety to the whole staff team.
- Services and activity that are proactive in increasing equality and which are designed by / with those they are for.

Since many of our colleagues have joined Toynbee Hall since this work was undertaken, our intention is to spend some time in 2024 reviewing what these principles mean in our current context and what else needs to be a focus of our attention. We also know that we will be reviewing our approach to pay and reward during 2024 /25 to ensure this is transparent and equitable.

We continue to have a diverse organisation and Board of Trustees. However, there is a lack of ethnic diversity in our senior management team and we have acknowledged that this is not ideal. The SMT is committed to allyship and in working to ensure that Toynbee Hall is representative of our local community.

The work we will do in the next year will lead to the completion of a new equity, diversity and inclusion plan which includes our approach to becoming an anti-racist organisation.

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# 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 Audit and Risk Committee and 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.

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. | Work being undertaken to secure improved income from fundraising, contracts and commercial. |
| Insufficient free reserves inhibit investment in longer term strategy. | Cost increases not matched by increased funding resulting in a deficit which has reduced our reserves. | Budget to break even in next financial year. Costs tightly controlled. New funding sought to cover core costs or grants making a net contribution.. |
| Fundraising does not bring in expected income. | Increased competition for grants and funding and challenging targets in place. | New fundraising strategy developed Work to re-engage lapsed supporters under way. Utilising existing relationships and exploring commercial opportunities to diversify fundraised income streams. |
| Failure to comply with the law and/ or regulatory requirements of external bodies. | Included as a key risk due to volume or requirements and severity of impact of non-compliance | Policies and procedures in place, annual audits and ownership assigned for regulatory requirements, and regular staff training. |
| Disruption to IT systems leading to a reduced ability to deliver our programmes, services and operations. | Included as a key risk due to heightened threats and severity of impact. | Most activities delivered via cloud based applications / services - removing reliance on servers physical infrastructure. Multifactor Authentication in place across core systems. Cyber essentials certification and insurance / support in place. |

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

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# Trustees/Directors Indemnity Insurance

Toynbee Hall pays for Trustee indemnity insurance as permitted by the Charities Act 2006.

Such qualifying third-party indemnity insurance remains in force as of the date of approving the trustees' annual report.

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# 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 £227k (2023: £1,469k negative). This comprises:

- An operational deficit of £229k (2023: £428k);
- In 2023 there was a revaluation loss of £1,042k arising from a reduction in value of the Charity's investment properties. There has been no revaluation adjustment relating to investment properties in 2024. There was a £2k gain on investments relating to shares.

Income for the year was £7.77m compared to the previous year of £8.57m. This is primarily due to a reduction in income from the Money and Pensions Service ('MaPS') grant for Debt Free Advice.

Overall income has been reduced by £822k. Significant changes in income were as follows:

- Income from Debt Free Advice reduced due to the 9% reduction in funding for the new grant awarded during 2022/23 and which commenced in February 2023. This was partially offset by additional grants awarded in respect of debt modernisation, amounting to £506k. Overall the net reduction in income was £816k.
- Income for other advice services increased by £125k due to increased income from MacMillan and City of London.
- Our Wellbeing income (community activities including LINKAGE) was £47k lower than the prior year;
- Income from Education decreased by £54k
- Income from Financial Health increased by £33k due to the NILS project which has now come to an end (post year end)
- Estates income reduced by c.£25k
- Venue Hire income increased by £41k but there was a reduction in research income relating to trading resulting in an overall adverse variance of £30k
- Investment income remained constant as all four floors of the investment property; were fully let throughout the year.

The Debt Free Advice grant was renewed in 2023 for a reduced level of funding. There were additional grants awarded in the latter part of the year in respect of debt modernisation services.

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. However, due to increased income the overall deficit has reduced to £64k (2023: £193k).

Our Wellbeing services continued to run at a deficit but expenditure for the year was significantly reduced resulting in a reduced deficit of £49k for the year (2023: £133k).

Income for our Education services (which includes our Youth, Heritage and Research work) reduced slightly but costs were reduced significantly with the resulting in overall surplus for the year of £46k (2023: deficit £111k).

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Income for our Education services (which includes our Youth, Heritage and Research work) reduced slightly but costs were reduced significantly with the resulting in overall surplus for the year of £46k (2023: deficit £111k).

Our Financial Health activities during the year generated a full year's funding from the No Interest Loan Scheme (NILS) pilot which ran for the full financial year, although it has now finished. Other projects including the UK problem debt coalition have also come to an end. The overall deficit increased to £163k (2023: £155k deficit).

Our venue hire business, traded through the subsidiary Toynbee Hall Trading Limited, achieved income of £412k (2023: £371k) as business continued to improve despite various challenges. Overall after charges for Toynbee Hall the business made a deficit of £15k (2023: surplus £36k).

There has been no revaluation of our investment property by in 2023/24 following advice that the market remains stable.

The charity has £3.0m of long-term borrowings from CAF Bank Limited. During 2022 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 and other commercial 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 £12.44m (2023: £12.66m). Of this amount, £257k (2023 - £401k) represents restricted reserves. Of the balance of £12.18m (2023: £12.26m), £11.4m (2023: £11.48m) has been designated in respect of our properties. The remaining reserves of £0.78m (2023: £0.78m) 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 £670k (2023: £650k), 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 generating income from our estate, the increased interest rate 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 £11.4m (2023: £11.48m) have been designated for the fixed assets, leaving a £nil balance on the undesignated General Fund (2023: £nil).

With a realistic budget in place to return to a break even position in the 2024/25 financial year, and a future income strategy being developed for the medium term, 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.

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# 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 2024 was 8 (2023 - 9). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

## Auditor

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

The trustees' annual report which includes the strategic report has been approved by the trustees on 12 September 2024 and signed on their behalf by:

Signed by:
Stephen Burns
CE522FABC7914B2...

Name: Stephen Burns Position: Chair

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# 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 2024 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 2024, 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.

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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.

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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: 9 October 2024

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

For the year ended 31 March 2024

| | Note | Restricted Debt Free London £'000 | Restricted Other £'000 | Unrestricted £'000 | 2024 £'000 | 2023 £'000 |
|---|---|---|---|---|---|---|
| **Income from** | | | | | | |
| Donations and legacies | 3a | | 3 | 185 | **188** | 159 |
| Charitable activities | | | | | | |
| Advice | | 4,785 | 382 | 253 | **5,420** | 6,111 |
| Wellbeing | | - | 770 | - | **770** | 817 |
| Education | | - | 88 | - | **88** | 142 |
| Financial health | | - | 109 | 226 | **335** | 302 |
| Other activities | | | | | | |
| Estates income | | - | - | 81 | **81** | 106 |
| Trading income | | - | - | 410 | **410** | 440 |
| Investments | | | | | | |
| Dividends and interest received | | - | - | 2 | **2** | 6 |
| Rentals from investment property | | - | - | 437 | **437** | 440 |
| **Other Income** | | | | | | |
| Release of deferred lease premium | | - | - | 46 | **46** | 46 |
| **Total income** | | 4,785 | 1,352 | 1,640 | **7,777** | 8,569 |
| **Expenditure on** | | | | | | |
| Raising funds | | | | | | |
| Fundraising and publicity | | - | - | 229 | **229** | 168 |
| Costs of generating estates income | | - | | 43 | **43** | 49 |
| Costs of generating trading income | | - | - | 361 | **361** | 318 |
| Costs of generating investment incom | | - | - | 286 | **286** | 208 |
| Charitable activities | | | | | | |
| Advice | | 5,021 | 389 | 310 | **5,720** | 6,590 |
| Wellbeing | | - | 820 | | **820** | 950 |
| Education | | - | 42 | | **42** | 253 |
| Financial health | | - | 217 | 281 | **498** | 457 |
| Provision of accommodation | | - | - | 3 | **3** | 4 |
| **Total expenditure** | 4 | 5,021 | 1,468 | 1,513 | **8,002** | 8,997 |
| **Net income / (expenditure) before net gains / (losses) on investments** | | (236) | (116) | 127 | **(225)** | (428) |
| Net gains/ (losses) on investments | 11,12 | - | - | 2 | **2** | (1,041) |
| **Net income / (expenditure) for the year** | 5 | (236) | (116) | 129 | **(223)** | (1,469) |
| Transfers between funds | 19 | 125 | 83 | (208) | **-** | - |
| **Net movement in funds** | | (111) | (33) | (79) | **(223)** | (1,469) |
| **Reconciliation of funds** | | | | | | |
| Total funds brought forward | | 259 | 140 | 12,260 | **12,659** | 14,128 |
| **Total funds carried forward** | 19 | 148 | 107 | 12,181 | **12,436** | 12,659 |

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

The notes on pages 36 to 50 form part of these financial statements.

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## Balance sheets

As of 31 March 2024 — Company no. 00020080

| | Note | The group 2024 £'000 | The group 2023 £'000 | The charity 2024 £'000 | The charity 2023 £'000 |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 10 | **9,098** | 9,091 | **9,093** | 9,082 |
| Investment properties | 11 | **6,225** | 6,225 | **6,225** | 6,225 |
| Investments | 12 | **24** | 22 | **24** | 22 |
| | | **15,347** | 15,338 | **15,342** | 15,329 |
| **Current assets** | | | | | |
| Debtors | 14 | **525** | 1,391 | **491** | 1,380 |
| Short term cash deposits | | | | | |
| Cash at bank and in hand | | **865** | 744 | **853** | 692 |
| | | **1,390** | 2,135 | **1,344** | 2,072 |
| **Liabilities** | | | | | |
| Creditors: amounts falling due within one year | 15 | **(874)** | (1,286) | **(784)** | (1,190) |
| **Net current assets** | | **516** | 849 | **560** | 882 |
| **Total assets less current liabilities** | | **15,863** | 16,187 | **15,902** | 16,211 |
| Creditors: amounts falling due after one year | 17 | **(3,427)** | (3,528) | **(3,427)** | (3,528) |
| **Net assets** | 19 | **12,436** | 12,659 | **12,475** | 12,683 |
| **Funds** | | | | | |
| Restricted funds | | | | | |
| Debt Free Advice | | **148** | 259 | **148** | 259 |
| Other funds | | **109** | 142 | **109** | 142 |
| Total restricted funds | | **257** | 401 | **257** | 401 |
| Unrestricted funds: | | | | | |
| Designated funds | | **11,395** | 11,476 | **11,434** | 11,500 |
| General funds | | | | | - |
| Fair value reserve | | **784** | 782 | **784** | 782 |
| Total unrestricted funds | | **12,179** | 12,258 | **12,218** | 12,282 |
| **Total funds** | 19 | **12,436** | 12,659 | **12,475** | 12,683 |

As permitted by Section 408 of the Companies Act 2006, the Statement of Financial Activities and Income and Expenditure Account of the Parent Charitable Company have not been presented as part of these financial statements. The gross income of the parent charitable company was £7,327k (2023: £8,265k) and deficit of £212k (2023: deficit of £1,511k).

Approved by the trustees and authorised for issue on 12 September 2024 and signed on their behalf by

Signed by:
Stephen Burns
CE522FABC7914B2...

Stephen Burns
Chair

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## Consolidated Statement of cash flows

For the year ended 31 March 2024

| | Note | 2024 | | 2023 | |
|---|---|---|---|---|---|
| | | £'000 | £'000 | £'000 | £'000 |
| **Net cash used in operating activities** | 21 | | **222** | | (893) |
| **Cash flows from investing activities** | | | | | |
| Dividends, interest and rents from investments | | 439 | | 446 | |
| Purchase of fixed assets | | (276) | | (42) | |
| **Net cash provided by / (used in) investing activities** | | | **163** | | 404 |
| **Cash flows from financing activities** | | | | | |
| Loan repayments | | (57) | | (75) | |
| Loan interest paid | | (207) | | (151) | |
| **Net cash (used in)/ provided by financing activities** | | | (264) | | (226) |
| **Change in cash and cash equivalents in the year** | | | 121 | | (715) |
| Cash and cash equivalents at the beginning of the | | | 744 | | 1,459 |
| **Cash and cash equivalents at the end of the year** | 22 | | 865 | | 744 |

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Notes to the financial statements

For the year ended 31 March 2024

## 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. The financial statements are presented in UK Sterling, which is the Charity's functional currency, and rounded to the nearest thousand pounds.

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 30 September 2025 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.

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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.

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 simiar 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.

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- Advice 73.9%
- Wellbeing 6.5%
- Education 1.2%
- Financial health 11.6%
- Fundraising 4.0%
- Toynbee Hall Trading Limited 2.8%

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

k) Operating leases

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

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

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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.

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

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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 was impacted by cost of capital and returns on other investments, leading to a reduction in value of c15%, the value of the investment property was reduced to £5.9m as at 31 March 2023.

Following advice this valuation remains unchanged at 31 March 2024.

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Notes to the financial statements (continued)

For the year ended 31 March 2024

## Detailed comparatives for the consolidated statement of financial activities

For the year ended 31 March 2023

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

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Notes to the financial statements (continued)

For the year ended 31 March 2024

## 3 Income

| | Restricted £'000 | Unrestricted £'000 | 2024 Total £'000 |
|---|---|---|---|
| a) Donations and legacies | | | |
| Trust and foundation grants | - | 124 | 124 |
| Other donations | 3 | 41 | 44 |
| DWP grants | - | 1 | 1 |
| Donated services | | 19 | 19 |
| | 3 | 185 | 188 |

**Detailed comparatives for income**

For the year ended 31 March 2023

| | Restricted £'000 | Unrestricted £'000 | 2023 Total £'000 |
|---|---|---|---|
| Donations and legacies | | | |
| Trust and foundation grants | - | 71 | 71 |
| Other donations | 3 | 68 | 71 |
| Donated services | - | 17 | 17 |
| | 3 | 156 | 159 |

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 as well as advice on property agreements. During 2023/24 the fair value of donated services from that firm is £19,315 (2022/23: £17,255) 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.

**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 | Received in year | Purpose |
|---|---|---|---|
| | £'000 | £'000 | |
| London Borough Tower Hamlets | 93 | 47 | Deliver cultural programme in conjunction with the local community and Cultural Consortium |
| London Borough Tower Hamlets | 90 | 40 | 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 | 2024 £'000 | 2023 £'000 |
|---|---|---|---|
| London Borough Tower Hamlets | Mayors fund | 17 | 15 |
| London Borough Tower Hamlets | LinkAge Plus | 643 | 643 |
| London Borough Tower Hamlets | Research & Pilots | 11 | |
| London Borough Tower Hamlets | Wellbeing Centre | 24 | 41 |
| London Borough Tower Hamlets | Wellbeing Centre - Warm Bank | - | 55 |
| London Borough Tower Hamlets | Heritage Activity Plan | - | 21 |
| London Borough Tower Hamlets | Heritage Action Zone | 87 | 38 |
| Greater London Authority | Debt Free Advice | - | 145 |
| City of London Corporation | City Advice | 214 | 200 |
| Department for Work and Pensions | Youth - Kickstart | - | 16 |

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## Notes to the financial statements (continued)

## For the year ended 31 March 2024

### 4 Analysis of expenditure

| | Staff costs (note 6) £'000 | Direct costs £'000 | Reallocation of support and governance costs £'000 | 2024 Total £'000 | 2023 Total £'000 |
|---|---|---|---|---|---|
| Fundraising and publicity | 143 | 29 | 57 | **229** | 168 |
| Costs of generating estates income | - | 43 | - | **43** | 49 |
| Costs of generating trading income | 100 | 221 | 40 | **361** | 318 |
| Costs of generating investment income | - | 286 | | **286** | 208 |
| Charitable activities | | | | | |
| Advice | 1,931 | 2,743 | 1,046 | **5,720** | 6,590 |
| Wellbeing | 165 | 563 | 92 | **820** | 950 |
| Education | 12 | 13 | 17 | **42** | 253 |
| Financial health | 287 | 47 | 164 | **498** | 457 |
| Provision of accommodation | - | 3 | - | **3** | 4 |
| | 2,638 | 3,948 | 1,416 | **8,002** | 8,997 |
| Support costs | 351 | 870 | (1,221) | **-** | |
| Governance costs | 165 | 30 | (195) | **-** | |
| **Total expenditure 2024** | **3,154** | **4,848** | **-** | **8,002** | |

**Detailed comparatives for the analysis of expenditure**

For the year ended 31 March 2023

| | Staff costs (note 6) £'000 | Direct costs £'000 | Reallocation of support and governance costs £'000 | 2,023 £'000 |
|---|---|---|---|---|
| Fundraising and publicity | 86 | 46 | 36 | **168** |
| Costs of generating estates income | - | 49 | - | **49** |
| Costs of generating trading income | 97 | 189 | 32 | **318** |
| Costs of generating investment income | - | 208 | | **208** |
| Charitable activities | | | | |
| Advice | 2,286 | 3,174 | 1,130 | **6,590** |
| Wellbeing | 314 | 509 | 127 | **950** |
| Education | 156 | 38 | 59 | **253** |
| Financial Health | 237 | 127 | 93 | **457** |
| Provision of accommodation | - | 4 | - | **4** |
| | 3,176 | 4,344 | 1,477 | **8,997** |
| Support costs | 391 | 888 | (1,279) | **-** |
| Governance costs | 158 | 40 | (198) | **-** |
| **Total expenditure 2023** | **3,725** | **5,272** | **-** | **8,997** |

**Analysis of support costs**

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Finance & Administration | 277 | 321 |
| IT Systems | 142 | 170 |
| Human Resources | 95 | 127 |
| Corp Communications | 40 | 41 |
| Estate costs | 667 | 620 |
| | 1,221 | 1,279 |

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## Notes to the financial statements (continued)

## For the year ended 31 March 2024

### 5 Net income / (expenditure) for the year

This is stated after charging:

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Depreciation | 260 | 268 |
| Interest payable | 207 | 151 |
| Provision for bad debts | - | 22 |
| Operating lease rentals expense | 15 | 61 |
| Auditor's remuneration: audit fees | | |
| Toynbee Hall | 25 | 24 |
| Toynbee Hall Trading Limited | 5 | 5 |
| Auditor's remuneration: non-audit fees | | |
| Toynbee Hall | 2 | 1 |
| Toynbee Hall Trading Limited | 1 | 1 |

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

Staff costs were as follows:

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Salaries and wages | 2,771 | 3,121 |
| Social security costs | 281 | 340 |
| Employer's contribution to defined | 101 | 120 |
| Redundancy and termination costs | 1 | 144 |
| | 3,154 | 3,725 |

[OR]

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

| | 2024 No. | 2023 No. |
|---|---|---|
| £60,000 - £69,999 | 1 | 2 |
| £70,000 - £79,999 | 2 | - |
| £100,000 - £109,999 | 1 | 1 |

The total employee benefits, including employer's NI and pension contributions, of the key management personnel were £544k (2023: £327k).
During the year, the Key Management Personnel comprised the Chief Executive, Director of Finance, Managing Director of DFA/Director of Advice Services, Head of People, Head of Communities and Social Change,Head of Operations and Commercial, and Head of Fundraising.

| | Service Period as key management personnel | Gross Pay £'000 | Employer Pension £'000 | Total £'000 |
|---|---|---|---|---|
| CEO | April 2023 to March 2024 | 100 | 3 | 103 |
| Director of Finance | April 2023 to March 2024 | 64 | 3 | 67 |
| Head of DFA & Advice | April 2023 to March 2024 | 79 | 3 | 82 |
| Head of Research | April 2023 to October 2023 | 41 | 4 | 45 |
| Head of Communities and Social change | January 2024 to March 2024 | 14 | | 14 |
| Head of HR | April 2023 to June 2023 | 13 | 1 | 14 |
| Head of HR | September 2023 to March 2024 | 33 | 1 | 34 |
| Head of Fundraising | May 2023 to March 2024 | 52 | 2 | 54 |
| Head of Commercial and Operations* | April 2023 to March 2024 | 71 | 3 | 74 |

*jointly employed by Toynbee Hall Trading

Trustees did not receive any remuneration or any other benefits for the current or prior year. No Trusteees received any expenses during the year (2023:1 Trustee £84).

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## Notes to the financial statements (continued)

## For the year ended 31 March 2024

### 7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 89 (2023: 93).
The average monthly number of employees (full-time equivalent) during the year was as follows:

| | 2024 No. | 2023 No. |
|---|---|---|
| Fundraising and publicity | 3 | 2 |
| Advice | 50 | 60 |
| Wellbeing | 4 | 7 |
| Education | 1 | 3 |
| Financial health | 8 | 5 |
| Estates | 3 | 2 |
| Support costs | 7 | 7 |
| Toynbee Hall Trading Limited | 2 | 2 |
| | 78 | 88 |

### 8 Related party transactions

During the year the Charity charged £100k (2023:£100k) 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 £68k (2023: £31k) mainly in respect of shared costs. Toynbee Hall Trading Limited invoiced £91k (2023: £24k) to the Charity for the provision of staff and venue hire in the year.

Our former 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 £203k (2023: 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 £55k (2023:£51k) to Peabody during the year. There was no balance outstanding to either of these related parties at the end of the financial year.
Aggregate donations to the Charity from related parties for 2024 were £850 (2023: £9,050). There were no other related party transactions for 2024 (2023: 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 | 7,618 | 1,280 | 1,285 | **10,183** |
| Additions in year | - | 276 | - | **276** |
| Disposals in year | - | (7) | - | **(7)** |
| Adjustments in year | (2) | - | - | **(2)** |
| At the end of the year | 7,616 | 1,549 | 1,285 | **10,450** |
| **Depreciation** | | | | |
| At the start of the year | 140 | 568 | 384 | **1,092** |
| Charge for the year | 35 | 139 | 86 | **260** |
| At the end of the year | 175 | 707 | 470 | **1,352** |
| **Net book value** | | | | |
| At the end of the year | 7,441 | 842 | 815 | **9,098** |
| At the start of the year | 7,478 | 712 | 901 | 9,091 |

**The Charity**

| | Freehold land & buildings £'000 | Fixtures, fittings & equipment £'000 | Plant & machinery £'000 | Total £'000 |
|---|---|---|---|---|
| **Cost** | | | | |
| At the start of the year | 7,618 | 1,233 | 1,285 | **10,136** |
| Additions in year | - | 275 | - | **275** |
| Disposals in year | - | (7) | - | **(7)** |
| Adjustments in year | (2) | - | - | **(2)** |
| At the end of the year | 7,616 | 1,501 | 1,285 | 10,402 |
| **Depreciation** | | | | |
| At the start of the year | 140 | 531 | 383 | **1,054** |
| Charge for the year | 35 | 133 | 87 | **255** |
| At the end of the year | 175 | 664 | 470 | **1,309** |
| **Net book value** | | | | |
| At the end of the year | 7,441 | 837 | 815 | **9,093** |
| At the start of the year | 7,478 | 702 | 902 | 9,082 |

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## Notes to the financial statements (continued)

## For the year ended 31 March 2024

### 11 Investment properties

| | The group | | The charity | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Fair value at the start of the year | **6,225** | 7,268 | **6,225** | 7,268 |
| Additions in year | **-** | - | **-** | - |
| Revaluation during the year | **-** | (1,043) | **-** | (1,043) |
| Fair value at the end of the year | **6,225** | 6,225 | **6,225** | 6,225 |

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 (2023: £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 sought advice concerning this valuation, with regard to the state of the market as at 31 March 2024. They have concluded that there is no further movement since the 15% reducction of the valuation in 2023 and the valuation at 31 March 2024 is £5.9m (2023 - £5.9m). There were no additional costs of construction in the current year.

### 12 Listed investments

| | The group | | The charity | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Fair value at the start of the year | **22** | 22 | **22** | 22 |
| Net gain on change in fair value | 2 | - | 2 | - |
| Fair value at the end of the year | **24** | 22 | **24** | 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:

| | **2024** | 2023 |
|---|---|---|
| | **£'000** | £'000 |
| Turnover | **446** | 463 |
| Cost of sales | **(361)** | (327) |
| Gross profit | **85** | 136 |
| Administrative expenses | **(100)** | (94) |
| Profit / (loss) for the financial year | **(15)** | 42 |
| The aggregate of the assets, liabilities and funds was: | | |
| Assets | **124** | 116 |
| Liabilities | **(163)** | (140) |
| Funds | **(39)** | (24) |

### 14 Debtors

| | The group | | The charity | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Trade debtors | **371** | 551 | **271** | 268 |
| Prepayments and accrued Income | **152** | 604 | **144** | 1,068 |
| Amounts due from subsidiary | | - | **74** | 43 |
| Intercompany loan | | - | **-** | - |
| Other debtors | **2** | 1 | **2** | 1 |
| | **525** | 1,156 | **491** | 1,380 |

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## Notes to the financial statements (continued)

## For the year ended 31 March 2024

### 15 Creditors: amounts falling due within one year

| | The group | | The charity | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | £'000 | £'000 | £'000 | £'000 |
| Bank loan | 60 | 56 | 60 | 56 |
| Trade creditors | 245 | 514 | 229 | 494 |
| Accrued expenditure | 197 | 319 | 185 | 315 |
| Taxation and social security | 120 | 163 | 114 | 151 |
| Deferred income | 208 | 185 | 153 | 126 |
| Other creditors | 44 | 49 | 43 | 48 |
| | 874 | 1,286 | 784 | 1,190 |

### 16 Deferred income

| | The group | | The charity | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | £'000 | £'000 | £'000 | £'000 |
| Balance at the beginning of the year | 867 | 1,095 | 806 | 1,034 |
| Amount released to income in the year | (186) | (367) | (125) | (308) |
| Amount deferred in the year | 162 | 139 | 107 | 80 |
| Balance at the end of the year | 843 | 867 | 788 | 806 |

| | The group | | The charity | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | £'000 | £'000 | £'000 | £'000 |
| Less than one year | 208 | 186 | 153 | 126 |
| Greater than one year | 635 | 681 | 635 | 681 |
| | 843 | 867 | 788 | 807 |

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 2024, of the total balance of £1,095k (2023: £1,095k), £681k is in respect of the deferred income on the lease premium (2023: £727k).

### 17 Creditors: amounts falling due after one year

| | The group | | The charity | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | £'000 | £'000 | £'000 | £'000 |
| Deferred income (Note 16) | 635 | 681 | 635 | 681 |
| Tenant deposits for 28 CS | 208 | 208 | 208 | 208 |
| Bank loans | | | | |
| - amount falling due between one and two years | 65 | 60 | 65 | 60 |
| - amount falling due between two and five years | 250 | 314 | 250 | 314 |
| - more than five years | 2,269 | 2,265 | 2,269 | 2,265 |
| | 3,427 | 3,528 | 3,427 | 3,528 |

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% |

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## Notes to the financial statements (continued)

## For the year ended 31 March 2024

### 18 Analysis of group net assets between funds

As at 31 March 2024

| | Restricted funds £'000 | Designated funds £'000 | General funds £'000 | Fair value reserve £'000 | Total funds £'000 |
|---|---|---|---|---|---|
| Tangible fixed assets | - | 8,518 | 580 | - | 9,098 |
| Investment properties | - | 5,466 | - | 759 | 6,225 |
| Investments | - | (1) | - | 25 | 24 |
| Net current assets | 257 | - | 259 | - | 516 |
| Long term liabilities | - | (2,588) | (839) | - | (3,427) |
| **Net assets at 31 March 2024** | **257** | **11,395** | **-** | **784** | **12,436** |

As at 31 March 2023

| | Restricted funds £'000 | Designated funds £'000 | General funds £'000 | Fair value reserve £'000 | Total funds £'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** |

### 19 Movements in funds

| | At the start of the year £'000 | Income £'000 | Expenditure £'000 | Transfer of fundraising cost £'000 | Other transfers £'000 | At the end of the year £'000 |
|---|---|---|---|---|---|---|
| **Restricted funds:** | | | | | | |
| Financial health (including donated services) | 65 | 109 | (217) | - | 68 | 25 |
| Education | 1 | 88 | (42) | - | (46) | 1 |
| Advice (excluding Debt Free London) | | 382 | (389) | - | 6 | (1) |
| Wellbeing | 28 | 770 | (820) | - | 55 | 33 |
| Wilson Memorial Fund | 48 | 3 | | - | | 51 |
| | 142 | 1,352 | (1,468) | - | 83 | 109 |
| Debt Free Advice | 259 | 4,785 | (5,021) | - | 125 | 148 |
| **Total restricted funds** | 401 | 6,137 | (6,489) | - | 208 | 257 |
| **Unrestricted funds:** | | | | | | |
| Designated fund: Property Fund | 11,477 | - | - | - | (82) | 11,395 |
| Fair value reserve | 782 | 2 | - | - | | 784 |
| General funds | (1) | 1,640 | (1,513) | | (126) | - |
| **Total unrestricted funds** | 12,258 | 1,642 | (1,513) | - | (208) | 12,179 |
| **Total funds** | 12,659 | 7,779 | (8,002) | - | - | 12,436 |

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 £208k

**Detailed comparatives for the movements in funds - for the year ended 31 March 2023**

| | At the start of the year £'000 | Income £'000 | Expenditure £'000 | Transfer of fundraising cost £'000 | Other transfers £'000 | At the end of the year £'000 |
|---|---|---|---|---|---|---|
| **Restricted funds:** | | | | | | |
| Financial health (including donated services) | 72 | 192 | (410) | - | 211 | 65 |
| Education | 30 | 142 | (253) | - | 82 | 1 |
| Advice (excluding Debt Free Advice) | | 281 | (410) | - | 129 | |
| Wellbeing | 37 | 817 | (950) | | 124 | 28 |
| Wilson Memorial Fund | 45 | 3 | - | - | - | 48 |
| | 184 | 1,435 | (2,023) | | 546 | 142 |
| Debt Free Advice (formerly Debt Free | 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 | 7,526 | (8,997) | - | - | 12,659 |

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## Notes to the financial statements (continued)

## For the year ended 31 March 2024

**Purposes of restricted funds:**

**Financial health**
Funds for activities to improve financial health, including training services and research. The Emotional support for young people project has also been included under this heading.

**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**
Whist 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.

**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.

**Purposes of designated fund**
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.

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

**Fair value reserve**
This is a revalution reserve for the unrealised gain on the investments and investment properties

20 **Reconciliation of net income to net cash flow from operating activities**

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| **Net income/ (expenditure) for the reporting period** | **(223)** | (1,469) |
| Depreciation charges | **260** | 268 |
| Losses / (gains) on investments | **(2)** | 1,043 |
| Dividends, interest and rent from investments | **(439)** | (446) |
| Amortisation of bank loan fees | **5** | 5 |
| Interest payable | **207** | 151 |
| Decrease / (increase) in debtors | **631** | (235) |
| (Decrease) / increase in creditors | **(216)** | (210) |
| **Net cash used in operating activities** | **223** | (893) |

21 Analysis of cash and cash equivalents

| | At 1 April 2023 | Cash flows | At 31 March |
|---|---|---|---|
| | £'000 | £'000 | **£'000** |
| Cash at bank and in hand | 744 | 121 | **865** |
| **Total cash and cash equivalents** | 744 | 121 | **865** |

22 Analysis of changes in net debt

| | At 1 April 2023 | Cash flows | Other non-cash | At 31 March 2024 |
|---|---|---|---|---|
| | £ | £ | £ | **£** |
| **Cash and cash equivalents** | | | | |
| Cash | 744 | 121 | - | **865** |
| Cash equivalents | - | - | - | - |
| | 744 | 121 | | **865** |
| **Borrowings** | | | | |
| Loan falling due within one year | (56) | (4) | | **(60)** |
| Loan falling due after more than one year | (2,640) | 67 | (9) | **(2,582)** |
| | (2,696) | 63 | (9) | **(2,642)** |
| **Total** | (1,952) | 184 | (9) | **(1,777)** |

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## Notes to the financial statements (continued)

## For the year ended 31 March 2024

### 23 Operating lease commitments

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

| | Equipment | |
|---|---|---|
| | 2024 £'000 | 2023 £'000 |
| Less than one year | 3 | 15 |
| One to five years | 1 | 3 |
| | 4 | 18 |

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

| | Investment property | |
|---|---|---|
| | 2024 £'000 | 2023 £'000 |
| Less than one year | 450 | 503 |
| One to five years | 230 | 670 |
| | 680 | 1,173 |

### 24 Post balance sheet events

There were no post balance sheet events.

### 25 Legal status of the charity

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

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# 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 | (retired as Trustee 13 December 2023) |
| Laura Ratling | |
| Maysam Rizvi | (retired as Trustee 13 December 2023) |
| Tahera Rouf | (retired as Trustee on 21 June 2023) |
| Sam Thomas | |
| Gemma Woznicki | (retired as Trustee on 21 June 2023) |
| Muna Yassin | (retired as Trustee on 13 March 2024) |
| | |
| Yu-Shan Chiu | appointed 13 December 2023 |
| Alice Gac | appointed 13 December 2023 |
| Thomas Nowacki | appointed 13 December 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

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# Help us create a fairer and happier East London

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Company Number. 00020080 England & Wales

Toynbee Hall
For a fairer future since 1884

**TOYNBEE HALL**

England & Wales - Charity number 211850

# Accounts

# 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.

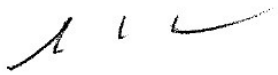
Our community services continue to be designed and delivered with local residents and people with lived experience of exclusion and inequality.

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.

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

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.

## 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 Commnunity 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 Campion | 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 are 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 |
|---|---|---|
| Poor staff morale leading to staff turnover and inability to deliver services | 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. | 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. |

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

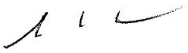
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

**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**

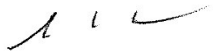
**As at 31 March 2023**

Company no. 00020080

| | Note | The group 2023 £'000 | The group 2022 £'000 | The charity 2023 £'000 | The charity 2022 £'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 Purchase of | | **446** | | 441 | |
| 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 Change** | | | **(226)** | | (175) |
| **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 simiar 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) Donations and legacies | | | |
| 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

| | Restricted £'000 | Unrestricted £'000 | **2022 Total £'000** |
|---|---|---|---|
| Donations and legacies | | | |
| 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 |

## 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 |
| | **3,725** | 3,954 |

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 |

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 |

*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** | 2022 | **2023** | 2022 |
| | **£'000** | £'000 | **£'000** | £'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** | 2022 | **2023** | 2022 |
| | **£'000** | £'000 | **£'000** | £'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** | 2022 |
|---|---|---|
| | **£'000** | £'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** | 2022 | **2023** | 2022 |
| | **£'000** | £'000 | **£'000** | £'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** | 2022 | **2023** | 2022 |
| | **£'000** | £'000 | **£'000** | £'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** | 2022 | **2023** | 2022 |
| | **£'000** | £'000 | **£'000** | £'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** | 2022 | **2023** | 2022 |
| | **£'000** | £'000 | **£'000** | £'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** | 2022 | **2023** | 2022 |
| | **£'000** | £'000 | **£'000** | £'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 £'000 | Designated funds £'000 | General funds £'000 | Fair value reserve £'000 | **Total funds £'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 £'000 | Designated funds £'000 | General funds £'000 | Fair value reserve £'000 | **Total funds £'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 £'000 | Income £'000 | Expenditure £'000 | Transfer of fundraising cost £'000 | Other transfers £'000 | **At the end of the year £'000** |
|---|---|---|---|---|---|---|
| **Restricted funds:** | | | | | | |
| Financial health (including donated services) | 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**

Whist 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 |
| | **1,173** | 1,329 |

**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

Toynbee Hall
28 Commercial Street
London, E1 6LS
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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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**TOYNBEE HALL**

England & Wales - Charity number 211850

# Accounts

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# Annual report and accounts for the year ended 31 March 2022

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 was primarily one of transition; the UK emerged in fits and starts from the lockdowns of the global Covid-19 pandemic and headed towards the current cost of living crisis, Toynbee Hall's Chair, Julian Corner, and Chief Executive, Jim Minton, both left us and their roles passed to new incumbents, and the staff team continued their progressive work towards ever greater power-sharing with the communities we work alongside. And yet, underneath these obvious changes, Toynbee Hall's charitable objectives remain constant: to prevent or relieve poverty or financial hardship through providing services and conducting research, to promote social inclusion, to advance education, and to promote the conservation of Toynbee Hall for the benefit of the public.

In these pages you will find all of these objectives represented, from our frontline service delivery in our neighbourhood and across London, to our participatory action research and policy influencing, to our venue hire activity and our action to increase our diversity. Our advice team supported 4,536 East Londoners on issues as diverse as immigration, housing and welfare benefits, securing significantly better outcomes for the people we exist to support; for every £1 invested in our specialist welfare benefits service, we put more than £16 back in the pockets of people seeking advice. The Debt Free London team helped an additional 17,000 Londoners deal with their debt worries, including through our Debt-buster touring bus which took the offer of free, high quality debt advice directly into communities with limited access to services.

Our youth programme gained accredited status for a curriculum that was inspired by and created with young people, and we trebled the number of young people we supported, including two satellite groups specifically for young people with lived experience of being either looked after children or young carers. Through his role as co-chair for one of the London Recovery Missions, a Robust Safety Net, our out-going Chief Executive championed the voices and views of East Londoners on shaping the way that London will be in the future. Our peer researchers informed the Greater London Authority's strategy on adult education to develop a Skills Roadmap for London and supported Debt Free London to co-design more empowering and accessible advice services, and we continued our partnership with Thrive LDN and the Greater London Authority, co-designing with young people a number of mental health support offers for young Londoners. Finally, and perhaps most importantly for our commitment to equality, diversity and inclusion, I am proud to be the first person of colour to hold the title of chair in Toynbee Hall's history. Our recruitment policies and processes now place accessibility and inclusion at their heart, and our recruitment data shows a visible increase in applications from Bangladeshi and Asian women, who are often the most excluded from the employment market. As incoming Chair, I am grateful to my predecessor and trustee colleagues for honouring their commitments to increased diversity, and for their continued and tangible support for greater power-sharing with the local community.

I take over the role of Chair from Julian Corner, who served as Chair for seven years, steering the organisation skilfully through the governance complexities of the redevelopment of this beautiful yet challenging heritage building and its estate, and supporting Toynbee Hall's journey towards being a welcoming and enabling space where community can step into their power and use their insight and voice to create lasting change. I am particularly grateful to Julian for his careful and thoughtful dedication to the role, and for leaving me an organisation built around our values, full of passion and vision for creating a fairer and happier society.

For us and our colleagues across the third sector, this year of external transition has brought its own challenges; uncertainty around the development of the Covid-19 virus and its impact on society made planning both our own delivery and supporting partners and community stakeholders in their aims unpredictable and at times precarious. The funding environment has also been unpredictable, as many funders paused key grant programmes as they review their funding aims post-Covid-19. And staff and community resilience have been severely tested, as the physical and mental impact of the pandemic combined with rising cost of living pressures created additional demand for crisis support from a tired and stretched staff team. As the cost-of-living crisis continues to worsen, we know that the coming year will present even greater challenges for us and local residents. For an organisation like Toynbee Hall, both a community hub and a systems-change influencer, such challenges necessarily require us to review our own allocation of finite resources to ensure we are clearly and effectively focussing on where we can make the greatest impact with our available assets.

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For that reason we are deeply grateful to Jim Minton, our out-going CEO, for his leadership of Toynbee Hall. Jim arrived at Toynbee Hall as the charity was still in temporary accommodation awaiting the completion of the estate's redevelopment. His job was to bring the charity back to its historic home and renew its vision and mission as a place-based agent of participatory change. Despite the unexpected additional challenge of steering the organisation safely through the pandemic, on Jim's watch we have shifted significantly from being a service delivery community hub to championing co-design and co-production in partnership with the communities we work alongside.

Our community services are now jointly decided and designed with local residents and people with lived experience of exclusion and inequality, and our participatory action research and policy influencing programme ensures that marginalised groups have the opportunity to speak directly about the issues they care about to people with the power to make change happen. Our venue hire and events business is thriving, with most clients choosing us because of our social reform-centred mission and values. And our team – at both board and staff levels – is increasingly representative of the communities we exist to serve. At Toynbee Hall, we can genuinely say we are building back better, and we owe a huge debt to Jim for his visionary leadership and his ability to create a safe space in which his team could weather the storms brought by the pandemic.

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. As Chair, I am particularly grateful to the staff team and my fellow trustees, who have been so welcoming and helped me get to know this vibrant and multifaceted organisation. Finally, we are deeply grateful to the many funders and partner organisations with whom we collaborate, and who have encouraged us to grow and broaden our vision of lived experience-led local and national change, even when progress has been difficult and without guarantees of success. We know that our ability to survive the coming challenges is to a great part dependent on your continued support, and so, as incoming Chair, I am especially thankful for your continued support and trust as we navigate the coming year.

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Stephen Burns
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Stephen Burns

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# Strategic Report

## Introduction

The formal financial period covered by this report is from April 2021 to end of March 2022. However, the outgoing Chief Executive, Jim Minton, who has led Toynbee Hall so well for the past five years, left us at the end of July 2022 and our narrative therefore covers some activities beyond the end of the financial year, as it made sense for this report to cover the period up until Jim's departure. Some of the data and pictures therefore relate to activities that took place after the financial reporting period covered.

For nearly 140 years, we have been seeking to eliminate the harm and causes of poverty and yet, as a result of extraordinary global events, new challenges mean that our organisation is as needed today as it has ever been. Having supported the communities we work alongside through the worst of the Covid-19 pandemic, including the disproportionate impact on low-income and diverse communities arising from systemic inequality, we are now witnessing those same communities confronted with an impossible cost of living crisis caused by global events out of their control.

Our founders, Henrietta and Samuel Barnett, believed that witnessing systemic inequality and understanding its causes was central to being able to solve it. Today, we are working hard to find effective solutions to inequality by obtaining the input of those who directly experience it. The past year has seen our participatory research and policy work expand to cover issues such as a just transition to net zero, the need for a social energy tariff, and effective solutions to protect access to cash, as we have brought people with lived experience of exclusion and inequality together with policymakers, to share their research findings and proposals for effective change. And our frontline advice and community services are increasingly decided on and led by local residents and others who use our space and support. This report shows that our journey towards shifting power and putting our assets to work in the hands of local communities is well underway.

But with individual and community resources already depleted by the pandemic, many Londoners are facing tough choices needing far greater support. The number of Londoners seeking debt advice is rising fast, and our community garden continues to host a food bank and even provides access to water for local residents who cannot afford rising utility bills. That is why organisations like Toynbee Hall, steadfast, enduring community anchors which can adapt to new needs and emerging crises, are so essential in supporting communities to survive external shocks.

Over the past few months we have already begun to mobilise our resources to meet this new crisis, working with old and new partners to build support services to help the community cope with rising debt, food and fuel poverty, homelessness and social isolation. We do not have enough answers yet, not least because what people actually need is beyond our control; living incomes, affordable and secure housing, access to affordable, healthy food, healthcare they trust and can access even when they are working shifts or caring for family, and their human rights respected. So while we will work hard to provide access to emergency support and a safe place to come to for help , we will also continue to press for social reform, in equal partnership with the communities we work alongside.

The coming months of hardship ahead will require our best work yet, supporting people to get the right help at the point of crisis, and working collaboratively with communities, partners and policy-makers to co-design sustainable solutions to enable people to survive this new crisis. We acknowledge and are grateful for the hundreds of community and crisis support organisations and community groups we work alongside, all aiming to support local people and help them thrive. And yet we know that funding is scarce, as demand for services – and funding for those services – is increasing across the sector at a time when Covid-19 has depleted so many Trusts and Foundation balances. So we are deeply grateful to all our supporters; with your help we have been able to continue our work of building a fairer and happier future for all.

The following pages cover some of how during the year under review, with your support, we have been able to make progress against our 3 strategic ambitions.

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# Supporting a fairer and happier local community

*Our ambition is that local residents and community members value Toynbee Hall as a place of community sharing and celebration, family support, social reform and personal growth. People from all parts of the community should feel welcome here, and know that their views, ideas and experiences are valued as essential drivers of social and economic reform. People should be able to access a wide range of information, advice, support and development services, enabling access to justice, to rights advice, to the support they are entitled to, and helping improve their financial health and wellbeing; in our space, through outreach, and through continuing to improve our digital offer.*

## Supporting East Londoner's wellbeing

Emerging from the pandemic, 2021-22 has been a year of transformation and consolidation for Toynbee Hall's frontline community services. We've secured the future of three key pieces of work, winning new multi-year contracts for our support to older people (Linkage partnership), City of London residents and workers (City Advice), and access to benefits advice for people living with a cancer diagnosis (our longstanding partnership with Macmillan). We've also continued our journey of shifting power to local people so they can influence, shape and run everything we do in the community.

In practical terms, for the year to March 2022 we advised 4,536 East Londoners on issues as diverse as immigration, housing and welfare benefits. Our advice services continue to secure significantly better outcomes for the people we exist to support; for example, for every £1 invested in our specialist welfare benefits service, we are able to put more than £16 back in the pockets of people seeking advice.

This year we have continued to see people who are experiencing extreme social injustice or exclusion, from living in accommodation that is unsuitable and unsafe, to struggling as a result of having no recourse to public funds. For many, digital exclusion creates extra layers of disadvantage as statutory services and benefits are increasingly accessed online. The fact that so many people we advise come back regularly, as they face new challenges that relate to the complexity of their needs, highlights for us the impact of reduced funding and raised eligibility thresholds for social care support for people with moderate needs. Our response has been to find new ways to equip those who can take action for themselves to do so, such as creating public legal education packs that support people to better self-advocate for their rights. This approach means we can continue to provide high level support to those who need it most, such as identifying 130 households in critical financial need as a result of Covid-19 and working in partnership with Turn2Us to put £125,000 in direct grants into their bank accounts. We've also continued to support people living alone or shielding through our befriending service, with 105 volunteers making over 1,000 calls to local residents.

We continued to test new funding and delivery models for Community Money Mentors, our peer-to-peer financial empowerment programme, supporting local residents who have completed the programme to become trainers themselves, including developing online teaching skills and source delivery opportunities as self-employed trainers. We also adapted the programme to create short digital courses for frontline staff in third sector support organisations, such as community housing and youth support organisations. And our redesigned ESOL conversation offer supported 832 people to build their English language skills.

Our youth programme gained accredited status for a curriculum that was inspired by and created with young people from previous year groups, and this year we trebled the number of young people we supported.

Understanding community needs, and our effectiveness in supporting them, is essential to our continued impact. As part of the new City Advice contract, we have begun to adopt our participatory and peer research approaches to support community advocates from the City of London, working with the team to develop service feedback and outcome surveys, engage with residents and build relationships to help drive and influence the service design and delivery. We now plan to integrate this deeper co-production approach to community needs assessment and evaluation within all our services and projects.

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## Our spaces

*We set ourselves the aim to offer green space, as well as accessible, open facilities and support for a wide range of community activities, ranging from cultural to wellbeing activities for all ages - to skills development, to participating and driving social reform and inquiry. We want our programme of events and activities – and our physical and online spaces – to be genuinely inclusive, and we want to build our position and reputation as a place where others can come to promote and co-create socially valuable thinking and ideas, while at the same time generating revenues and partnership opportunities for Toynbee Hall; and we offer space and time for the community to programme their events.*

Our community centre hosted 3,065 attendances at Toynbee Hall-run activities throughout the year, despite the need to continue to restrict attendance as part of our Covid-19 safety measures. Local groups have also used our spaces to provide much-needed services, such as the fortnightly mother and baby group which supports 30 people a session.

Mallon Gardens, the redesigned community space in front of our historic building, has sprung into life and is now a popular place for people to sit and chat, eat lunch, play table tennis, read or even take a nap on a bench or the lawn. This year we tested our much-in-demand outdoor play offer, which saw in the region of 50 children attending each session in Mallon Gardens. 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.

Our endeavours to shift power to local people resulted in us being commissioned to create a community engagement plan for the local area with residents, as well as fifty per cent of the activities in our centre being delivered by local people, and our local conservation area's management plan being written (with our facilitation) by 10 paid community members. Rent rises, increased commercialisation of the Brick Lane area, and the lack of public space to gather, sit or play together with the lack of toilet facilities continue to be key issues for the people we work alongside, and our commitment to actively using our space and resources to meet these needs, as well as to work towards policy solutions, continues to ensure we offer benefit to the community as a whole.

As part of our ambition to shift power and support local residents to influence decision-making in their communities, in the run up to the local elections in May we supported nearly 200 local people to create and present their own Tower Hamlets Manifesto, meeting almost all of the Mayoral candidates to discuss their suggestions for creating a fairer and happier Tower Hamlets. The manifesto was well received and many of the proposals were supported by all candidates. You can read more about our policy influencing work co-produced with local residents later in this report.

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## Building our sustainability through events and lettings

The financial year 2021 – 2022 remained challenging for event management, with several significant lockdowns and work-from-home orders leading to cancellations and postponements. Despite this, it was a joyful period, with a wide range of not-for-profit organisations including the City of London, Numbi Arts, Crisis, Switchback, the Heritage Lottery Fund, Turning Point, Year Here and the National Lottery Community Fund returning to use our spaces after a long hiatus. Excitingly, our first weddings also took place during this period.

We saw a gradual increase in bookings as the pandemic pressures eased across the early part of 2022. As confidence returns, we are seeing continued growth post year-end and expect hiring levels to be back to pre-pandemic levels by the end of 2022-23.

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 hustle and bustle of the estate, contributing to both our financial sustainability and our diversity. The estate is at last maturing into the multi-purpose thriving site that we envisioned at the start of the redevelopment. Our challenge is to make sure that it remains relevant as the new post-pandemic era takes shape, including through deepening our understanding of what the local community – residents, as well as civic and commercial organisations – need from us and this beautiful historic estate.

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# Building a fairer and happier London

## Co-designing an inclusive, sustainable future for London

We aim to be known as a key voice in London, playing a leadership role in the capital to support the drive for recovery and beyond, and ensuring the experience of communities including those we work alongside are increasingly at the forefront of policy change. We hope this will lead to us shaping further collaborative, participatory work, led by communities, around the establishing of a robust safety net for Londoners; the green growth agenda, skills and learning, regeneration and community assets; and other aspects of the recovery agenda.

Our reach as a community co-production hub for social reform continues to extend far beyond our immediate neighbourhoods, through our continued partnerships with power-holders and influencers, including the Greater London Authority, London Funders and Thrive London, amongst others. Jim, our outgoing Chief Executive, was able to use his role as co-chair for one of the London Recovery Missions, a Robust Safety Net, to champion the voices and views of East Londoners on shaping the way that London will be in the future, and take our agenda for fairness and happiness into the wider policy arena.

Following the high impact achieved by our Pandemic Stories project in 2020, this year we conducted new Participatory Action Research (PAR) projects to explore and improve the experiences of intersectional and marginalised communities in the post-pandemic world. We worked closely with the Greater London Authority to use peer research, a participatory research method in which people with lived experience of the issues being studied take part in directing and conducting the research, to inform its strategy on adult education and develop a Skills Roadmap for London. We also worked in collaboration with Londoners who experience problem debt to co-design more empowering and accessible advice services and develop recommendations for our Debt Free London advice services. And we continued our partnership with Thrive LDN and the Greater London Authority, co-designing with young people a number of mental health support offers for young Londoners.

Peer researchers from the Rent-Move-Repeat project continued to influence policy at a local, regional and national level. They presented recommendations on improving private renting conditions to local authorities in London, were invited to join the London Housing Panel and, through our participation in the Renters Reform Coalition, advocated for a landlord register and a fair end to no-fault evictions through the Renters Reform Bill.

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## Transforming debt advice for Londoners

Our successful Debt Free London partnership will evolve to enable even more people to benefit from high-quality debt advice and is part of a wider better co-ordinated advice landscape across the capital. As further opportunities to build the partnership emerge, we will look at how we create a governance and operating framework to scale debt advice, while not distracting from the focus of Toynbee Hall's core work on co-production of change.

Last year our debt advice partnership supported over 17,000 clients across London find a solution to unmanageable debt. This means that, over the last seven years, we've now helped 143,359 Londoners find the support they need to take control of their debt and find a way forward to a happier future with fewer money worries.

The average number of debts per client continues to increase at a worrying rate and now stands at 3.9. To put this into perspective, for many years this figure remained largely flat at 2.2 but, over the last two years, we have seen this increase to 3.5 in 2020/21 and now 3.9 for 2021/22. This indicates that Londoners are finding it increasingly difficult to afford to live in the capital on their available income.

The top types of debt we see by category are rent arrears (47% of clients experience rent arrears), followed by council tax arrears 43% and credit card debt at 36%. However, we've seen some concerning trends emerging over the last couple of years on utility bill debts. We've seen gas debt jump from affecting 7% of clients in 2019/20 to 15% of clients in 2021/22, electricity debts increase from 12% to 22%, and water bill arrears skyrocket from 14% to 31% - now the fourth most prevalent debt affecting Londoners. What this shows is utility debts have doubled in frequency over the last two years.

Despite the pandemic and the cost- of-living crisis affecting all our finances, nine in ten UK adults – that's 47 million of us – don't find it any easier to talk about money, or don't even discuss it at all. That's why we created a mobile advice centre in the form of a touring bus and, with the support of the Mayor of London, re-opened our 24/7 telephone support line from February through to the end of March. The 'Debt BUS-ter' went on tour across London, as a prompt and opportunity to encourage people to come and speak about the taboo subject of money and seek free, impartial advice. We hosted a daily programme of events including seminars and webinars on savings, budgeting, common debt worries and how to access non-judgemental support, helping anyone with a money worry to start their journey in becoming debt free.

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## Building a fairer and happier future – through influencing broader system change

*We want to develop, learn from and share our model for community-led change – where local people are genuinely at the heart of identifying systemic barriers and shaping solutions, giving them platforms to share and advocate for change at a national level. We will contribute to learning and practice around people and equity, ensuring that the voices of communities can hold us to account as an organisation which lives by its values of justice, challenging racism and other discrimination, and that we do the same to those in power. As well as supporting those in financial crisis we will continue to work in partnership to tackle the drivers of debt and scarcity, and to develop new solutions to supporting and nurturing financial health, always shaped by the experience of our community. We want to become a place that is understood as somewhere that communities can challenge, connect, experiment and learn and in doing so create a whole system approach to change.*

Over the last year our participatory research and policy influencing work has grown in both scale and impact. We've delivered 13 research and policy projects, working with 45 Peer Researchers and 190 people with lived experience (Experts by Experience). In all, we have worked alongside 1,517 Londoners to co-produce solutions across a range of issues, from better loan products for marginalized communities to tackling poverty in Tower Hamlets. Our Participatory Action Research (PAR) approach has been disseminated in the King's College London's peer researcher course, Partnership for Young London and the Greater London Authority's peer research toolkit, and a peer research conference hosted by the Young Foundation. At least 12 people with lived experience of social injustice that we worked with gained employment where the skills acquired in our team were useful and relevant to their job role.

Successfully coping with the challenge of delivering face-to-face community engagement during the pandemic, our PAR project on community safety achieved powerful impact for over 100 local residents including young people and children, and modelled a new approach to inclusion and connecting marginalised communities to policymakers. Peer researchers presented findings and recommendations to a wide range of decision-makers on issues of significant importance to local residents: Ofgem, on  a just transition to a net zero economy; the Financial Conduct Authority, on a new Consumer Duty for financial services firms; and the Payment Systems Regulator, on solutions to improve access to cash. We continue to share lived experience insight with policymakers, product and service designers, ensuring community views on needs and solutions are heard and acted upon.

We have also worked with the Oak Foundation and the Runnymede Trust to build an ambitious programme of work that centres the experiences and voices of people who have incurred debt that they have little chance of repaying , and we have continued to work closely with Fair4All Finance and Fair by Design to design and launch the No Interest Loan Pilot, providing no-cost loans to people denied access to affordable credit.

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## Looking to the future

We recognise that the next year will continue to be one of extraordinary challenge that will affect our lowest income communities disproportionality. So the need for our work is more urgent and needed than ever. Our vision and activities will continue to focus on building a fairer and happier future, starting here in East London. Different elements of our work will continue to support this vision: direct services, research, partnership work, advocacy and system change. We are also clear that our organisational core functions are not only enablers of the strategic work – but the way we support our people, bring to life our spaces, and raise income and manage our finances each also contribute directly to how we achieve our outcomes. Driving efficiency and better integration in these core functions will be a focus for the upcoming year.

***Supporting a fairer and happier local community***
Our ambition for the coming year is to continue our efforts in maintaining and building a vibrant, sustainable focal point for the local community. Our main activities to do this will be our advice services, our youth programme and utilising our spaces as a community centre and also as an events and letting operation.

***Building a fairer and happier London***
Our main focus will be to continue transforming debt advice for Londoners through our Debt Free London partnership. We will also strive to remain a key voice in London that ensures that the experiences of the communities we work with, particularly as they grapple with the cost-of-living crisis is heard and considered in policy change.

***Building a fairer and happier future***
We will continue our community-led participatory research and influencing activities providing platforms for our communities to advocate for and shape change at a national level.

***Building a more focussed and efficient organisation***
With the need for our services increasing, the ability to generate income becoming more contested and costs increasing, our resources are under greater pressure than ever before. This means we have to be more strategically focussed and to simplify and better integrate all our activities. We will be undertaking a process to do this throughout the next year.

Central to this will be acceleration of our efforts to diversify our funding sources and to tightly control our costs in an inflationary environment.

We will also be preparing the organisation for the arrival of a new permanent CEO, which is likely to be in early 2023, who building on the significant achievements to date will be tasked with ensuring that we remain relevant and focussed in the coming years.

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## Our funders - A thank you

A huge thank you to all our funders in the last 12 months. In an area among the hardest hit by the continuing impacts of Covid-19, your support was transformative for the people who came to us for advice, connections, and the welcoming space they needed to tackle the challenges they faced.

Throughout the year, we were deeply grateful for the commitment of funders, new and old, and for your appreciation of the continued uncertainty of the situation. The effectiveness of our response required us to listen to the community, collaborate with partners, and adapt to the changing need and compounding effects of the pandemic for the most disadvantaged locally. We were only able to do that because of your trust in us and the flexibility that so many provided by loosening restrictions, supporting innovation, and listening to what our community were saying – thank you!

Looking to the future: while the challenges we face remain gigantic, the vast array of organisations, companies, individuals, and families who recognised the importance of our work and supported us is a huge source of optimism. 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.

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## Our People

2021/22 has been another challenging year for managers and staff, as the external environment continued to be heavily influenced by the impact of the pandemic. Like many London-based organisations, we have now permanently adopted hybrid working; as a place-based community hub and London-wide advice service, we want our staff to feel close connections with the communities we work alongside, so staff now work at least two days a week in either our office or an outreach location. But we also know that our existing team greatly value the flexibility of being able to work remotely, as do job applicants.

Our Chief Executive, Jim Minton, left Toynbee Hall in July 2022. We have appointed Alex Botha as Interim CEO while we recruit a permanent CEO. Whilst stability is the immediate priority, we also see this period of leadership change as an opportunity to consider which leadership structure and business model will best support the organisation's long-term sustainability.

While there has generally been a lot of stability at senior management level, in the rest of the organisation turnover has been high, with many people moving in and out of roles. This has coincided with a generally younger workforce overall, with higher numbers of 20-29 year olds joining us.

Staff feedback indicates relatively high levels of anxiety and stress. We believe that a high staff turnover, and the fact that high numbers of new joiners are both younger and have primarily only experienced remote working, may contribute to this. This is very likely to be partly attributable to the work we do and the very challenging situations that people we work with – and many of our team themselves – face. But we also know that some of our delivery targets have placed considerable pressure on our team, and we continue to assess our commitments to ensure workloads are manageable and we are actively supporting fairer and happier lives for our team.

As a result, general staff wellbeing is an area of increasing focus for us. We have made some good progress to date, taking action to offer more support to staff through new flexible working policies, investment in hybrid working, recognition of the Trade Union, and regular opportunities for face-to-face and online connection and communication. There is clearly more work to do, but this progress is important, and has been well received by the team.

In terms of our commitment to equality and diversity, we have made strong progress on reshaping our recruitment processes to be fairer and more inclusive. We have enhanced our policy for maternity leave policy to include adoption and surrogacy, and adapted our absence policy to ensure it takes account of people who may be transitioning. We are also developing a Menopause Policy. Our workforce continues to be diverse by a wide range of measures including ethnicity and race, gender, and our committed approach to inclusive recruitment and flexible working makes us attractive as an employer to a much more diverse range of job seekers, including people from the local area with caring responsibilities and/or health or disability needs, both of which can make full-time office work inaccessible. Our recruitment is now attracting a significantly larger proportion of local female candidates from the Bangladeshi, Somali and other minority ethnic communities. We recognise that with the current buoyant job market we will need to maintain our attractiveness as an employer to ensure we attract strong candidates for mission-critical roles.

We continue to have a diverse Board of Trustees by a range of measures. During 2022 three trustees left the Board, including the Chair, one other long-serving member and one newer recruit. Through the recruitment for the new Chair we also recruited one other new Trustee who joined in March 2022. We continue to strengthen our commitment to the inclusion and connection to the local communities within our Board, and the overall impact of the changes was to increase the ethnic diversity of trustees, and to grow representation of trustees with a strong local connection.

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# 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.

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## 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.

Throughout the Covid-19 crisis the Board has met much more regularly, offering very effective support and stewardship – with the new trustees rapidly learning about the organisation in some depth.

Having guided the Charity through its substantial redevelopment and the challenges of the pandemic, the Chair, Julian Corner, and the Chair of the Finance Committee, David Warner, both retired in March 2022.

We were delighted that Stephen Burns agreed to become our new Chair and also that Ali Hussein, who joined the Board in April 2020, accepted appointment as the new Chair of the Finance Committee.

In addition, in March, we were sorry to see Halima Begum leave the Board and we were pleased to appoint Muna Yassin as a new trustee at the same time.

The Board currently stands at 12 members.

The Board of Trustees is ultimately responsible for recruiting and appointing new trustees, as and when it becomes clear new skills and experience are needed; or as and when current trustees finish their terms of office. Our recent recruitment of Trustees involved open advertising across our networks and within the local community; supported by a specialist recruitment agency; and input from trustees, community members and staff into the selection process, with a group of Trustees making the final recommendation to the Board for approval of the trustees identified.

Having been satisfied with the success of this approach, the Trustees would use a similar approach for future recruitment.

Once Trustees are recruited, our Executive Team and Head of HR plan 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 People Committees.

Membership of the Finance Committee is made up of trustees, and those that served the Committee in the year were David Warner as Chair (replaced by Ali Hussein), Julian Corner, Stephen Burns, Maysam Rizvi, Sarah Squires and Gemma Woznicki.

The Board has the power to co-opt non-trustee Members to the Committees to address specific and identified skills gaps and Richard Allan, a former Trustee, remained a co-opted member of the Finance Committee throughout 2021-22.

Membership of the People Committee is made up of trustees, and those that served the Committee in the year were Sam Thomas, Laura Ratling and Tahera Rouf.

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## Executive Team

The Trustees delegate the day-to-day management of Toynbee Hall to the Chief Executive. For the duration of this report, this was Jim Minton, who was supported by an Executive Team. During the year, the Executive Team comprised the Director of Finance, Howard Jackson, and Director of Policy and Innovation, Sian Williams.

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.

The Trustees are responsible for setting the pay and remuneration of the charity's key management personnel. There were no changes in the key personnel during 2021-22, nor any review of their remuneration (beyond the standard pay award offered to all members of staff). Should Trustees be required to consider remuneration of key management personnel in the future, this would be the responsibility of the newly established People Committee in the first instance, who would set criteria and parameters and carry our appropriate benchmarking before making recommendations to the full Board.

## 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.

We are signatories to the charity campaign 'Show the Salary', which commits us to openness in recruitment and disclosure.

As an anti-poverty charity and an accredited London Living Wage employer we take equity issues around pay extremely seriously and while we know there is still work to do, we can reflect in this report that we perform well against the sector benchmark on wage differentials.

As at 31 March 2022, the ratio of our Chief Executive's pay to median pay was 2.7:1 (last year the same); and of our Chief Executive's pay to the lowest salary was 4.1:1 (last year the same).

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.

Our People report in 2021, was our first comprehensive report on who we are as an organisation. We will publish our 2022 diversity report to share our learning and, hopefully, our progress. In all this work we want to be transparent and open to feedback and challenges, so that we can move forwards together with confidence that we are making the right changes, in the right way.

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

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for them. We are continuing to reshape 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 assessment annually 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.

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.

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# Management of Risk

To be responsive to and mitigate the impact of the volatile environment, including Covid-19, we maintained an internal task force of the CEO, Director of Policy and Innovation, Head of HR and Head of Estate Operations. Having navigated the challenges of the pandemic whilst maintaining a high level of support to our community, our risk profile has become more normalised.

Nonetheless, the Board recognises the changing environment with many staff continuing to work from home and the cost-of-living crisis having a significant impact.

We continue to manage risks around home working through training and induction for staff and guidance and support. For events, we conducted thorough risk assessments, consultations and careful planning – advised by our specialist health and safety partners, before implementing changes.

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 reviews the risk register which allocates risks to strategic; governance; financial; operational; and people and resources 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.

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

| Risk | Background | Mitigating factors |
|---|---|---|
| Inflationary pressures on costs not matched by revenue growth | Like all organisations, we are seeing the impact from the cost-of-living crisis. Whilst we have been successful in securing long term contracts, these are not inflation proofed leading to financial exposure. | We are adopting a prudent approach to pay reviews whilst allocating more resources to our lowest paid staff.<br><br>We are actively engaged in communications with our funders to recognise the challenges and secure increased funding. |
| Fundraising targets are not achieved | Whilst there remains a strong commitment from funders, increasing need has led to competitive pressures on funding bids reducing success rates. | The charity has a clear focus on aligning its strategy with the most crucial needs to increase the available funding sources.<br><br>Fundraising responsibility is being spread across the organisation to build relationships and identify opportunities. |
| Loss of major funder without time to adjust cost base | The Debt Free London capital-wide debt advice partnership, accounts for around 65% of our income and half of our staff team. We expect this grant funding will be renewed towards the end of the year. | We continue to maintain quality standards and work with our partners to meet the funders expectations.<br><br>We are working on plans to restructure the organisation, which can be implemented in the event of a loss of a major funder. |
| Long-term debt costs rise significantly | The charity has £3m of debt and is conscious of increasing interest costs arising from rate rises. | The Board is monitoring the situation carefully.<br>All options will be considered, including fixing long term interest rates to control costs. |

The Executive and Board are proactive in considering long term risks and establishing mitigating factors.

## 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.

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# Our Finances

## Financial Review

The results for the year, as set out in the Consolidated Statement of Financial Activities, show a positive net movement in funds of £4k (2021 –£481k). This comprises:

- An operational deficit of £9k (2021 – surplus of £419k), of which a surplus of £108k (2021 - £373k) relates to restricted income for our Debt Free London programme that will be spent in 2022;
- A break-even position of £nil (2021 – surplus of £22k) representing capital grants less management and overhead costs of the redevelopment not capitalised; and
- Revaluation gains of £13k (2021 – gains of £40k) mainly arising from the revaluation of the Charity's investment properties.

Excluding capital grants received, income for the year was £9.19m compared to the previous year of £8.92m. The sustained high level of income was again attributable to the Income relating to additional funding from the Money and Pensions Service ('MaPS') to fund the training of additional debt advisers to provide support for an expected substantial increase in demand arising from the pandemic. As with the prior year, MaPS provided significant funding provided for IT infrastructure developments that is helping to improve the effectiveness of the service.

Our Debt Free London income was £274k greater than last year as the additional training grant was extended to the full year. Other significant changes in income were:

- An increase in Education income of c£100k as the Charity was able to substantially re-engage with its Youth and Heritage programmes and carry out its research work post pandemic;
- A fall in income for our advice services of around £60k reflecting the significant emergency funding that we received in 2020/21 to support the local community during Covid-19;
- Our Wellbeing income was only c£25k lower than the prior year reflecting the fact that there was more on-site Community activity that replaced the outreach work that was much needed during the pandemic.
- Venue Hire income increased by c£140k as we were able to resume operations and start to rebuild the business as the pandemic came to an end.
- We were also able to resume our research work resulting in a £65k increase in our trading income from this activity.
- An increase of c£50k in Investment income as all four floors of the investment property; were fully let throughout the year.

We were delighted that our use of the Government's Coronavirus Job Retention Scheme by furloughing staff, only resulted in furlough grant income of £6k (2021 -£67k) as we were able to bring staff back to work at the start of the year and that we were able to avoid any Covid-19 related redundancies.

In addition to the Debt Free London programme, we also ran a number of other advice services and this activity again ran at a deficit for the year of £188k (2021 –£207k). The Charity provides advice to the local community that

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is not fully funded as it considers these services to be essential and continues to seek ways to increase funding for this vital work.

Our Wellbeing services continue to be strongly supported although the deficit increased to £73k for the year (2021 -£12k) due to a small reduction in income and increased staff costs as we continued to support our local community dealing with the pandemic.

The additional income for our Education services (which includes our Youth, Heritage and Research work) resulted in increased costs to deliver the work although there was a reduction in the deficit for the year to £94k (2021 - £126k) and the Charity expects this position to improve as activities are allowed to restart.

Our Financial Health activities during the year remained key to our understanding of the impact of the pandemic although increased activity led to a fall in the deficit for this work to £219k (2021 - £234k. These activities remain a key focus of the Charity in line with its strategic thinking.

Our venue hire business, traded through the subsidiary Toynbee Hall Trading Limited, achieved income of £204k (2021 - £40k) as it started to rebuild its business following the pandemic. Our strategy for staying in touch with our customer base showed results with many past customers keen to hire out our Halls. The business made a small profit for £20k before contributing to the organisations premises and overheads and is expected to make a significant contribution to these in 2022/23 as the business strengthens.

During the year, the Charity spent £258k (2021 - £72k) on fixtures, fittings and equipment, most of which related to infrastructure for our Debt Free London programme and was funded by the grant from MaPS.

The Charity continues to financially support the trading subsidiary via a loan facility to ensure that it survives the pandemic and provides a key source of unrestricted funding into the future. At the year end, the Charity had lent £60k to the subsidiary (2021 - £60k. With the return to normal levels of activity for venue hire, we expect the subsidiary to be able to repay this loan by 31 March 2023.

The property market remained stable throughout 2021/22 and the Trustees are therefore satisfied that the professional valuation carried out on value of the top four floors of the new building in June 2021, which is shown as an investment property in our accounts, represents a fair valuation for the building as at 31 March 2022.

The charity has £3.0m of long-term borrowings from CAF Bank Limited, which is being repaid in monthly instalments with full repayment by June 2044. £2.5m that was lent by CAF Bank Limited to fund the redevelopment and additional £500k was borrowed to fund working capital. The Charity continues to make loan repayments in line with the schedule.

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 Charity ends the year with consolidated reserves of £14.13m (2021 - £14.12m). Of this amount, £528k (2021 - £740k) represents restricted reserves. Of the balance of £13.60m (2021 - £13.38m), £11.78m (2021 - £11.57m) has been designated in respect of the carrying value of the new estate arising from the redevelopment project. The remaining reserves of £1.82m (2021 - £1.81m) represent revaluation reserves.

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## 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 £500k (2021 - £500k), calculated by excluding the direct costs of our Debt Free London programme, which include funds distributed to and expended by the debt advice partners.

Bringing our estate back into use has been a significant achievement, designed to equip the Charity to be sustainable long into the future. The length and extent of the project meant that the Charity had not had the benefit of income from its investment and trading assets for several years. Due to the pandemic, we have also not been able to generate a reasonable return from this investment in the year.

As a consequence, all of the unrestricted realised reserves of the Charity of £11.78m (2021 - £11.57m) have been designated for the fixed assets, leaving a £nil balance on the undesignated General Fund (2021 - £nil).

With the income generating assets now fully renewed as a result of the redevelopment, and with optimistic signs that business is starting to adjust to the pandemic, the Charity is confident that it will rebuild its unrestricted funds to meet its reserves policy requirements. In the short term, the Charity has utilised the security of its substantial asset base to arrange borrowing facilities to fund this reserves gap.

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# 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:

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Stephen Burns
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Name: Stephen Burns Position: Chair

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# 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 2022, 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.

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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.

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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: 25 October 2022

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**Toynbee Hall**

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

**For the year ended 31 March 2022**

| | Note | Restricted Debt Free £'000 | Restricted Other £'000 | Unrestricted £'000 | **2022 Total £'000** | 2021 Total £'000 |
|---|---|---|---|---|---|---|
| **Income from** | | | | | | |
| Donations and legacies | 3a | 9 | 3 | 289 | **301** | 573 |
| Charitable activities | | | | | | |
| Advice | | 6,278 | 365 | 221 | **6,864** | 6,658 |
| Wellbeing | | - | 895 | - | **895** | 920 |
| Education | | - | 164 | - | **164** | 52 |
| Financial health | | - | 152 | - | **152** | 150 |
| Other activities | | | | | | |
| Estates income | | - | - | 51 | **51** | 104 |
| Trading income | | - | - | 274 | **274** | 49 |
| Investments | | | | | | |
| Rentals from investment property | | - | - | 441 | **441** | 367 |
| **Other Income** | | | | | | |
| Release of deferred lease premium | | - | - | 46 | **46** | 46 |
| **Total income** | | 6,287 | 1,579 | 1,322 | **9,188** | 8,919 |
| **Expenditure on** | | | | | | |
| Raising funds | | | | | | |
| Fundraising and publicity | | - | - | 255 | **255** | 175 |
| Costs of generating estates income | | - | - | 16 | **16** | 53 |
| Costs of generating trading income | | - | - | 239 | **239** | 157 |
| Costs of generating investment income | | - | - | 130 | **130** | 106 |
| Charitable activities | | | | | | |
| Advice | | 6,179 | 519 | 255 | **6,953** | 6,492 |
| Wellbeing | | - | 968 | - | **968** | 932 |
| Education | | - | 258 | - | **258** | 178 |
| Financial health | | - | 371 | - | **371** | 384 |
| Provision of accommodation | | - | - | 7 | **7** | 1 |
| **Total expenditure** | 4 | 6,179 | 2,116 | 902 | **9,197** | 8,478 |
| **Net income / (expenditure) before net gains / (losses) on investments** | | 108 | (537) | 420 | **(9)** | 441 |
| Net gains/ (losses) on investments | 11,12 | - | - | 13 | **13** | 40 |
| **Net income / (expenditure) for the year** | 5 | 108 | (537) | 433 | **4** | 481 |
| Transfers between funds | 20 | (253) | 470 | (217) | - | - |
| **Net movement in funds** | | (145) | (67) | 216 | **4** | 481 |
| **Reconciliation of funds** | | | | | | |
| Total funds brought forward | | 489 | 251 | 13,384 | **14,124** | 13,643 |
| **Total funds carried forward** | 20 | 344 | 184 | 13,600 | **14,128** | 14,124 |

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

The notes on pages 31 to 45 form part of these financial statements.

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**Toynbee Hall**

**Balance sheets**

**As at 31 March 2022** Company no. 00020080

| | Note | The group 2022 £'000 | The group 2021 £'000 | The charity 2022 £'000 | The charity 2021 £'000 |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 10 | **9,318** | 9,300 | **9,302** | 9,278 |
| Investment properties | 11 | **7,268** | 7,256 | **7,268** | 7,256 |
| Investments | 12 | **22** | 21 | **22** | 21 |
| | | **16,608** | 16,577 | **16,592** | 16,555 |
| **Current assets** | | | | | |
| Debtors | 14 | **1,156** | 1,365 | **1,174** | 1,407 |
| Cash at bank and in hand | | **1,459** | 1,600 | **1,422** | 1,546 |
| | | **2,615** | 2,965 | **2,596** | 2,953 |
| **Liabilities** | | | | | |
| Creditors: amounts falling due within one year | 16 | **(1,503)** | (1,677) | **(1,401)** | (1,570) |
| **Net current assets** | | **1,112** | 1,288 | **1,195** | 1,383 |
| **Total assets less current liabilities** | | **17,720** | 17,865 | **17,787** | 17,938 |
| Creditors: amounts falling due after one year | 18 | **(3,592)** | (3,741) | **(3,592)** | (3,741) |
| **Net assets** | 20 | **14,128** | 14,124 | **14,195** | 14,197 |
| **Funds** | | | | | |
| Restricted funds | | | | | |
| Debt Free London | | **344** | 490 | **344** | 490 |
| Other funds | | **184** | 250 | **184** | 250 |
| Total restricted funds | | **528** | 740 | **528** | 740 |
| Unrestricted funds: | | | | | |
| Designated funds | | **11,777** | 11,574 | **11,844** | 11,647 |
| General funds | | - | - | | - |
| Fair value reserve | | **1,823** | 1,810 | **1,823** | 1,810 |
| Total unrestricted funds | | **13,600** | 13,384 | **13,667** | 13,457 |
| **Total funds** | 20 | **14,128** | 14,124 | **14,195** | 14,197 |

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 £8,984k (2021: £8,877k) and deficit of £2k (2021: surplus of £563k).

Approved by the trustees and authorised for issue on 28 September 2022 and signed on their behalf by

DocuSigned by:
Stephen Burns
CE522FABC7914B2...

**Stephen Burns**
**Chair**

The notes on pages 31 to 45 form part of these financial statements.

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**Toynbee Hall**

**Consolidated statement of cash flows**

**For the year ended 31 March 2022**

| | Note | **2022** | | 2021 | |
|---|---|---|---|---|---|
| | | **£'000** | **£'000** | £'000 | £'000 |
| **Net cash used in operating activities** | 21 | | **(149)** | | (138) |
| **Cash flows from investing activities** | | | | | |
| Dividends, interest and rents from investments | | **441** | | 367 | |
| Purchase of fixed assets | | **(258)** | | (93) | |
| **Net cash provided by / (used in) investing activities** | | | **183** | | 274 |
| **Cash flows from financing activities** | | | | | |
| Draw down of bank loan | | **-** | | 495 | |
| Loan repayments | | **(96)** | | (40) | |
| Loan interest paid | | **(79)** | | (71) | |
| **Net cash (used in)/ provided by financing activities** | | | **(175)** | | 384 |
| **Change in cash and cash equivalents in the year** | | | **(141)** | | 520 |
| Cash and cash equivalents at the beginning of the year | | | **1,600** | | 1,080 |
| **Cash and cash equivalents at the end of the year** | 22 | | **1,459** | | 1,600 |

The notes on pages 31 to 45 form part of these financial statements.

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**Toynbee Hall**

**Notes to the financial statements**

**For the year ended 31 March 2022**

## 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.

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**Toynbee Hall**

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

**For the year ended 31 March 2021**

**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 simiar 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 | 64.6% |
| Wellbeing | 15.5% |
| Education | 7.0% |
| Financial health | 5.8% |
| Fundraising | 4.7% |
| Investment | 0.8% |
| Toynbee Hall Trading Limited | 1.6% |

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.

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**Toynbee Hall**

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

**For the year ended 31 March 2022**

**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.

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**Toynbee Hall**

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

**For the year ended 31 March 2022**

**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.

In the prior year, a desktop valuation was obtained from the surveyors valuing the investment property at £6.95m in June 2021. This valuation was used as the carrying amount of the investment property component at 31 March 2021. The trustees are satisfied that there has been no significant change in property values through to 31 March 2022 and therefore consider that the value of the investment property remained unchanged at £6.95m as at 31 March 2022.

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**Toynbee Hall**

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

**For the year ended 31 March 2022**

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

For the year ended 31 March 2021

| | Restricted Debt Free London £'000 | Restricted Other £'000 | Unrestricted £'000 | 2021 Total £'000 |
|---|---|---|---|---|
| **Income from:** | | | | |
| Donations and legacies | - | 89 | 484 | 573 |
| Charitable activities | | | | |
| Advice | 6,004 | 426 | 228 | 6,658 |
| Wellbeing | - | 920 | - | 920 |
| Education | - | 52 | - | 52 |
| Financial health | - | 150 | - | 150 |
| Other trading activities | | | | |
| Estates income | | | 104 | 104 |
| Trading income | - | - | 49 | 49 |
| Investments | | | | |
| Rentals from investment property | - | - | 367 | 367 |
| Other Income | | | | |
| Release of deferred lease premium | - | - | 46 | 46 |
| **Total income** | 6,004 | 1,637 | 1,278 | 8,919 |
| **Expenditure on** | | | | |
| Raising funds | | | | |
| Fundraising and publicity | - | - | 175 | 175 |
| Costs of generating estates income | - | | 53 | 53 |
| Costs of generating trading income | - | - | 157 | 157 |
| Costs of generating investment income | - | - | 106 | 106 |
| Charitable activities | | | | |
| Advice | 5,631 | 641 | 220 | 6,492 |
| Wellbeing | - | 932 | | 932 |
| Education | - | 178 | - | 178 |
| Financial health | - | 384 | | 384 |
| Provision of accommodation | - | - | 1 | 1 |
| **Total expenditure** | 5,631 | 2,135 | 712 | 8,478 |
| **Net expenditure before net losses on investments** | 373 | (498) | 566 | 441 |
| Net losses on investments | - | - | 40 | 40 |
| **Net expenditure for the year** | 373 | (498) | 606 | 481 |
| Transfers between funds | | 416 | (416) | |
| **Net movement in funds** | 373 | (82) | 190 | 481 |
| **Reconciliation of funds:** | | | | |
| Total funds brought forward | 116 | 333 | 13,194 | 13,643 |
| **Total funds carried forward** | 489 | 251 | 13,384 | 14,124 |

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**Toynbee Hall**

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

**For the year ended 31 March 2022**

**3 Income**

| | Restricted £'000 | Unrestricted £'000 | 2022 Total £'000 |
|---|---|---|---|
| a) Donations and legacies | | | |
| Trust and foundation grants | - | 182 | **181** |
| Other donations | 3 | 75 | **78** |
| CJRS grants | | 6 | **6** |
| DWP grants | - | 5 | **5** |
| Donated services | 9 | 21 | **30** |
| | 12 | 289 | **301** |

**Detailed comparatives for income**

For the year ended 31 March 2021

| | Restricted £'000 | Unrestricted £'000 | 2021 Total £'000 |
|---|---|---|---|
| Donations and legacies | | | |
| Trust and foundation grant | - | 260 | **260** |
| Heritage Fund | 50 | - | **50** |
| Capital grants for the redevelopment project | 23 | - | **23** |
| Other donations | 3 | 98 | **101** |
| CJRS grants | - | 67 | **67** |
| Donated services | 13 | 59 | **72** |
| | 89 | 484 | **573** |

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 2021/22 the fair value of donated services from that firm is £10,061 (2020/21: £55,763) 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 pay had it been charged at commercial rates'. Linklaters followed that protocol in providing this evaluation.

Allen & Overy LLP 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. The fair value of donated services from that firm was £19,411 (2020/21: £6,780), on a market value basis.

Russell-Cooke LLP provided pro bono legal advice for our trustee recruitment. The fair value of donated services was £444 (2020/21: £nil).

**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 Charity of Sir Richard Whittington | 92 | 30 | To transform Toynbee Hall into a hub of user-led activity and social change |
| The Mercers' Charitable Foundation | 75 | 24 | Piloting and evaluating targeted interventions to address loneliness |
| London Borough Tower Hamlets | 48 | 27 | 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 | 30 | 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 | 2022 £'000 | 2021 £'000 |
|---|---|---|---|
| London Borough Tower Hamlets | Tower Hamlets Debt and Money Advice | **21** | 21 |
| London Borough Tower Hamlets | LinkAge Plus | **643** | 643 |
| London Borough Tower Hamlets | Wellbeing Centre | **41** | 41 |
| London Borough Tower Hamlets | Financial Health Research | **5** | 39 |
| London Borough Tower Hamlets | Heritage Activity Plan | **76** | - |
| London Borough Tower Hamlets | Heritage Action Zone | **66** | - |
| Greater London Authority | Adult Education Budget (AEB) Peer-led Research | **71** | - |
| Greater London Authority | Debt Free London | **49** | **73** |
| City of London Corporation | City Advice | **200** | 200 |
| HMRC Coronavirus Job Retention Scheme | Across the organisation | **6** | 67 |

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**Toynbee Hall**

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

**For the year ended 31 March 2022**

## 4 Analysis of expenditure

| | Staff costs (note 6) £'000 | Direct costs £'000 | Reallocation of support and governance costs £'000 | **2022 Total £'000** | 2021 Total £'000 |
|---|---|---|---|---|---|
| Fundraising and publicity | 165 | 34 | 56 | **255** | 175 |
| Costs of generating estates income | - | 16 | - | **16** | 53 |
| Costs of generating trading income | 132 | 89 | 18 | **239** | 157 |
| Costs of generating investment income | - | 120 | 10 | **130** | 106 |
| Charitable activities | | | | | |
| Advice | 2,572 | 3,618 | 763 | **6,953** | 6,492 |
| Wellbeing | 268 | 517 | 183 | **968** | 932 |
| Education | 146 | 29 | 83 | **258** | 178 |
| Financial health | 203 | 100 | 68 | **371** | 384 |
| Provision of accommodation | - | 7 | - | **7** | 1 |
| | 3,486 | 4,530 | 1,181 | **9,197** | 8,478 |
| Support costs | 381 | 690 | (1,071) | - | |
| Governance costs | 87 | 23 | (110) | - | |
| **Total expenditure 2022** | **3,954** | **5,243** | - | **9,197** | |

**Detailed comparatives for the analysis of expenditure**
For the year ended 31 March 2021

| | Staff costs (note 6) £'000 | Direct costs £'000 | Reallocation of support and governance costs £'000 | **2021 Total £'000** |
|---|---|---|---|---|
| Fundraising and publicity | 160 | 10 | 5 | **175** |
| Costs of generating estates income | - | 53 | - | **53** |
| Costs of generating trading income | 107 | 48 | 2 | **157** |
| Costs of generating investment income | - | 106 | - | **106** |
| Charitable activities | | | | |
| Advice | 2,114 | 3,495 | 883 | **6,492** |
| Wellbeing | 241 | 510 | 181 | **932** |
| Education | 94 | 21 | 63 | **178** |
| Financial health | 212 | 86 | 86 | **384** |
| Provision of accommodation | - | 1 | - | **1** |
| | 2,928 | 4,330 | 1,220 | **8,478** |
| Support costs | 384 | 704 | (1,088) | - |
| Governance costs | 94 | 38 | (132) | - |
| **Total expenditure 2021** | **3,406** | **5,072** | - | **8,478** |

**Analysis of support costs**

| | **2022 £'000** | **2021 £'000** |
|---|---|---|
| Finance & Administration | 375 | 295 |
| IT Systems | 92 | 89 |
| Human Resources | 80 | 109 |
| Corp Communications | 36 | 33 |
| Estate costs | 488 | 562 |
| | **1,071** | **1,088** |

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**Toynbee Hall**

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

**For the year ended 31 March 2022**

## 5 Net income / (expenditure) for the year

This is stated after charging:

| | 2022 | 2021 |
|---|---|---|
| | **£'000** | £'000 |
| Depreciation | **237** | 213 |
| Interest payable | **79** | 71 |
| Provision for bad debts | **-** | (1) |
| Operating lease rentals expense | **61** | 40 |
| Auditor's remuneration: audit fees | | |
| Toynbee Hall | **21** | 21 |
| Toynbee Hall Trading Limited | **4** | 4 |
| Auditor's remuneration: non-audit fees | | |
| Toynbee Hall | **1** | 3 |
| Toynbee Hall Trading Limited | **1** | 1 |

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

Staff costs were as follows:

| | 2022 | 2021 |
|---|---|---|
| | **£'000** | £'000 |
| Salaries and wages | **3,458** | 2,978 |
| Social security costs | **341** | 293 |
| Employer's contribution to defined contribution pension | **133** | 109 |
| Redundancy and termination costs | **22** | 26 |
| | **3,954** | 3,406 |

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

| | 2022 | 2021 |
|---|---|---|
| | **No.** | No. |
| £60,000 - £69,999 | **3** | 1 |
| £70,000 - £79,999 | **1** | 1 |
| £80,000 - £89,999 | **1** | 1 |

The total employee benefits, including employer's NI and pension contributions, of the key management personnel were £256k (2021: £251k).
During the year, the Key Management Personnel comprised the Chief Executive; the Director of Policy and Innovation and the Director of Finance.

| | Service Period | Gross Pay | Employer Pension | Total |
|---|---|---|---|---|
| | | £'000 | £'000 | £'000 |
| CEO | April 2021 to Mar 2022 | 82 | 6 | 88 |
| Director of Policy and Innovation | April 2021 to Mar 2022 | 72 | 6 | 78 |
| Director of Finance | April 2021 to Mar 2022 | 63 | - | 63 |

Trustees did not receive any remuneration or any other benefits for the current or prior year. No trustee expenses have been incurred.

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**Toynbee Hall**

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

**For the year ended 31 March 2022**

## 7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 115 (2021: 102).

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

| | **2022** | 2021 |
|---|---|---|
| | **No.** | No. |
| Fundraising and publicity | **5** | 4 |
| Advice | **77** | 63 |
| Wellbeing | **7** | 7 |
| Education | **4** | 3 |
| Financial health | **4** | 4 |
| Estates | **1** | 2 |
| Support costs | **7** | 7 |
| Toynbee Hall Trading Limited | **3** | 2 |
| | **108** | 91 |

## 8 Related party transactions

During the year the Charity charged £41k (2021: 8k) 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 £18k (2021: £4k) mainly in respect of shared costs. Toynbee Hall Trading Limited invoiced £14k (2021: £36k) 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.

Aggregate donations to the Charity from related parties for 2022 were £187 (2021: £360). There were no other related party transactions for 2022 (2021: 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 | 7,622 | 980 | 1,286 | **9,888** |
| Additions in year | - | 258 | - | **258** |
| Adjustments in year | (2) | - | (1) | **(3)** |
| At the end of the year | 7,620 | 1,238 | 1,285 | **10,143** |
| **Depreciation** | | | | |
| At the start of the year | 70 | 306 | 212 | **588** |
| Charge for the year | 35 | 116 | 86 | **237** |
| At the end of the year | 105 | 422 | 298 | **825** |
| **Net book value** | | | | |
| At the end of the year | 7,515 | 816 | 987 | **9,318** |
| At the start of the year | 7,552 | 674 | 1,074 | 9,300 |

**The Charity**

| | Freehold land & buildings £'000 | Fixtures, fittings & equipment £'000 | Plant & machinery £'000 | **Total £'000** |
|---|---|---|---|---|
| **Cost** | | | | |
| At the start of the year | 7,622 | 939 | 1,286 | **9,847** |
| Additions in year | - | 255 | - | **255** |
| Adjustments in year | (2) | - | (1) | **(3)** |
| At the end of the year | 7,620 | 1,194 | 1,285 | 10,099 |
| **Depreciation** | | | | |
| At the start of the year | 70 | 287 | 212 | **569** |
| Charge for the year | 35 | 107 | 86 | **228** |
| Eliminated on disposal | - | - | - | - |
| At the end of the year | 105 | 394 | 298 | **797** |
| **Net book value** | | | | |
| At the end of the year | 7,515 | 800 | 987 | **9,302** |
| At the start of the year | 7,552 | 652 | 1,074 | 9,278 |

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**Toynbee Hall**

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

**For the year ended 31 March 2022**

## 11 Investment properties

| | The group | | The charity | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Fair value at the start of the year | **7,256** | 7,195 | **7,256** | 7,195 |
| Additions in year | - | 28 | - | 28 |
| Revaluation during the year | **12** | 33 | **12** | 33 |
| Fair value at the end of the year | **7,268** | 7,256 | **7,268** | 7,256 |

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 (2021: £307k). The charity recognised an increase of £12k in the year (2021: 2k) which has been allocated to the fair value reserves.

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

In 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 £6.95m. The Trustees have considered this valuation, in light of the state of the market as at 31 March 2022. They are satisfied that there has been no significant change in property values through to 31 March 2022 and therefore consider that the value of the investment property remained unchanged at £6.95m as at 31 March 2022 (2021 - £6.95m). There were no additional coss of construction in the current year. The Trustees' view was that the final costs of construction of £28k incurred during the prior year did not have any material impact on the value of the property.

## 12 Listed investments

| | The group | | The charity | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Fair value at the start of the year | **21** | 14 | **21** | 14 |
| Net gain on change in fair value | **1** | 7 | **1** | 7 |
| Fair value at the end of the year | **22** | 21 | **22** | 21 |
| 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:

| | **2022** | 2021 |
|---|---|---|
| | **£'000** | £'000 |
| Turnover | **288** | 84 |
| Cost of sales | **(178)** | (74) |
| Gross profit | **110** | 11 |
| Administrative expenses | **(104)** | (94) |
| Profit / (loss) for the financial year | **6** | (83) |
| The aggregate of the assets, liabilities and funds was: | | |
| Assets | **114** | 95 |
| Liabilities | **(181)** | (168) |
| Funds | **(67)** | (73) |

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**Toynbee Hall**
**Notes to the financial statements (continued)**
**For the year ended 31 March 2022**

## 14 Debtors

| | The group | | The charity | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Trade debtors | **551** | 412 | **490** | 402 |
| Prepayments and accrued Income | **604** | 950 | **604** | 941 |
| Amounts due from subsidiary | **-** | - | **19** | 1 |
| Intercompany loan | **-** | - | **60** | 60 |
| Other debtors | **1** | 3 | **1** | 3 |
| | **1,156** | 1,365 | **1,174** | 1,407 |

## 15 Debtors: amounts falling due after one year

| | The group | | The charity | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Intercompany loan | **-** | - | **-** | 60 |
| | **-** | - | **-** | 60 |

On 16 August 2017 the parent charity signed a loan agreement allowing its subsidiary to borrow up to £100k which 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. As no further amounts had been drawn down by 31 March 2022, the loan balance remained at £60k at that date.

## 16 Creditors: amounts falling due within one year

| | The group | | The charity | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Bank loan | **105** | 93 | **105** | 93 |
| Trade creditors | **541** | 612 | **521** | 608 |
| Accrued expenditure | **318** | 442 | **309** | 434 |
| Taxation and social security | **139** | 137 | **128** | 127 |
| Deferred income | **368** | 170 | **307** | 86 |
| Other creditors | **32** | 223 | **31** | 222 |
| | **1,503** | 1,677 | **1,401** | 1,570 |

## 17 Deferred income

| | The group | | The charity | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Balance at the beginning of the year | **942** | 935 | **858** | 885 |
| Amount released to income in the year | **(169)** | (116) | **(85)** | (67) |
| Amount deferred in the year | **322** | 123 | **261** | 40 |
| Balance at the end of the year | **1,095** | 942 | **1,034** | 858 |

| | The group | | The charity | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Less than one year | **368** | 170 | **307** | 86 |
| Greater than one year | **727** | 772 | **727** | 772 |
| | **1,095** | 942 | **1,034** | 858 |

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 2022, of the total balance of £1,095k (2021: £942k), £773k is in respect of the deferred income on the lease premium (2021: £819k).

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**Toynbee Hall**

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

**For the year ended 31 March 2022**

## 18 Creditors: amounts falling due after one year

| | The group | | The charity | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Deferred income (Note 17) | **727** | 772 | **727** | 772 |
| Tenant deposits for 28 CS | **206** | 206 | **206** | 206 |
| Bank loans | | | | |
| - amount falling due between one and two years | **111** | 96 | **111** | 96 |
| - amount falling due between two and five years | **476** | 409 | **476** | 409 |
| - more than five years | **2,072** | 2,258 | **2,072** | 2,258 |
| | **3,592** | 3,740 | **3,592** | 3,741 |

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 at a fixed rate above the Bank of England base rate subject to a minimum rate. 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% |

## 19 Analysis of group net assets between funds

| **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** |

| **As at 31 March 2021** | Restricted funds | Designated funds | General funds | Fair value reserve | **Total funds** |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | **£'000** |
| Tangible fixed assets | | 9,243 | 57 | - | 9,300 |
| Investment properties | - | 5,094 | 367 | 1,795 | 7,256 |
| Investments | - | - | 6 | 15 | 21 |
| Net current assets | 740 | - | 548 | - | 1,288 |
| Long term liabilities | - | (2,763) | (978) | - | (3,741) |
| **Net assets at 31 March 2021** | **740** | **11,574** | **-** | **1,810** | **14,124** |

## 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) | 96 | 152 | (371) | - | 195 | **72** |
| Education | 45 | 164 | (258) | - | 79 | **30** |
| Advice (excluding Debt Free London) | 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 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** |

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 £470k (2020/21: £487k) from our unrestricted funds to our Financial Health, Education, Advice, Wellbeing funds to fulfill our commitments to these funders. The transfer on Debt Free London relates to grant income utilised for capital expenditure that is included in additions to fixed assets.

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**Toynbee Hall**

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

**For the year ended 31 March 2022**

## 20 Movements in funds (continued)

**Detailed comparatives for the movements in funds - for the year ended 31 March 2021**

| | 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) | 120 | 150 | (384) | - | 210 | **96** |
| Education | 69 | 59 | (178) | - | 95 | **45** |
| Advice (excluding Debt Free London) | 68 | 433 | (641) | (7) | 190 | **43** |
| Wellbeing | 38 | 920 | (932) | (16) | 15 | **25** |
| Wilson Memorial Fund | 38 | 4 | - | - | - | **42** |
| Restricted Redevelopment Fund | - | 73 | - | - | (73) | - |
| | 333 | 1,639 | (2,135) | (23) | 437 | **251** |
| Debt Free London | 116 | 6,004 | (5,631) | - | | **489** |
| **Total restricted funds** | 449 | 7,643 | (7,766) | (23) | 437 | **740** |
| **Unrestricted funds:** | | | | | | |
| Designated fund: Property Fund | 11,414 | - | - | - | 160 | **11,574** |
| **Total designated funds** | 11,414 | - | - | - | 160 | **11,574** |
| **Fair value reserve** | 1,770 | 40 | | - | - | **1,810** |
| **General funds** | 10 | 1,276 | (712) | 23 | (597) | - |
| **Total unrestricted funds** | 13,194 | 1,316 | (712) | 23 | (438) | **13,384** |
| **Total funds** | 13,643 | 8,959 | (8,478) | - | - | **14,124** |

**Purposes of restricted funds:**

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

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

**Advice (excluding Debt Free London)**
Funds for advice services 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**

Whist 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, a final capital grant of £23k was received and transferred to the Property Fund. In addition, the Heritage Fund awarded a grant of £50k for the maintenance of the building during the pandemic. In the current year, £203k was transferred from unrestricted net income to the Property Fund in order to designate the charity's unrestricted reserves.

**Debt Free London**
Debt Free London programme 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.

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**Toynbee Hall**

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

**For the year ended 31 March 2022**

**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**

| | **2022** | 2021 |
|---|---|---|
| | **£'000** | £'000 |
| **Net income for the reporting period** | **5** | 481 |
| Depreciation charges | **237** | 213 |
| Losses / (gains) on investments | **(13)** | (40) |
| Dividends, interest and rent from investments | **(442)** | (367) |
| Amortisation of bank loan fees | **5** | 4 |
| Interest payable | **79** | 71 |
| Decrease / (increase) in debtors | **208** | (524) |
| (Decrease) / increase in creditors | **(228)** | 24 |
| **Net cash used in operating activities** | **(149)** | (138) |

**22 Analysis of cash and cash equivalents**

| | At 1 April 2021 | Cash flows | **At 31 March 2022** |
|---|---|---|---|
| | £'000 | £'000 | **£'000** |
| Cash at bank and in hand | 1,600 | (141) | **1,459** |
| **Total cash and cash equivalents** | 1,600 | (141) | **1,459** |

**23 Analysis of changes in net debt**

| | At 1 April 2021 | Cash flows | Other non- cash changes | **At 31 March 2022** |
|---|---|---|---|---|
| | £ | £ | £ | **£** |
| **Cash and cash equivalents** | | | | |
| Cash | 1,600 | (141) | - | **1,459** |
| Cash equivalents | - | - | - | - |
| | 1,600 | (141) | - | **1,459** |
| **Borrowings** | | | | |
| Loan falling due within one year | (93) | (12) | - | **(105)** |
| Loan falling due after more than one year | (2,763) | 109 | (5) | **(2,659)** |
| | (2,856) | 97 | (5) | **(2,764)** |
| **Total** | (1,256) | (44) | (5) | **(1,305)** |

**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** | |
|---|---|---|
| | **2022** | 2021 |
| | **£'000** | £'000 |
| Less than one year | **14** | 71 |
| One to five years | **24** | 88 |
| | **38** | 159 |

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

| | **Investment property** | |
|---|---|---|
| | **2022** | 2021 |
| | **£'000** | £'000 |
| Less than one year | **503** | 503 |
| One to five years | **826** | 1,511 |
| | **1,329** | 2,014 |

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**Toynbee Hall**

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

**For the year ended 31 March 2022**

**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.

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# Reference and Administrative Information

For the year ended 31 March 2022
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:

| | |
|---|---|
| Julian Corner | (Retired as Chair and Trustee on 23 March 2022) |
| Stephen Burns | (Appointed as Chair and Trustee on 23 March 2022) |
| Halima Begum | (Retired as Trustee on 23 March 2022) |
| Ali Hussein | |
| Husna Mortuza | |
| Dee O'Connell | |
| Laura Ratling | |
| Maysam Rizvi | |
| Tahera Rouf | |
| Sarah Squires | |
| Sam Thomas | |
| David Warner | (Retired as Trustee on 23 March 2022) |
| Gemma Woznicki | |
| Muna Yassin | (Appointed as Trustee on 23 March 2022) |
| Kawsar Zaman | |

Interim Chief Executive Alex Botha

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

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# Help us create a fairer and happier East London

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28 Commercial Street
London, E1 6LS
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Email: info@toynbeehall.org.uk

www.toynbeehall.org.uk

Find us on Facebook
Follow @ToynbeeHall
Sign up to our e-newsletter online

Charity Registration Number 211850
Company Registration Number (England and Wales) 20080
A company limited by guarantee

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**TOYNBEE HALL**

England & Wales - Charity number 211850

# Accounts

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# Annual Report 2021

And financial statements for the year ending 31st March 2021

Charity No. 211850
Company No. 20080

TOYNBEE HALL

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

Reflecting on the turmoil and challenge of the past year and more, there is probably little to be said that has not already been offered by others. This Foreword therefore will simply be a fairly brief introduction to our Annual Report, which outlines in more detail the impact of the period of crisis we have all been through, and the response of Toynbee Hall and how the team have worked with and supported the communities around us.

I do want to offer, however, my sincerest thanks to all of those who have supported us throughout this year. Your good faith in our work, your responsiveness and flexibility, and your continued investment – when everyone was of course suffering uncertainties and anxieties of their own – was incredibly valuable.

I know how important this support has been to our team, who once again have shown their own resilience, capacity to innovate, and their dedication to the work they do. Many of our staff faced their own challenges, anxieties and trauma during the period. But collectively and individually, they have remained resolute and supportive of each other, so as to come through this having made a significant positive impact across a very wide range of fronts – as set out through this report - despite the challenges.

Even though we have faced many uncertainties, we have actually grown this year, both in terms of our income, our partnerships and our staff numbers. These have been swelled in in part by our taking on 40 new trainees (of 70 in total across London) to grow capacity in debt advice within the capital, in anticipation of heightened need over the coming years.

Trustees have been particularly pleased at how the new trainees we have taken on have progressed, with many now qualified as debt advisors, and with how the team overall has not only coped, but taken on new challenges, and engaged with shaping recovery across London and beyond.

Most importantly, we've been proud at the organisation's commitment to introducing a real focus on equity into the organisation; making clear commitments about recruitment and progression; being open about where we are in relation to diversity and our people; and setting out a clear roadmap on which our progress can be held to account.

To do all this at the same time as supporting, advising and creating platforms for thousands of people, and adapting pretty much every aspect of the operations and services of the charity, is an achievement we can be proud of; though we recognise of course, that there is still much to do, and our approach needs always to be one of learning and reflection to improve.

We have continued to work on our strategy, setting a clearer direction and focus, on fairness and happiness, locally, across London and beyond to shape a better future, as we emerge from the pandemic. This is work in progress, but is exciting and has galvanised our team and partners as we've played our part in shaping thinking about a recovery based on the needs and experiences of London's communities.

This report and our related Impact Report give a sense of our ambitions for the future, based first and foremost on the experience of the communities we work with, which is the underpinning principle behind all we aspire to.

So I am very grateful to all the community members who have shared their thoughts and experience with us to help us develop our thinking – as we in turn have helped them turn their ideas into action. It has felt like a genuinely collaborative experience.

I finally also want to thank my fellow trustees. Just before we entered lockdown, at the beginning of 2020 we grew our Trustee Board through the recruitment of six talented and dedicated individuals, all with a strong connection to East London, and with a huge passion and commitment to our work. It is never easy joining a new Board, and familiarising yourself with an organisation, particularly a complex and long established place like Toynbee Hall, and the challenges of course heightened significantly as the pandemic struck. But our new colleagues have settled in incredibly quickly, and alongside our established trustees, we were able to give what felt like proactive and consistent support, guidance and input to the Executive throughout the crisis. We were sad to say goodbye in December to Kate Swade, who had served 3 terms and the maximum 9 years in total on the Board, having previously been a Residential Volunteer at Toynbee Hall before that. Kate has been a constant source of good sense and clarity, and brought a huge amount of knowledge and expertise to our thinking about our assets, which has resulted in the fantastic outcomes from our redevelopment which we can all enjoy now. We're so grateful for all she contributed.

In early 2022, having reached the end of my second term and sixth year as Chair, I will be stepping down from the Board and having moved out of London in 2020, after almost 20 years as a proud Tower Hamlets resident, it feels the right moment to be making this change. However, I have agreed with my fellow trustees that I will step down from the Board after managing the transition with my successor. There are big challenges ahead – and real opportunities for people's experiences to be transformed, in which Toynbee Hall can and will play a part. And we can be confident that, as this report sets out, we are in a position of relative financial strength, as we ended 2021 with a surplus – the first time for a number of years we have been able to say that.

We have begun recruitment for a new Chair. And in an organisation of our standing, it is important to be able to keep moving forward, keep seeking new ideas, insights, and keep learning from the diversity of experience of the realities of inequality and injustice. So whoever succeeds me will – I am sure – get as much pleasure, enjoyment and rich sense of fulfilment from being part of this vital organisation.

Thank you for all the support you have given us, and on a personal note, thank you for the warmth, kindness and engagement that I have been shown throughout my time as Chair of Toynbee Hall.

With very best wishes for the future.

DocuSigned by:
Julian Corner
E7D1CC62705145A...
Julian Corner

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In the year ending 31 March 2021 through our direct community and advice services and partnerships we supported:

**753 people with free, expert legal advice on issues such as housing, employment, Family & Domestic Violence**

**14,821 Londoners with debt worries through Debt Free London partnership, including many nightly calls to our 24 hour service.**

**1,679 people, through our First Response Advice service, from initial inquiry to information gathering, calls and emails, letter-writing, referrals, and follow ups.**

**4152 calls were made by staff and volunteers to people who would otherwise be socially isolated and 481 people joined our online Community Centre**

**50% of those who spoke with us reported an increase in 'feeling respected and heard', 47% felt an increase in confidence and 44% an increased interest in getting involved in activities**

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# Strategic Report

## Introduction

While the formal financial period covered by this report is from April 2020 to end of March 2021, we recognise that the operating environment has continued to change and evolve during 2021, right up to the publication date of this report in December 2021. Our narrative therefore covers some activities beyond the end of the financial year, as it made sense to include them here. In addition some of the pictures are of activities that took place after the financial reporting period covered.

For an organisation that is over 130 years old, a 12 month period is a very small slice of our history. Nonetheless, the period from early 2020 until now, deep into 2021, has been one of the most challenging, uncertain and exhausting years in recent memory for our team and the communities we work with.

As we slowly and cautiously begin to reconnect and reopen, still unsure of what might be around the next corner, we reflect here on the resilience of the communities around us and our team and volunteers.

With hard work and the tremendous support of our funders, we have achieved financial breakeven; and end the year a bigger organisation with capacity to support even more people across London; and a clearer sense of our own future direction.

We went into April 2020 full of uncertainty, anxious for our own team, friends and families, and immediately aware of the impact the pandemic was having on the people around us. The initial shock of the first lockdown hit like a tidal wave and the response felt like a humanitarian emergency: frantic phone calls to our community-centre regulars, many who'd been visiting daily for decades; solving critical challenges for people without food, medicines or information, adapting so as to respond remotely.

Our local communities were amongst the hardest hit: by the disproportionate impact of the virus – and the lockdowns – which were immediately felt by the poorest and most vulnerable. The challenges of poor housing, insecure employment, problem debt, and fundamentally a lack of a voice were all amplified. Needs mushroomed: older and vulnerable people couldn't access services; fear and anxiety worsened existing inequalities; people were suddenly unemployed and without income. Young people alone and unheard.

The increased demand for advice and emotional support, and the persistent challenge of digital exclusion, have required an incredible and sustained response.

Our own team also faced personal challenges: including loss of friends and family, juggling work with home schooling; an inability to connect and share the pressures of being the first point of contact for our local community.

And a further challenge was the loss of income when our venue hire business closed overnight. We faced the huge pressure of supporting the needs of the local community in the context of real financial uncertainty.

Many of these challenges are ongoing – and certainly there are more to come. But we have come through the year in a position to feel we can genuinely rebuild and recover so that everyone can look forward to a fairer and happier future.

It is no exaggeration to say that pretty much everything we do at Toynbee Hall has had to change over the past year. But we were of course totally determined that all of our services – advice, community support, youth programme, access to justice – should continue. We are incredibly grateful to all the many funders and supporters who responded so quickly and flexibly to help us.

The following pages cover some of the key elements of that response in practice.

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# Supporting a fairer and happier local community

## *Advice Services*

It was essential that we should maintain our local advice services – providing essential support for residents and workers in the City of London and Tower Hamlets – so we moved rapidly from a face to face drop in offer to creating a 'First Response' telephone helpline, staffed by a bank of expert advisers who could provide initial urgent help, and then refer callers on for more specialist support.

Of course, it wasn't enough for us to just hope that people would find us and our phones would ring; so as well as actively marketing our advice line number via social media, we reached out to local groups, including the many mutual aid groups which were quickly established. Not only were local people then able to refer in friends and family to us for vital advice and support, but we could play a key co-ordinating role between the groups, and be an essential link between those volunteer led efforts and wider statutory services. In the early months of the pandemic in particular, many people who had never previously needed advice or support were suddenly facing new challenges: self-employed people were of course worried that their incomes would dry up; people on furlough didn't know what would happen to their rights; people living in over-crowded accommodation suddenly faced the prospect of increased threats to their health through the virus. And incidents of domestic abuse increased, creating a need for urgent and specialist advice and support.

Our specialist advice service in partnership with MacMillan, which helps cancer patients access vital benefits, was of course unable to operate in hospitals. But thanks to the swift work of the partners, dedicated helplines were quickly established, and people were still able to access the support they needed.

Throughout the year we supported over 700 people with cancer, helping them access on average over £3,000 in additional benefits – vital funds at a time of real crisis. And our historic Free Legal Advice Centre continued – with our partners from City law firms willingly offering online appointments so that we could be as flexible as possible. We realised that there was a broader need, beyond legal advice, for information to help ensure people understood their rights, so worked with the local community to create additional resources on video and in easy to read leaflets and brochures. Debt remained a major issue for Londoners, and our Debt Free London advice partnership was extraordinarily busy, seeking to find new ways to respond. This is covered in more detail further on in this report.

For particular groups – already vulnerable – the impact was often the most severe. The disproportionate impact of Covid on black and minority ethnic communities has been well documented and we certainly witnessed this in our diverse neighbourhood.

## *Community response*

Our community services were therefore more in need than ever – even though, once more we had to adapt.

We created an online community centre with daily activities for older people and families; and because many people could not access online activities, we partnered with local groups and recruited multi lingual community volunteers, to connect across the community.

Beyond our direct services, we recruited a cohort of volunteers from the local area, with a wide variety of languages and different experiences, so we could reach out in the community and offer further support to those whom lockdowns and the pandemic had left isolated and alone.

These volunteers were drawn from all walks of life, with a local running club becoming active supporters very early in the pandemic, and through these networks we were able to identify and respond to other support needs: co-ordinating some food and essential medical supplies for vulnerable people; and helping those community members who faced digital exclusion, by providing computers and remote training and support to get them online.

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During the summer of 2020, in a brief window where we could begin to offer services again we did host some conversation bubbles and small group activities, which were hugely appreciated. And the beautiful gardens, which are the centrepiece of our redeveloped space, were vibrant and well used by families and local people throughout the summer months.

It did feel very frightening to have to close down again after Christmas, and this second wave hit our communities hard in all kinds of ways. Tragically, some close friends within our community passed on during this dark time, and two long standing members of our community centre in particular – Shoba and Manny – are hugely missed. Along with the many others who were lost through this period, including friends and family members of our teams, it is vital as we look forward that we remember them all.

### *Partnerships*

Across the local area, our Linkage Partnership of 5 charities providing support and services for older people became even more vital. Working with trusted friends at St Hilda's East, Neighbours in Poplar, Age UK East London and others we worked hard to ensure that the local response was co-ordinated and that wherever in Tower Hamlets there were additional support needs, together we could meet them.

Linkage was one of many partnerships which we developed and strengthened during the year. Working alongside Tower Hamlets Council and the City of London we also received new funding for a local Heritage Action Zone, in the streets surrounding Toynbee Hall – giving local people a real sense of ownership and stake in a rapidly changing area. This will be a vital initiative as we slowly begin to emerge from the pandemic. At the same time, our friends in the local business community played their part, and through our strong connection with Aldgate Connect – the local business improvement district – we have begun to play a vital role in bringing the area back to life, including hosting community guardians, and using our garden spaces for bike repairs, public art and other community activities.

In the spring of 2021, as our new financial year started, we were delighted to form a partnership with charity Turn2Us which enabled us to offer small grants and payments direct to individuals in acute need. Turn2Us have a long established and highly regarded model and scheme for providing such support, and it has been a great relief to many of the people that we work with that we now can help them access direct funding for essential goods and unforeseen emergencies.

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## *Working with young people*

While much of our focus was on older people, families and those losing work or in housing crisis, of course for many young people and children, the impact of the pandemic and lockdowns was just as profound. Teenagers preparing for college were prevented from going; schools were disrupted; and the mental health challenges already faced by many young people were made significantly worse.

Rather than closing off our services, we wanted to ensure that we were still there for young people. So our When We Speak programme continued throughout the year, and through it we provided online support and connection for young people; facilitating group sessions; hosting zoom events; and always with a focus on giving young people a voice, and the opportunity to develop their own projects and ideas with each other.

We also maintained our strong connections with local schools. They were facing enormous pressures of their own, so the fact that we were close by and able to offer some family and other support through the crisis was very valuable.

When We Speak half term online workshop programme

## *Heritage*

This past year has also seen a continued desire to celebrate the history and heritage of social action at Toynbee Hall and in the communities around us. We have a long and proud history of striving for and achieving positive social change but many of those achievements and stories, particularly those of black and minority ethnicity staff, volunteers and community members have gone unrecorded and to our great shame are barely documented in our archives, as in so many historical records. We want to tell those stories and make them a part of the fabric of our organisation. This heritage is a living part of us and can inspire us to continue the ongoing struggle for equality.

To mark Black History month in October 2020, we published a series called 'The forgotten Black activists of Toynbee Hall', a set of a biographies to recognizing the work of Black individuals who improved the lives of people across London. In 2021, we have held a series of community celebrations and storytelling workshops to commemorate 50 years of Bangladeshi independence, it's connection to the East End and the anti-racist movements it inspired. Our digital archive is also now live and available to the public. Our digitised physical archive stored at the London Metropolitan Archives, can be searched and thousands of archival materials such as annual reports, publications, letters and images are online to preserve our archive and make it more accessible.

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### *Our spaces*

It was essential that our assets did not lie dormant, even though we were unable to 'open' in the normal sense. In the early months of the pandemic, we gave the space to a local foodbank for Londoners with no recourse to public funds, and provided access to wrap around advice and support for those families. We then helped the foodbank set up in a permanent space close by, and maintain excellent relations with them as good friends and partners.

From January to May 2021 we also used our spaces as a Covid 19 community testing centre in partnership with the NHS and local council, allowing hundreds of local people and families each week to come for tests to play our part in stopping the spread.

Although we could not run conventional conferences and events – creating a significant reduction in our planned commercial income – we took advantage of certain exempt activities (such as film shoots) that were after safe and secure locations, keeping some income streams alive, and ensuring that our assets were in use.

As we reached the end of March 2021 – the reporting year for this review – we were still in lockdown; but could see the seeds of hope as the vaccination programme rolled out. And as spring turned to summer, we were delighted to be able to reopen our community centre, and advice spaces, offering opportunities for face to face advice, community activities and planting in the community gardens. At the same time we have started to plan for our staff team to return to the office – with a more flexible approach to home and office work; and a commitment to use some of the good changes we have made over the year to build a more sustainable and community led offer, with strong partnerships to support and create platforms for the people who need us.

## Building a fairer and happier London

As an historic London institution and anchor organisation in the capital, our role has always gone beyond the immediate neighbourhood focus of our own local community, and through the last year we have played a significant role in helping London as a whole respond and begin to build recovery.

At a strategic level, Jim, our Chief Executive, was invited to co-chair one of the London Recovery missions working alongside the Deputy Mayor for Social Mobility and Integration, the Greater London Authority, London Councils and others to embark on an ambitious programme to build a more robust safety net for Londoners. This has given a voice to our communities and allowed us to use learning from across civil society to shape the way that London will be in the future, and take our agenda for fairness and happiness into the wider policy arena.

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Our research team gained a reputation as a powerful source of knowledge and intelligence to help shape that recovery; we worked with Thrive London, the London Mayor's wellbeing and mental health champions, on a series of projects designed to create platforms for ordinary Londoners – young and older – to tell their stories and create together ideas and solutions to improve policy and practice.

Key amongst these was our Pandemic Stories project, where throughout the year, we trained and engaged community members to document their experiences and engage their friends, neighbours and families.

This produced a hugely valuable set of findings – which we shared regularly with funders, the local authority, other partners and the Mayor of London's team at the GLA. It is fair to say the work not only greatly increased the sense amongst our communities that people were listening, and their views were important – and more than that, gave us an evidence base and a platform to argue for longer term systemic change, some of which is reflected in the next section.

In East London, many of the organisations we work with were struggling with similar issues to us and shared the same ambitions to build back better from the past 18 months. So, we have through 2021 been co-ordinating an active group of partners with the ambition of driving community led recovery in London – giving space and opportunity to ordinary Londoners to have their voices heard and fostering a spirit of collaboration.

In the same way, we have been active associate members of London Funders, and played our part within Locality, the network of community organisations, drawing together funders and partners for conversations to help inform the development of funding streams to support community infrastructure, which have been reflected in some of the collaborative funding made available throughout 2020 and 2021.

Our Community Money Mentors work has continued, in East London and across the capital, supporting communities to shape their own ideas and solutions around financial health. We have developed an online resource and tool, Digital Money Mentors, which has come into its own this year, enabling us to connect with and offer support to community groups across London, and partnering with a range of local providers and financial institutions.

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### *Transforming debt advice for Londoners*

In 2021, we celebrated the 15th year of Toynbee Hall's leadership of a partnership of 15 community organisations providing face to face debt advice to thousands of Londoners each year. The Debt Free London partners faced many challenges in the same way as Toynbee Hall did – in terms of needing to close spaces and reconfigure services; all with the knowledge that the pandemic and lockdowns would ultimately lead to a potentially huge increase in the need for support.

The partnership is made up of a mix of local Citizens Advice agencies, community advice providers, law centres and other financial health specialists, working alongside our own team at Toynbee Hall. Their response – supported by funding from the Money and Pensions Service (MaPS) and others – has been really strong and made a significant contribution to our ability to continue to support Londoners facing problem debt and many other challenges.

We rapidly introduced new technology, and a new system to allow phone, WhatsApp, Facebook and video delivery of debt advice from our skilled team across the partnership. Crucially, all partners agreed to move to a common database – Advice Pro – meaning that we could maintain and expand a seamless service – so that if someone in one part of London wanted advice, but a local adviser was not available, another adviser in a different part of London could assist.

At the same time, we centralised the administration function, so that online bookings and other enquiries could be dealt with quickly and responsively. And to help future proof the service, and build capacity into the community advice sector in London to cope with the predictions of huge numbers of Londoners with problem debt post-pandemic, we secured from MaPS additional funding to allow us to create a training programme for new debt advisers. It was an outstanding achievement to recruit, induct and train a cohort of 60 new team members, 40 of whom were employed directly at Toynbee Hall, the others across the partnership. Many of the new trainees have already progressed into permanent debt advisor roles and we are confident that the many others will follow in their footsteps. This diverse group, many of whom are younger people, seeking a new career in a vital service for the community, have shown incredible resilience and dedication to go through their training and development remotely, and will provide excellent enhanced capacity for Londoners into the future.

From January to March, thanks to the support of the Greater London Authority and Thrive London, we were able to make the debt advice service a 24 hour 7 days a week operation, meaning that skilled advisers were available round the clock. Not only has this helped with debt advice support, but also has been a vital part of supporting Londoners' wellbeing, preventing anxiety in the middle of the night by making sure help has been at hand. We hope that we will be able to continue this service again later in 2021-22.

And to increase our reach across East London, as some partners were unable to continue to be part of the Debt Free London arrangements, Toynbee Hall has established satellite offices in the London Boroughs of Greenwich, Newham and Havering, to ensure that people in those places still have access to locally based face to face debt advice.

The partnership is now widely seen as a vital part of London's advice infrastructure and, through connections both locally – via the partners – and centrally from Toynbee Hall, plays an important part in ensuring Londoners do have access to advice when and where they need it.

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## Building a fairer and happier future – through influencing broader system change

Throughout 2020-21 while we have continued to support people in our local area and – through partnerships – across London, we have also maintained and strengthened our focus on shaping systemic change, to create platforms for people to challenge and address the policy and practical barriers that hold them back.

The Pandemic Stories work, described above, was just one example of that work. And as a demonstration of our ability to bring experience from communities to the heart of policy making, in the early part of 2021, a group of community researchers were invited to share their learning and findings with groups of MPs and Peers who make up the All Party Parliamentary Groups on Universal Credit and Food Banks. Their evidence was very powerful and well received, and among other things, they put forward persuasive, evidenced-based arguments for the maintenance of the £20 per week uplift in Universal Credit.

A few short weeks after their evidence session, the Chancellor announced that he would indeed be maintaining the uplift. Despite the fact that this only offered short term respite, and later in the year the uplift was removed, this was nevertheless an indicator that community voices had been heard and listened to, and gave us the impetus to continue to make the case for change.

Beyond Pandemic Stories, we have continued to support community-based research and enquiry across a number of areas, always looking to find new solutions and ideas from the experiences of local people. It is very important that we ensure that all of our researchers are offered some payment and incentive in return for their time, and in 2020-21 we began an exciting project to offer opportunities to community members so that they could join our own policy and research team, and they are settling in really well.

This commitment to supporting people has meant that some of our longer term projects have been able to be sustained throughout the pandemic. We've been working through 2020-21 with a group of young people living in private rented accommodation to help them identify how their experience could be better. During 2020-21 we brought them together with a group of local landlords for a series of online discussions at which they could create together some ideas to ensure both tenants and landlords had a better experience. Beyond that, they came up with a range of policy proposals designed to improve private renting everywhere, which have been shared with funders and at online housing conferences in 2021.

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**The Champions Project:** One piece of partnership innovation which we were particularly proud of in 2020/21 was the development of the Champions Project, with our partners, City law firm Cleary Gottlieb Steen Hamilton (CGSH). We have enjoyed a partnership with CGSH for over 5 years now, and through that time they have provided funding, and more importantly significant pro-bono support for our Free Legal Advice Centre (FLAC), including dedicated legal advice and supervision for our women only clinic every fortnight. As part of our – and their – ongoing work on diversity and equity, we together developed an idea for a mentoring programme to support young black men and women to secure opportunities in the legal profession. Many of our volunteers at FLAC are from diverse communities, but often the world of commercial law firms can feel a very difficult one to become part of and to navigate. We are excited by this work and the chance it will bring not only to create opportunities for local people, but as importantly, how it will input new ideas into the way the whole industry thinks about recruitment and progression.

Our team were invited to provide research and insights from the community to help shape the Tower Hamlets poverty reduction strategy, and we are now engaged in a variety of research projects across London, including on adult learning, putting the experience of community members at the heart of these pieces of work.

Our longstanding involvement in financial inclusion work continued through last year, with Sian Williams, our Director of Policy and Innovation, continuing to be part of a national programme of work designed to support communities' rights to access cash: increasingly important as more and more transactions through Covid have been digital and electronic, risking exclusion to many people.

Building on our strong partnership with the charity Fair by Design, we have continued to work on supporting the development of products and services which break the 'poverty premium' – through which people on low incomes often pay more for basic goods and services. This has led to a new collaboration which also includes Fair for All Finance, through which we are collectively seeking to pilot new mechanisms for ensuring access to credit to those currently denied it, and are hopeful of an opportunity to develop a No Interest Loans Scheme, learning from best practice internationally.

Within wider civil society, Toynbee Hall continues to be an active voice. We were selected to be one of a cohort of charities to form part of a learning group seeking to implement some of the recommendations of the 2019 Civil Society Futures Report – looking at Power Accountability Connection and Trust. And we are active participants in ACEVO, the charity chief executives network, and our Chief Executive has blogged and provided podcasts on the experience of our communities.

We are involved in a whole range of collaborations and partnerships, and very strongly believe it is part of our role to share our learning, seek to create platforms for people, and authentically represent the voices of our communities to those who have the power to make policy and regulatory change.

**Our funders - a thank you:**
It is no exaggeration to say that at a time of great need, we found great comfort in the support that was offered and invested. We needed funders to be agile, open and willing to take some risk: and this was indeed how they responded. Many funders who for a number of years have invested in our work were willing to provide additional support and donations; or lift restrictions on funding to allow us to operate more flexibly. Other new funders reached out to us or opened grant streams to us that had previously been closed off and we were very pleased to be able to access new support for our work. And many hundreds of individuals offered us support – through our appeals and through direct approaches – ranging from one off gifts to significant regular donations. All of this contributed not only to allowing us to continue to meet need, and to innovate and adapt; but importantly to ensuring that the financial health of the organisation stayed intact, and as our accounts show, allowed us to balance our books. A massive and heartfelt thank you is extended to everyone that has helped, in whatever way they could.

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## Our People

Despite the challenges of the pandemic, and the necessity for remote working and dispersing our organisation, our team has shown incredible resilience and commitment throughout the year – despite all of us facing multiple challenges including our own health and wellbeing and that of our families; home schooling; caring responsibilities; disruption to routine and a lack of connection with each other and the wider world.

The contribution made by our entire team in these circumstances is even more extraordinary, and our trustees are incredibly grateful for their tireless efforts.

We did take advantage of the Government's furlough arrangements, offering this to 10 staff in total, but we made every effort to keep those people feeling part of our team and efforts; and topped up their salaries beyond the 80% on offer from the government scheme until September 2020

Most of our team were able to continue to work throughout, with many taking on different roles as we adapted our response through the year.

Significantly, we grew the organisation quite substantially over the last year. As set out earlier in this report, we took on 30 debt advice trainees, but also created a number of new roles across our services as funding enabled us to develop new ways of meeting need. At the end of March 2021 we had around 120 staff, having gone into 2020 with around 70.

We are proud of the way that we have managed to keep the organisation together and maintain a strong and supportive culture throughout. Some of our team established a wellbeing committee, who hosted daily drop-in virtual coffee mornings, and continue to advise our senior management with suggestions for additional support.

And throughout the year we kept up very frequent communication, to keep everyone informed and feeling connected, hosting online All Staff meetings every fortnight giving space for voices across the organisation to share updates, opportunities and challenges and provide a place for reconnecting.

In the summer of 2020, when there was the first opportunity to reopen some services as the initial lockdown ended, we took great care to survey and listen to our team, and worked hard to meet their needs: creating some provision for team members to work – safely – in the offices (as it was impossible and potentially damaging to them to work from home); and for the majority who continued to work remotely, to ensure we could meet their needs to do this in safety and comfort.

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This approach has paid real dividends in terms of our overall wellbeing and culture. Of course, we have not got everything right, and many of our team are very tired, feel under pressure and have worked long and lonely hours for many months. So a strong focus on support and wellbeing is a crucial part of our planning for the coming years. But when we surveyed our team again in March 2021 to help us shape our flexible future working model we were very pleased to hear that 90% of our team felt well or very well supported by Toynbee Hall through the pandemic; and 89% agreed that communications had been good or very good.

Vitally, our whole staff team worked together with a local partner - You Make It - to create an action plan to meet the challenges of systemic racism – hugely relevant to us because of the disproportionate impact of Covid on black and Asian communities. There is more in later sections of this report on our work on equality and diversity.

Very sadly indeed, one of our team members, Jennifer Griffiths, a community researcher, tragically passed away in early 2021. This had a deep impact on her team and those who knew her, and made all of us realise just how very hard the impact of the last few months has been. We remember Jennifer very fondly, and pay tribute to her.

It has been a hugely challenging year, and it will continue to be difficult going forward. But we have come through it as a team; have a clear plan for bringing the team with us as we gradually reopen; and we are collectively even more determined to build a fairer and happier future.

## Looking to the future

We have done our utmost to be a positive force for good, working with and supporting the communities around us through an unparalleled crisis. But we know that even our best wasn't enough; systemic inequality and unfairness meant that too many people entered the pandemic already vulnerable to its health, economic, social and psychological impact, and we and our local partners couldn't prevent family after family experiencing loss and hardship. So what we've seen and heard during the pandemic has only reinforced our belief that we must build back better, and meet the challenges of systemic inequality and exclusion head on.

Next year and beyond will bring further challenges – and the crisis is far from over. And for us as an organisation, we will continue to need to work hard to sustain ourselves.

Our chair Julian Corner will step down in early 2022, having led us through an incredible and transformative 6 year period. He has now moved out of London and Trustees and he share the view that the time is right time to hand-over the responsibility. The whole organisation has huge gratitude to Julian for all he has done, and work is now beginning on the search for a successor to pick up where he leaves off.

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In this context our new strategic direction, refreshed to take into account the learning from the past 18 months, is hugely important, aiming to ensure we are relevant, meeting need, continuing to innovate, support our people and crucially, make a fairer and happier future; all while at the same time sustaining our organisation.

The strategy breaks our ambitions down into three overlapping levels: our local neighbourhood; our city, London; and the wider impact across society that we can inspire. And of course our strategy also focuses on how we support and develop our people, including acknowledging the need to help them recover, rebuild their resilience, and feel supported to continue to be here for the community around us.

At the heart of our strategy is our deep commitment to co-producing everything with the communities around us; and so our ambitions are less focused on 'what' we might do – and rather on 'how' we might achieve it; and clarity about how we are as an organisation, ensuring we are as effective as we can be in delivering on all of this and that we truly live the values we aspire to.

## A fairer and happier East London

Our local community and wider neighbourhood are our heartland. Our ambition for East London is that:
Local residents and community members will value Toynbee Hall as a place of community sharing and celebration, family support, social reform and personal growth. We want people from all parts of the community to feel welcome here, and know that their views, ideas and experiences are valued as essential drivers of social and economic reform.

Fundamentally, we will create mechanisms for East Londoners to speak directly with those who have the power to change things; we constantly seek to understand need, and help build a shared understanding of the community itself and work together to tackle systemic inequalities.

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## *A fairer and happier London*

Toynbee Hall has a huge role to play in connecting, facilitating, sharing, partnering and creating platforms for communities to shape change, and ensure that London's status as a dynamic, thriving world city delivers benefits to all of its communities. Our ambition for London is that:

We are established as a key voice in London, playing a leadership role in the capital to support the drive for recovery and beyond; ensuring the experience of communities including those we work with are increasingly at the forefront of policy change.

This will lead to us shaping further collaborative, participatory work, led by communities, to establish a robust safety net for Londoners; the green growth agenda, skills and learning, regeneration and community assets; and other aspects of the recovery agenda.

Our successful Debt Free London partnership will evolve to enable even more people to benefit from high quality debt advice, and is part of a wider better co-ordinated advice landscape across the capital. During 2021 the Money and Pensions Service are re-commissioning all debt advice services, including the partnership we lead. As at the end of 2021, we are awaiting the result of tenders we have submitted which – if successful - will lead to further opportunities to expand and develop the service; and so we will have a significant piece of work to do to create a governance and operating framework to scale that partnership. And in the event of the bids not succeeding we will have the opportunity to adapt and realign how we work.

## *A fairer and happier Future*

We are often asked if we are a local or national organisation. The answer is both. We have been reminded even more strongly from the experience of the pandemic that, more than ever, systemic and structural barriers – and national and global forces – can prevent our community, and others across the country, from prospering and thriving. So our ambition for change, and for shaping that fairer and happier future, beyond London is that:

- We will develop, learn from and share our model for community-led change – where local people are genuinely at the heart of identifying systemic barriers and shaping solutions, giving them platforms to share and advocate for change at a national level.

- We will contribute to learning and practice around people and equity – ensuring that the voices of communities can hold us to account as an organisation which lives by its values of justice, challenging racism and other discrimination – and that we do the same to those in power.

- As well as supporting those in financial crisis, we will continue to work in partnership to tackle the drivers of debt – and to develop new solutions to supporting and nurturing financial health, always shaped by the experience of our community.

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# 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.

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## *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.

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

During 2020/21 Kate Swade stepped down as a trustee, having made an outstanding contribution during her 9 year involvement. Having been through a substantial recruitment of trustees to broaden and deepen the expertise on our board over the past two years we did not recruit more trustees in 2020-21 so the Board currently stands at 13 members.

As noted above, in early 2022 the Chair will step down and leave the board, so recruitment for a replacement is now underway. In addition two other long standing experienced trustees will also end their terms, so we will be seeking to bring further experience onto our board as we enter 2022.

The Board of Trustees is ultimately responsible for recruiting and appointing new trustees, as and when it becomes clear new skills and experience are needed; or as and when current trustees finish their terms of office. In 2018 and 2019, we embarked on significant recruitment of Trustees for both of these reasons. This involved open advertising across our networks and within the local community; support from an expert in charity governance to help ensure a fair process; and input from trustees, community members and staff into the selection process, with a group of Trustees making the final recommendation to the Board for approval of the trustees identified. Having been satisfied with the successful outcomes from both of these campaigns the Trustees would use a similar approach for future recruitment and indeed – supported by a specialist recruitment agency – are following a similar process for recruitment of the new Chair, overseen by a sub committee of current Trustees.

Once Trustees are recruited, our Executive Team and Head of HR plan 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 Committee.

Membership of the Committee is made up of trustees, and the board has the power to co-opt non-trustee Members to the Committees to address specific and identified skills gaps.

The following individuals who are not trustees sat on the Finance Committee during the year.

Richard Allan remained a co-opted member of the Finance Committee throughout 2020-21.

To help deepen our governance and the trustees understanding of the organistation, in February 2021 the trustees agreed to form two new sub committees, one for People and one for Strategy. These committees have had informal first meetings at the end of 2021 and will meet more regularly in 2022.

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## Executive Team

The Trustees delegate the day-to-day management of Toynbee Hall to Jim Minton, the Chief Executive who is supported by an Executive Team. During the year, the Executive Team comprised the Director of Finance, Howard Jackson, and Director of Policy and Innovation, Sian Williams.

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.

The Trustees are responsible for setting the pay and remuneration of the charity's key management personnel. We have not had any changes in the key personnel during 2020-21, nor any review of their remuneration (beyond the standard pay award offered to all members of staff). Should Trustees be required to consider remuneration of key management personnel in the future, this would be the responsibility of the newly established People Committee in the first instance, who would set criteria and parameters and carry our appropriate benchmarking before making recommendations to the full Board.

## Transparency

In accordance with our remuneration policy, Toynbee Hall publicly reports Toynbee Hall's wage differentials and discloses the pay of our leadership team in Our People report. Details of the remuneration of the Key Management Personnel are set out in note 6 to the financial statements.

As noted above, we published Our People in January 2021, which provided significant transparency about our salaries, our diversity and the make-up of our team. We are also signatories to the charity campaign 'Show the Salary' which commits us to openness in recruitment and disclosure.

As an anti-poverty charity and an accredited London Living Wage employer we take equity issues around pay extremely seriously and while we know there is still work to do, we can reflect in this report that we perform well against the sector benchmark on wage differentials.

As at 31 March 2021, the ratio of our Chief Executive's pay to median pay was 2.7:1 (last year 2.4:1); and of our Chief Executive's pay to the lowest salary was 4.1:1 (last year the same).

We recognise the Trade Union, Unite, and are happy to enjoy a good relationship with the Union as an important stakeholder in ensuring the organisation is well led and managed.

## 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. The challenges of Covid and its disproportionate impact on many of the communities around us, made this even more central to our work throughout 2020-21.

Our People, our first comprehensive report on who we are as an organisation, was produced so that everyone can see where we are on our journey; and to set out clearly what more we intend to do, with the backing and involvement of our team, our stakeholders and the community around us.

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Our ambition is to offer fair and inclusive opportunity, ensuring that we are helping create employment and influencing pathways for people without the types of privilege that traditionally lead to power, or just good jobs. 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.

The events of 2020, both the disproportionate impact of the COVID-19 pandemic on ethnic minority and low income communities, and the racial injustice events here and in the US that led to a growing awareness of the continued impact of structural racism, have prompted us to reflect deeply on whether we are doing all we can towards building that fairer and happier society.

We have a very diverse team, with an incredible breadth of experience, talent, knowledge and skills drawn from a very wide range of backgrounds and as well as publishing our data openly, we have explored honestly what it is telling us, and in doing so, have uncovered clearly where we believe we have more work to do.

We need of course to acknowledge that as an organisation with a diverse staff team, in a hugely diverse part of London, our most senior leadership, including our Chief Executive and Chair of Trustees, are
White men. However, over the past two years we have broadened diversity within our Senior Management Team andworked proactively to recruit talented new trustees including more women, and more trustees with strong local experience and from diverse backgrounds. And as we move forward as an organisation, our Trustees will hold us to account on our commitment to continue to do more to evolve a diverse and talented leadership team.

Making commitments is the easy bit. Making change is much harder and needs real leadership and willingness to learn. So in 2020-21 we set out our practical commitment to doing more and better, in four key areas:

- More inclusive recruitment;
- Supporting progression and fair reward,;
- Better understanding and tackling the barriers people face; and
- Using our existing people development tools better to maximize the benefit to each staff member from their time with us.

We want to increase our accessibility as an employer, and have committed to the Working Families pledge to make all our roles flexible. And we must deepen our support to staff from all backgrounds to help them progress and pursue their ambitions.

We committed to publically sharing our data because we want to be transparent, and we want to be held to account on our commitments.

As well as making commitments, we also took action through 2020-21. We have increased pay in the small number of roles where the data showed there were identifiable inequality gaps, explored how they had arisen and put in place a new process to monitor for and address any future unfair pay gaps. And we have increased the level of community participation in our recruitment.

As noted earlier in this report, we partnered with You Make It, an East London charity with huge experience of challenging systemic inequalities facing local communities. The team at You Make It supported us to take our whole leadership and middle management team through their anti-racism programme, You Change It, using a human-centred approach to equip us with the knowledge and skills to build our own anti-racism allyship plan.

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 that fairer and happier future with the communities around us.

We have committed to Toynbee Hall being a true ally against all forms of structural inequality, unfairness and injustice, both in the work we do and the way in which we create and open up access to opportunity. In early 2022, we will publish our second diversity report to share our learning and, hopefully, our progress. In all this work we want to be transparent and open to feedback and challenged, so that we can move forwards together with confidence that we are making the right changes, in the right way.

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# Management of Risk

In the context of a year in which, at times, it is fair to say that some of our team genuinely may have worried about exactly how we would survive and flourish into the future, such was the uncertainty faced by everyone, it is something of a challenge to draw out operational and strategic risks that impact upon us, whether or not we are in the midst of a pandemic. Nevertheless we have maintained the approach of reviewing all risks, quarterly at both Executive and Board level, taking into account the different categories of risk we face and the different mitigations.

The three categories of risk we have had to deal with this year are therefore Covid specific risks; risks relevant to Toynbee Hall; and risks which generally apply to charities and other civil society organisations. The key risks in these areas are summarised below.

In terms of process for reviewing and managing risk, while overall accountability rests with the Chief Executive, Directors and Senior Managers, our aim is to create a culture of effective risk management and mitigation within the organisation. We do this through our regular reviews amongst senior managers, and in line with updating on progress against operational plans and targets, following up with discussions in team meetings and one to ones. We introduce training - for instance on financial procedures, health and safety and safeguarding - for all staff as necessary to 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 regularly reviewed and updated by senior managers and scrutinised by the Board in order to offer assurance.

## *COVID-19 related risks*

Much of our focus through 2020-21 has, by necessity, focused on short term risks in relation to how we keep people safe and healthy, maintain services and our spaces; and are still able to meet need in the community while dealing with the various restrictions in place.

We set up early on – and have maintained throughout the crisis - an internal task force of the CEO, Director of Policy and Innovation, Head of HR and Head of Estate Operations to help us navigate this changing picture.

We established new – safe – operating procedures; training and induction for staff; provided guidance and support around home working; and – crucially – provided a constant flow of information to the team and to the wider community to ensure that everyone understood what we were doing – and what was required of them – to stay safe. As a result, we have managed to continue our operations and keep our spaces open and have not encountered any cases of transmission due to our activities to date – and have a workforce who feel safe and supported, while able to do their jobs as best they can.

As we have carefully reopened our spaces during 2021, we are listening to staff, and ensuring their needs and those of the wider community in terms of safety and their wellbeing remain paramount. We are conducting thorough risk assessments, consultations and careful planning – advised by our specialist health and safety partners, before implementing changes.

In addition, our suppliers and contractors are all asked to commit to our safety protocols and all staff working within our building are briefed and supported on the requirements of a Covid safe environment.

Our staff survey identified that the vast majority of our team had either been or had every intention of being vaccinated and we made vaccination available early to key workers through our partnership with Tower Hamlets and the NHS. Our protocols are strict and as a result we have had no outbreaks in our spaces, and have managed to continue to work safely in small numbers throughout.

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## *Toynbee Hall- specific risks*

While for the past 5 years and more, our risk landscape has been dominated by the conditions around our redevelopment (a major capital project affecting the entirety of the organisation), as we completed the project in early 2020, these risks have reduced, although some financing risks remain as a result. There are, however, still other risks that affect us particularly because of our operating model and these include:

Risks around the significant partnerships we lead, notably the Debt Free London capital-wide debt advice partnership, which is now around 60% of our income and half of our staff team. This is a complex multi-agency project working to support thousands of people; so our mitigating actions have been to establish appropriate support for quality standards and in-house capacity to deliver quality assurance; as well as monitoring and learning capability; and regular contact with funders to ensure confidence in our capacity to deliver outcomes. As we await the outcome of the Debt Advice service commissioning cycle, there will no doubt be further risks to consider.

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

## *More generic charity risks*

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

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

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

**Risks around Governance** have been around ensuring the level of skills exist at trustee level to steer and scrutinise the organisation effectively; and additionally to ensure that the Board better reflected and understood the needs and concerns of those we work with. The Board has been through a period of change with 9 new trustees joining and 4 completing their terms in the past two years. The Board has sought to mitigate risk by establishing new committees to give it more oversight, and a sub group of trustees are now leading the process to recruit a new Chair.

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

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

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

As an employer of around 120 team members, **the wellbeing of our people** is a major concern, and we manage carefully the risks that a challenging operating environment, and work with vulnerable people could bring. We have a staff led wellbeing group; a dedicated confidential helpline; as well as an internal HR function to support managers, lead training and work on individual issues, backed up by external employment law advice on a retained basis from AP Partnership.

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

Finally, as an organisation which collects a lot of data – not only on our staff, but on members of the community who interact with us – **protection of personal information** is very important. We have a dedicated data officer; use IT and data systems which have built in protections; and train and support our staff to adhere to our policies including around GDPR.

## 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

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# Our Finances

## Financial Review

The results for the year, as set out in the Consolidated Statement of Financial Activities, show a positive net movement in funds of £481k (2020 – negative net movement in funds of £543k). This comprises:

- A net surplus of £22k (2020 - £471k) representing capital grants less management and overhead costs of the redevelopment not capitalised;
- An operational surplus of £419k (2020 – deficit of £579k), giving net income before net gains of £441k (2020 – net expenditure before net gains of £108k), of which £373k (2020 - £116k) relates to restricted income for our Debt Free London programme that will be spent in 2022; and
- Revaluation gains of £40k (2019 – losses of £435k) mainly arising from the revaluation of the Charity's investment properties.

Excluding capital grants received, income for the year was £8.896m compared to the previous year of £7.389m. The most significant increase in income related to additional funding from the Money and Pensions Service to fund the training of sixty debt advisers to provide support for an expected substantial increase in demand arising from the pandemic. There was also significant funding provided for IT infrastructure developments that is helping to improve the effectiveness of the service.

Other significant changes in income were:

- A reduction in Education income of c£200k as a result of the Charity not being able to deliver its Youth and Heritage programmes and carry out its research work during the pandemic;
- An increase in income for our Wellbeing work of c£100k as a result of the tremendous support received from funders in the form of emergency grants to fund the critical work needed in the community;
- An increase of c£200k in Investment income and c£100k in Estate income reflecting the new income arising from the letting of all four floors of the investment property; and
- A fall of c£360k in our Venue Hire income as a result of the lockdown. This was mitigated to some extent through emergency grants of c£75k to support the business and the maintenance of the building.

In view of the urgent need for our services during the year, the Charity only had a limited number of staff that could not continue our vital work and, for these people, the Charity made use of the Government's Coronavirus Job Retention Scheme by furloughing staff, as appropriate. This resulted in furlough grant income of £67k in the year.

In addition to the Debt Free London programme, we also ran a number of other advice services and this activity again ran at a deficit for the year of £207k (2020 –£297k). The Charity provides advice to the local community that is not fully funded as it considers these services to be essential and continues to seek ways to increase funding for this vital work.

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Our Wellbeing services continue to be strongly supported and ran at a small deficit of £12k in the year (2020 - £38k).

For the reasons set out above, our Education services (which includes our Youth, Heritage and Research work) ran at an increased deficit for the year of £126k (2020 - £70k) and the Charity expects this position to improve as activities are allowed to restart.

Our Financial Health activities during the year were key to our understanding of the impact of the pandemic and supporting our applications for emergency funding for our services. This area ran at a slightly increased deficit for the year of £234k (2020 - £220k). However, these activities remain a key focus of the Charity in line with its strategic thinking.

As mentioned, our venue hire business, which operates through the trading subsidiary, stopped in March 2020 and was only able to generate £40k of income in the year, mainly from TV and film production companies. Rather than furloughing our staff, we developed our online offering, improved our marketing collateral and stayed in touch with our customer base. This is now paying dividends as we are generating reasonable amounts of income post March 2021 year end and expect to achieve our target of c£200k income for 2021/22.

The Charity continues to financially support the trading subsidiary via a loan facility to ensure that it survives the pandemic and provides a key source of unrestricted funding into the future. At the year end, the Charity had lent £60k to the subsidiary (2020 - £60k).

With the redevelopment of the historic Toynbee Hall building and the new building at 28 Commercial Street completed in the prior year, the Charity was extremely disappointed to not be able to fully utilise our revitalised spaces in the year. However, our Estates team put all major maintenance contracts in place and supported our tenants at this difficult time.

Market conditions in the pandemic have led to uncertainty over property values. As a result, the trustees decided to have a professional valuation carried out on value of the top four floors of the new building, which is shown as an investment property in our accounts. Trustees were pleased to see that there had been no significant loss in value with a valuation of £6.95m at 31 March 2021 (2020 - £6.89m).

Prior to the start of 2020/21 and pre-Covid, the Charity set a break-even budget that had to be drastically adjusted downwards when the crisis struck. The trustees therefore decided to apply for an additional £500k of long-term funding to add to the £2.5 million that was lent by CAF Bank Limited to fund the redevelopment. This additional funding was approved in September 2020 and drawn down in November 2020 to ensure that the Charity had access to sufficient working capital.

The trustees are extremely pleased with the result for the year. With the additional long-term funding in place and the expectation that Funders will continue to support community-based organisations, trustees are confident that the Charity has sufficient working capital to be able to fund its operations.

In that context, the trustees are confident that the decision to apply for an additional £500k of long-term funding to add to the £2.5 million lent by CAF Bank Limited to fund the redevelopment will help sustain the charity into the future. And that as our fundraising and commercial activities generate new revenues, in addition to the security of the long term rental generated, we will cover the repayments going forward.

The Charity ends the year with consolidated reserves of £14.124m (2020 - £13.643m). Of this amount, £740k (2020 - £449k) represents restricted reserves. Of the balance of £13.384m (2020 - £13.194m), £11.574m (2019 - £11.414m) has been designated in respect of the carrying value of the new estate arising from the redevelopment project.

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## *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 £500k (2020 - £550k), calculated by excluding the direct costs of our Debt Free London programme, which include funds distributed to and expended by the debt advice partners.

Bringing our estate back into use has been a significant achievement, designed to equip the Charity to be sustainable long into the future. The length and extent of the project meant that the Charity had not had the benefit of income from its investment and trading assets for several years. Due to the pandemic, we have also not been able to generate a reasonable return from this investment in the year.

As a consequence, all of the unrestricted realised reserves of the Charity of £11.574m (2020 - £11.414m) have been designated for the fixed assets, leaving a £nil balance on the undesignated General Fund (2020 - £10k).

With the income generating assets now fully renewed as a result of the redevelopment, and with optimistic signs that business is starting to adjust to the pandemic, the Charity is confident that it will rebuild its unrestricted funds to meet its reserves policy requirements. In the short term, the Charity has utilised the security of its substantial asset base to arrange borrowing facilities to fund this reserves gap.

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# Statement of Trustees' Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2020 was 10 (2019 - 20). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

## Auditor

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

The trustees' annual report which includes the strategic report has been approved by the trustees on 1st December 2021 and signed on their behalf by;

DocuSigned by:
Julian Corner
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Name: Julian Corner  Position: Chair

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# 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 2021 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 2021, 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.

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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.

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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;
- 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.

## 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: 14 December 2021

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**Toynbee Hall**

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

**For the year ended 31 March 2021**

| | Note | Restricted Debt Free £'000 | Restricted Other £'000 | Unrestricted £'000 | **2021 Total £'000** | 2020 Total £'000 |
|---|---|---|---|---|---|---|
| **Income from** | | | | | | |
| Donations and legacies | 3a | - | 89 | 484 | **573** | 845 |
| Charitable activities | | | | | | |
| Advice | | 6,004 | 426 | 228 | **6,658** | 5,251 |
| Wellbeing | | - | 920 | - | **920** | 808 |
| Education | | - | 52 | - | **52** | 253 |
| Financial health | | - | 150 | - | **150** | 103 |
| Other activities | | | | | | |
| Estates income | | - | - | 104 | **104** | 19 |
| Trading income | | - | - | 49 | **49** | 401 |
| Investments | | | | | | |
| Dividends and interest received | | - | - | - | - | 1 |
| Rentals from investment property | | - | - | 367 | **367** | 164 |
| **Other Income** | | | | | | |
| Release of deferred lease premium | | - | - | 46 | **46** | 46 |
| **Total income** | | 6,004 | 1,637 | 1,278 | **8,919** | 7,891 |
| **Expenditure on** | | | | | | |
| Raising funds | | | | | | |
| Fundraising and publicity | | - | - | 175 | **175** | 222 |
| Costs of generating estates income | | - | - | 53 | **53** | 127 |
| Costs of generating trading income | | - | - | 157 | **157** | 335 |
| Costs of generating investment income | | - | - | 106 | **106** | 93 |
| Charitable activities | | | | | | - |
| Advice | | 5,631 | 641 | 220 | **6,492** | 5,727 |
| Wellbeing | | - | 932 | - | **932** | 846 |
| Education | | - | 178 | - | **178** | 323 |
| Financial health | | - | 384 | - | **384** | 323 |
| Provision of accommodation | | - | - | 1 | **1** | 3 |
| **Total expenditure** | 4 | 5,631 | 2,135 | 712 | **8,478** | 7,999 |
| **Net income / (expenditure) before net gains / (losses) on investments** | | 373 | (498) | 566 | **441** | (108) |
| Net gains/ (losses) on investments | 11,12 | - | - | 40 | **40** | (435) |
| **Net income / (expenditure) for the year** | 5 | 373 | (498) | 606 | **481** | (543) |
| Transfers between funds | 20 | - | 416 | (416) | - | - |
| **Net movement in funds** | | 373 | (82) | 190 | **481** | (543) |
| **Reconciliation of funds** | | | | | | |
| Total funds brought forward | | 116 | 333 | 13,194 | **13,643** | 14,186 |
| **Total funds carried forward** | 20 | 489 | 251 | 13,384 | **14,124** | 13,643 |

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

The notes on pages 35 to 49 form part of these financial statements.

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**Toynbee Hall**

**Balance sheets**

**As at 31 March 2021** Company no. 00020080

| | Note | The group 2021 £'000 | The group 2020 £'000 | The charity 2021 £'000 | The charity 2020 £'000 |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 10 | **9,300** | 9,448 | **9,278** | 9,416 |
| Investment properties | 11 | **7,256** | 7,195 | **7,256** | 7,195 |
| Investments | 12 | **21** | 14 | **21** | 14 |
| | | **16,577** | 16,657 | **16,555** | 16,625 |
| **Current assets** | | | | | |
| Debtors | 14 | **1,365** | 842 | **1,407** | 860 |
| Cash at bank and in hand | | **1,600** | 1,080 | **1,546** | 996 |
| | | **2,965** | 1,922 | **2,953** | 1,856 |
| **Liabilities** | | | | | |
| Creditors: amounts falling due within one year | 16 | **(1,677)** | (1,607) | **(1,570)** | (1,519) |
| **Net current assets** | | **1,288** | 315 | **1,383** | 337 |
| **Total assets less current liabilities** | | **17,865** | 16,972 | **17,938** | 16,962 |
| Creditors: amounts falling due after one year | 18 | **(3,741)** | (3,329) | **(3,741)** | (3,329) |
| **Net assets** | 20 | **14,124** | 13,643 | **14,197** | 13,633 |
| **Funds** | | | | | |
| Restricted funds | | | | | |
| Debt Free London | | **490** | 116 | **490** | 116 |
| Other funds | | **250** | 333 | **250** | 333 |
| Total restricted funds | | **740** | 449 | **740** | 449 |
| Unrestricted funds: | | | | | |
| Designated funds | | **11,574** | 11,414 | **11,647** | 11,414 |
| General funds | | - | 10 | - | - |
| Fair value reserve | | **1,810** | 1,770 | **1,810** | 1,770 |
| Total unrestricted funds | | **13,384** | 13,194 | **13,457** | 13,184 |
| **Total funds** | 20 | **14,124** | 13,643 | **14,197** | 13,633 |

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 £8,877k (2020: £7,570k) and surplus of £563k (2020: deficit of £570k).

Approved by the trustees and authorised for issue on 1st December 2021 and signed on their behalf by

DocuSigned by:
Julian Corner
E7D1CC62705145A...

**Julian Corner**
**Chair**

The notes on pages 35 to 49 form part of these financial statements.

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**Toynbee Hall**

**Consolidated statement of cash flows**

**For the year ended 31 March 2021**

| | Note | **2021** | | 2020 | |
|---|---|---|---|---|---|
| | | **£'000** | **£'000** | £'000 | £'000 |
| **Net cash used in operating activities** | 21 | | **(138)** | | (186) |
| **Cash flows from investing activities** | | | | | |
| Dividends, interest and rents from investments | | **367** | | 165 | |
| Purchase of fixed assets | | **(93)** | | (1,255) | |
| Rental deposits from tenants at 28 CS | | **-** | | 206 | |
| **Net cash provided by / (used in) investing activities** | | | **274** | | (884) |
| **Cash flows from financing activities** | | | | | |
| Draw down of bank loan | | **495** | | 804 | |
| Loan repayments | | **(40)** | | - | |
| Transfer from short term deposits | | **-** | | - | |
| Loan interest paid | | **(71)** | | (67) | |
| **Net cash provided by financing activities** | | | **384** | | 737 |
| **Change in cash and cash equivalents in the year** | | | **520** | | (333) |
| Cash and cash equivalents at the beginning of the year | | | **1,080** | | 1,413 |
| **Cash and cash equivalents at the end of the year** | 22 | | **1,600** | | 1,080 |

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**Toynbee Hall**

**Notes to the financial statements**

**For the year ended 31 March 2021**

## 1 Accounting policies

### a) General information

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

### b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) second edition effective 1 January 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

### c) Basis of consolidation

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

### d) Going concern

The Charity has produced a cash flow forecast up to 31 March 2023 based on its planned income and expenditure. Due to the significant contribution of the Debt Free London partnership and the fact that the Money and Pensions Service are recommissioning all debt advice services in the current year, the Charity has prepared its forecast using a scenario in which income from commissioned debt services was no longer available.

The trustees have reviewed this forecast and, in particular, the key assumptions relating to future income that is not yet committed.

Having discussed the forecast and assumptions with the management and having taken into account the Charity’s fundraising plans and the wider funding environment, they consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

### e) Income

Income, including that from government and other grants, whether ‘capital’ grants or ‘revenue’ grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

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

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

Government grants are accounted for under the accruals model as permitted by FRS 102. The grants received in the year are revenue based grants made under the Coronavirus Job Retention Scheme and have been recognised as donations and legacies in the Consolidated Statement of Financial Activities in the same period as the related expenditure.

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**Toynbee Hall**

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

**For the year ended 31 March 2021**

**1 Accounting policies (continued)**

**f) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and economic benefit can be measured reliably. In accordance with the Charities SORP FRS 102, volunteer time is not recognised within the statement of financial activities.

On receipt, donated gifts, professional services and facilities are recognised on the basis of the value of the gift to the charity, which is the best estimate of the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**g) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**h) Fund accounting**

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

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

There are two funds within unrestricted funds:

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

**i) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

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

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

**j) Allocation of support costs**

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

| | |
|---|---|
| Advice | 72.3% |
| Wellbeing | 14.9% |
| Education | 5.2% |
| Financial health | 7.0% |
| Fundraising | 0.4% |
| Toynbee Hall Trading Limited | 0.2% |

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.

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**Toynbee Hall**

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

**For the year ended 31 March 2021**

**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.

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**Toynbee Hall**

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

**For the year ended 31 March 2021**

**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.

In the prior year, the fair value of the investment property was determined by the directors by applying the same valuation methods used by the surveyors in their valuation of the whole property in October 2018 to the actual rental values achieved. For the current year, a desktop valuation was obtained from the surveyors. The carrying amount of the investment property component at the balance sheet date was £6,950k (2020 - £6,890k). An explanation of the key assumptions applied by the directors to estimate fair value as at 31 March 2020 is set out in note 11.

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**Toynbee Hall**

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

**For the year ended 31 March 2021**

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

For the year ended 31 March 2020

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

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**Toynbee Hall**

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

**For the year ended 31 March 2021**

**3 Income**

| | Restricted £'000 | Unrestricted £'000 | **2021 Total £'000** |
|---|---|---|---|
| a) Donations and legacies | | | |
| Trust and foundation grants | - | 260 | **260** |
| Heritage Fund | 50 | - | **50** |
| Capital grants for the redevelopment project | 23 | - | **23** |
| Other donations | 3 | 98 | **101** |
| CJRS grants | - | 67 | **67** |
| Donated services | 13 | 59 | **72** |
| | 89 | 484 | **573** |

**Detailed comparatives for income**

For the year ended 31 March 2020

| | Restricted £'000 | Unrestricted £'000 | **2020 Total £'000** |
|---|---|---|---|
| Donations and legacies | | | |
| Trust and foundation grant | - | 110 | **110** |
| Capital grants for the redevelopment project | 501 | 1 | **502** |
| Other donations | 4 | 104 | **108** |
| Donated services | 38 | 87 | **125** |
| | 543 | 302 | **845** |

Donated legal and other services

Linklaters LLP has been providing pro bono legal advice to Toynbee Hall for many years. Their work over the past four years covered assisting with the strategy and implementation of our estate regeneration project and advice on access to certain charity funds. During 2020/21, the fair value of donated services from that firm is £55,763 (2019/ 20: £85,751) on a 'cost to firm' basis. This valuation methodology was developed by London Benchmarking Group, a consortium of over 100 leading businesses whose approach to valuing community investment is endorsed and employed by indices including DJSI and GRI. 'Cost to firm' is defined by the Group as 'what it costs the firm to provide professional advice, not what the recipient would have had to pay had it been charged at commercial rates'. Linklaters followed that protocol in providing this valuation.

K&L Gates provided pro bono advice and contract work for Toynbee Hall's Free Legal Advice Centre. Their team advised us on tax risk and liability and also helped create standardised partnership and donation agreements for our work with corporate supporters. During 2020/21, the fair value of donated services from that firm was £6,143 (2019/ 20: £38,335), on a market value basis.

Holman Fenwick Willan LLP provided pro bono legal services to advise us on returning payments to our Venue Hire clients as a result of the pandemic and advice on a bespoke venue hire agreement. The fair value of donated services from that firm was £3,248 (2019/20: £876), on a market value basis.

Allen & Overy LLP provided pro bono legal services to advise on termination of a tenancy granted to a residential voluntary worker and related issues as well as general advice. The fair value of donated services from that firm was £6,780 (2019/20: £36,882), on a market value basis.

Safeflow Ventilation provided pro bono maintenance services by checking the Charity's ventilation system. The fair value of these donated services was £504 (2019/20 : £nil), on a market value basis.

**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 Charity of Sir Richard Whittington | 92 | 32 | To transform Toynbee Hall into a hub of user-led activity and social change |
| The Charity of Sir Richard Whittington | 5 | 5 | To support the elderly during the Covid 19 pandemic |
| The Mercers' Charitable Foundation | 75 | 24 | Piloting and evaluating targeted interventions to address loneliness |
| Trustees of The Merchant Taylors' Consolidated Charities for the Infirm | 42 | 21 | To establish a student / elderly befriending scheme |
| Garfield Weston Foundation | 50 | 50 | To support our work with local community and contribute to core running costs during the Covid 19 pandemic |

b) Government funding

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

| **Government funding** | **Project** | **2021 £'000** | 2020 £'000 |
|---|---|---|---|
| London Borough Tower Hamlets | Tower Hamlets Debt and Money Advice | **21** | 30 |
| London Borough Tower Hamlets | LinkAge Plus | **643** | 643 |
| London Borough Tower Hamlets | Wellbeing Centre | **41** | 34 |
| London Borough Tower Hamlets | Financial Health Research | **39** | 24 |
| Greater London Authority | Redevelopment | **-** | 306 |
| Greater London Authority | Debt Free London | **73** | - |
| Thrive LDN | Debt Free London | **34** | - |
| The Money and Pensions Service | Debt Free London | **6,004** | 4,538 |
| The Money and Pensions Service | Money Coaching Pilot | **-** | 8 |
| The Building a Stronger Britain Together Programme | School heritage workshop programme | **-** | 8 |
| City of London Corporation | City Advice | **200** | 200 |
| HMRC Coronavirus Job Retention Scheme | Across the organisation | **67** | - |

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**Toynbee Hall**

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

**For the year ended 31 March 2021**

## 4 Analysis of expenditure

| | Staff costs (note 6) £'000 | Direct costs £'000 | Reallocation of support and governance costs £'000 | **2021 Total £'000** | 2020 Total £'000 |
|---|---|---|---|---|---|
| Fundraising and publicity | 160 | 10 | 5 | **175** | 222 |
| Costs of generating estates income | - | 53 | - | **53** | 127 |
| Costs of generating trading income | 107 | 48 | 2 | **157** | 335 |
| Costs of generating investment income | - | 106 | - | **106** | 93 |
| Charitable activities | | | | | |
| Advice | 2,114 | 3,495 | 883 | **6,492** | 5,727 |
| Wellbeing | 241 | 510 | 181 | **932** | 846 |
| Education | 94 | 21 | 63 | **178** | 323 |
| Financial health | 212 | 86 | 86 | **384** | 323 |
| Provision of accommodation | - | 1 | - | **1** | 3 |
| | 2,928 | 4,330 | 1,220 | **8,478** | 7,999 |
| Support costs | 384 | 704 | (1,088) | - | |
| Governance costs | 94 | 38 | (132) | - | |
| **Total expenditure 2021** | **3,406** | **5,072** | - | **8,478** | |

Of the total expenditure, £712k was unrestricted and £7,766k was restricted.

**Detailed comparatives for the analysis of expenditure**
For the year ended 31 March 2020

| | Staff costs (note 6) £'000 | Direct costs £'000 | Reallocation of support and governance costs £'000 | **2020 Total £'000** |
|---|---|---|---|---|
| Fundraising and publicity | 133 | 22 | 67 | **222** |
| Costs of generating estates income | - | 127 | - | **127** |
| Costs of generating trading income | 120 | 172 | 43 | **335** |
| Costs of generating investment income | - | 93 | - | **93** |
| Charitable activities | | | | |
| Advice | 1,292 | 3,687 | 748 | **5,727** |
| Wellbeing | 193 | 503 | 150 | **846** |
| Education | 174 | 35 | 114 | **323** |
| Financial health | 173 | 60 | 90 | **323** |
| Provision of accommodation | - | 3 | - | **3** |
| | 2,085 | 4,702 | 1,122 | **7,999** |
| Support costs | 395 | 698 | (1,093) | - |
| Governance costs | 92 | 27 | (119) | - |
| **Total expenditure 2020** | **2,572** | **5,427** | - | **7,999** |

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

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**Toynbee Hall**

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

**For the year ended 31 March 2021**

## 5 Net income / (expenditure) for the year

This is stated after charging:

| | 2021 | 2020 |
|---|---|---|
| | £'000 | £'000 |
| Depreciation | **213** | 210 |
| Interest payable | **71** | 67 |
| Operating lease rentals expense | **40** | 25 |
| Auditor's remuneration: audit fees | | |
| Toynbee Hall | **21** | 22 |
| Toynbee Hall Trading Limited | **4** | 4 |
| Auditor's remuneration: non-audit fees | | |
| Toynbee Hall | **3** | - |
| Toynbee Hall Trading Limited | **1** | 1 |

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

Staff costs were as follows:

| | 2021 | 2020 |
|---|---|---|
| | £'000 | £'000 |
| Salaries and wages | **2,978** | 2,249 |
| Social security costs | **293** | 219 |
| Employer's contribution to defined contribution pension | **109** | 95 |
| Redundancy and termination costs | **26** | 42 |
| | **3,406** | 2,605 |

Included within total staff costs of £3,406k (2020 £2,605k) is £nil (2020: £33k) representing project management costs incurred wholly and exclusively for the construction of a new building at 28 Commercial Street. These costs have been capitalised as part of the cost of construction.

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

| | 2021 | 2020 |
|---|---|---|
| | No. | No. |
| £60,000 - £69,999 | **1** | 2 |
| £70,000 - £79,999 | **1** | - |
| £80,000 - £89,999 | **1** | 1 |

The total employee benefits, including employer's NI and pension contributions, of the key management personnel were £251k (2020: £309k).

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

| | Service Period | Gross Pay | Employer Pension | Total |
|---|---|---|---|---|
| | | £'000 | £'000 | £'000 |
| CEO | April 2020 to Mar 2021 | 81 | 6 | 86 |
| Director of Policy and Innovation | April 2020 to Mar 2021 | 70 | 6 | 77 |
| Director of Finance | April 2020 to Mar 2021 | 62 | - | 62 |

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

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**Toynbee Hall**

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

**For the year ended 31 March 2021**

## 7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 102 (2020: 85).

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

| | **2021** | 2020 |
|---|---|---|
| | **No.** | No. |
| Fundraising and publicity | **4** | 3 |
| Advice | **62** | 34 |
| Wellbeing | **7** | 6 |
| Education | **3** | 5 |
| Financial health | **4** | 4 |
| Estates | **2** | 2 |
| Support costs | **7** | 7 |
| Toynbee Hall Trading Limited | **2** | 2 |
| | **91** | 63 |

## 8 Related party transactions

During the year the Charity charged £8k (2020: 61k) 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 £7k (2020: £65k) mainly in respect of shared costs. Toynbee Hall Trading Limited invoiced £36k (2020: £22k) to the Charity for the provision of consultancy services and venue hire in the year.

Aggregate donations from related parties for 2020 were £360 (2020: £555). There were no other related party transactions for 2021 (2020: 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 | 7,629 | 908 | 1,286 | **9,823** |
| Additions in year | (7) | 72 | - | **65** |
| Disposals in year | - | - | - | - |
| At the end of the year | 7,622 | 980 | 1,286 | **9,888** |
| **Depreciation** | | | | |
| At the start of the year | 34 | 214 | 127 | **375** |
| Charge for the year | 36 | 92 | 85 | **213** |
| Eliminated on disposal | - | | - | |
| At the end of the year | 70 | 306 | 212 | **588** |
| **Net book value** | | | | |
| At the end of the year | 7,552 | 674 | 1,074 | **9,300** |
| At the start of the year | 7,595 | 694 | 1,159 | 9,448 |

**The Charity**

| | Freehold land & buildings £'000 | Fixtures, fittings & equipment £'000 | Plant & machinery £'000 | **Total £'000** |
|---|---|---|---|---|
| **Cost** | | | | |
| At the start of the year | 7,630 | 866 | 1,286 | **9,782** |
| Additions in year | (7) | 72 | - | **65** |
| Disposals in year | - | - | - | - |
| Adjustments in year | - | - | - | |
| At the end of the year | 7,623 | 938 | 1,286 | **9,847** |
| **Depreciation** | | | | |
| At the start of the year | 34 | 204 | 127 | **365** |
| Charge for the year | 35 | 84 | 85 | **204** |
| Eliminated on disposal | - | | - | |
| At the end of the year | 69 | 288 | 212 | **569** |
| **Net book value** | | | | |
| At the end of the year | 7,553 | 650 | 1,075 | **9,278** |
| At the start of the year | 7,595 | 662 | 1,159 | 9,416 |

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**Toynbee Hall**

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

**For the year ended 31 March 2021**

## 11 Investment properties

| | The group | | The charity | |
|---|---|---|---|---|
| | **2021** | 2020 | **2021** | 2020 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Fair value at the start of the year | **7,195** | 7,318 | **7,195** | 7,318 |
| Additions in year | **28** | 308 | **28** | 308 |
| Transfer from tangible fixed assets | **-** | | **-** | |
| Revaluation during the year | **33** | (431) | **33** | (431) |
| Fair value at the end of the year | **7,256** | 7,195 | **7,256** | 7,195 |

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 £307k (2020: £305k). The charity recognised an increase of £2k in the year (2020: 16k) which has been allocated to the fair value reserves.

Investment properties also include that part of the charity's land and buildings held for the purpose of generating an investment return. In the prior year, £308k had been incurred on completing this component of the building, bringing the cost of construction to £5,138k. The directors' view was that this final expenditure did not have any material impact on the value of the property.

At 31 March 2019, this component was remeasured at a fair value of £7,030k based on a valuation report carried out in October 2018 by an independent valuer in accordance with the RICS Valuation Standards. This resulted in a revaluation gain of £2,200k being recognised in the year to 31 March 2019.

The basis of the professional valuation was to apply an expected yield to forecast rental values and deduct an allowance for holding costs for vacant periods. By 31 March 2020, all four floors of the property had been let at a discount to the forecast rentals of approximately 6%.

As the property was fully let at 31 March 2020, the directors adjusted the valuation basis to use the actual rents achieved and to value the top four floors only, based on the same expected yield of 5.5% as utilised in the 2018 valuation, taking into account the effect of rent free periods in the existing leases but without discounting for holding costs. Using this methodology, the directors therefore remeasured the fair value of the investment property to £6,890k at 31 March 2020.

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 directors have considered this valuation and consider it reasonable to adopt this valuation for accounts as at 31 March 2021. The directors view was that the final costs of construction of £28k incurred during the year did not have any material impact on the value of the property and the revaluation reserve was adjusted to £1,784k (2020 - £1,752k).

## 12 Listed investments

| | The group | | The charity | |
|---|---|---|---|---|
| | **2021** | 2020 | **2021** | 2020 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Fair value at the start of the year | **14** | 18 | **14** | 18 |
| Net gain on change in fair value | **7** | (4) | **7** | (4) |
| Fair value at the end of the year | **21** | 14 | **21** | 14 |
| 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:

| | **2021** | 2020 |
|---|---|---|
| | **£'000** | £'000 |
| Turnover | **84** | 423 |
| Cost of sales | **(74)** | (289) |
| Gross profit | **10** | 134 |
| Other income | **1** | **-** |
| Administrative expenses | **(94)** | (104) |
| Loss for the financial year | **(83)** | 30 |
| The aggregate of the assets, liabilities and funds was: | | |
| Assets | **95** | 178 |
| Liabilities | **(168)** | (168) |
| Funds | **(73)** | 10 |

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**Toynbee Hall**
**Notes to the financial statements (continued)**
**For the year ended 31 March 2021**

## 14 Debtors

| | The group | | The charity | |
|---|---|---|---|---|
| | **2021** | 2020 | **2021** | 2020 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Trade debtors | **412** | 366 | **402** | 320 |
| Prepayments and accrued Income | **950** | 449 | **941** | 435 |
| VAT recoverable | **-** | 19 | **-** | 19 |
| Amounts due from subsidiary | **-** | - | **1** | 20 |
| Intercompany loan (see note 15) | **-** | - | **60** | 60 |
| Other debtors | **3** | 8 | **3** | 6 |
| | **1,365** | 842 | **1,407** | 860 |

## 15 Debtors: amounts falling due after one year

| | The group | | The charity | |
|---|---|---|---|---|
| | **2021** | 2020 | **2021** | 2020 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Intercompany loan | **-** | - | **60** | - |
| | **-** | - | **60** | - |

On 16 August 2017 the parent charity signed a loan agreement allowing its subsidiary to borrow up to £100k which has to be repaid in 3 years of the signing date. As at 31 March 2020, only £60k has been drawn down. Interest is charged at base rate plus 2.5% per annum on amounts borrowed by Toynbee Hall Trading Limited. on 1 October 2020, to support the subsidiary during the Coronavirus pandemic, the loan facility was increased to £125k and the repayment date was extended to 31 March 2023. As no further amounts had been drawn down by 31 March 2021, the loan balance remained at £60k at that date.

## 16 Creditors: amounts falling due within one year

| | The group | | The charity | |
|---|---|---|---|---|
| | **2021** | 2020 | **2021** | 2020 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Bank loan | **93** | 94 | **93** | 94 |
| Trade creditors | **612** | 833 | **608** | 817 |
| Accrued expenditure | **442** | 455 | **434** | 445 |
| Taxation and social security | **137** | 71 | **127** | 61 |
| Amounts due to subsidiary | **-** | - | **-** | - |
| Deferred income | **170** | 116 | **86** | 66 |
| Other creditors | **223** | 38 | **222** | 36 |
| | **1,677** | 1,607 | **1,570** | 1,519 |

## 17 Deferred income

| | The group | | The charity | |
|---|---|---|---|---|
| | **2021** | 2020 | **2021** | 2020 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Balance at the beginning of the year | **935** | 968 | **885** | 911 |
| Amount released to income in the year | **(116)** | (103) | **(67)** | (46) |
| Amount deferred in the year | **123** | 70 | **40** | 20 |
| Balance at the end of the year | **942** | 935 | **858** | 885 |

| | The group | | The charity | |
|---|---|---|---|---|
| | **2021** | 2020 | **2021** | 2020 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Less than one year | **170** | 116 | **86** | 66 |
| Greater than one year | **772** | 819 | **772** | 819 |
| | **942** | 935 | **858** | 885 |

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 2021, of the total balance of £942k (2020: £935k), £858k is in respect of the deferred income on the lease premium (2020: £885k).

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**Toynbee Hall**

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

**For the year ended 31 March 2021**

## 18 Creditors: amounts falling due after one year

| | The group | | The charity | |
|---|---|---|---|---|
| | **2021** | 2020 | **2021** | 2020 |
| | **£'000** | £'000 | **£'000** | £'000 |
| Deferred income (Note 17) | **772** | 819 | **772** | 819 |
| Tenant deposits for 28 CS | **206** | 206 | **206** | 206 |
| Bank loan | | | | |
| - amount falling due between one and two years | **96** | 102 | **96** | 102 |
| - amount falling due between two and five years | **409** | 408 | **409** | 408 |
| - more than five years | **2,258** | 1,794 | **2,258** | 1,794 |
| | **3,741** | 3,329 | **3,741** | 3,329 |

The prior year bank loan represents the amount drawn down as at 31 March 2020, net of capitalised loan costs, in respect of a 25 year loan facility from CAF Bank Limited. Interest accrues on amounts outstanding at the rate of 2.5% per annum above the Bank of England base rate subject to a minimum rate of 2.5%. Capital repayments were due to commence in May 2020. However, after March 2020, the bank offered a further six month capital repayment holiday, which was accepted. The balance sheet at 31 March 2020 did not reflect this variation as it was agreed after that date.

In September 2020, CAF Bank Limited agreed an additional loan of £500k on a 23.5 year term so that it was coterminus with the original loan. Interest accrues on amounts outstanding at the rate of 2.7% per annum above the Bank of England base rate subject to a minimum rate of 2.7%.The amount was drawn down in full and repayments on both loans commenced in the year. The balance at the year end is stated net of capitalised loan costs. 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.

## 19 Analysis of group net assets between funds

| **As at 31 March 2021** | Restricted funds | Designated funds | General funds | Fair value reserve | **Total funds** |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | **£'000** |
| Tangible fixed assets | - | 9,243 | 57 | - | **9,300** |
| Investment properties | - | 5,094 | 367 | 1,795 | **7,256** |
| Investments | - | - | 6 | 15 | **21** |
| Net current assets | 740 | - | 548 | - | **1,288** |
| Long term liabilities | - | (2,763) | (978) | - | **(3,741)** |
| **Net assets at 31 March 2021** | **740** | **11,574** | - | **1,810** | **14,124** |

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

## 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) | 120 | 150 | (384) | - | 210 | **96** |
| Education | 69 | 59 | (178) | - | 95 | **45** |
| Advice (excluding Debt Free London) | 68 | 433 | (641) | (7) | 190 | **43** |
| Wellbeing | 38 | 920 | (932) | (16) | 15 | **25** |
| Wilson Memorial Fund | 38 | 4 | - | - | - | **42** |
| Restricted Redevelopment Fund | - | 73 | - | - | (73) | - |
| | 333 | 1,639 | (2,135) | (23) | 437 | **251** |
| Debt Free London | 116 | 6,004 | (5,631) | - | - | **489** |
| **Total restricted funds** | 449 | 7,643 | (7,766) | (23) | 437 | **740** |
| **Unrestricted funds:** | | | | | | |
| Designated fund: Property fund | 11,414 | - | - | - | 160 | **11,574** |
| Fair value reserve | 1,770 | 40 | - | - | - | **1,810** |
| General funds | 10 | 1,276 | (712) | 23 | (597) | |
| **Total unrestricted funds** | 13,194 | 1,316 | (712) | 23 | (437) | **13,384** |
| **Total funds** | 13,643 | 8,959 | (8,478) | - | - | **14,124** |

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 £510k from our unrestricted funds to our Financial Health, Education, Advice, Wellbeing funds to fulfill our commitments to these funders.

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**Toynbee Hall**

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

**For the year ended 31 March 2021**

## 20 Movements in funds (continued)

**Detailed comparatives for the movements in funds - for the year ended 31 March 2020**

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

**Purposes of restricted funds:**

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

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

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

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

**Wilson Memorial Fund**
This fund was originally set up to support Residential Volunteering at Toynbee Hall.

**The London Marathon Charitable Trust Grant**

This grant was given specifically for the new Centre for Wellbeing in the new building at 28 Commercial Street. As this building was completed in the prior year, the fund was transferred to the Property 31 March 2020.

**Property Fund**

At 1 April 2018, the Restricted Redevelopment Fund was held for the redevelopment of the historic grade II listed Toynbee Hall and a new building at 28 Commercial Street. Part of the funding came from the Heritage Lottery Fund, which awarded Toynbee Hall with a five year grant of £1,709k. The redevelopment of Toynbee Hall was completed in June 2018 and the Restricted Redevelopment Fund relating to this building was transferred to unrestricted designated funds in 2018/19 and referred to as Land & Building (Redevelopment). The Restricted Redevelopment Fund at 1 April 2019 related to the new building at 28 Commercial Street. This included a grant of £450k from the Big Lottery Fund ('BLF') and an allocation from the Patricia Singleton legacy of £455k for the Wellbeing Centre, which occupies the ground floor of the building. There is a BLF grant obligation on the charity to operate the Wellbeing Centre for a period of 20 years. As the building was completed in the previous year, the balance on this fund was transferred to unrestricted designated funds in 2019/20 and was renamed as the Property Fund.

During the year, a final capital grant of £23k was received and transferred to the Property Fund. In addition, the Heritage Fund awarded a grant of £50k for the maintenance of the building during the pandemic.

**Debt Free London**
Debt Free London programme is funded by the Money and Pensions Service formerly known as the Capitalise programme funded by the Money Advice Service. This is a debt advice programme for which Toynbee Hall are one of the lead partners. 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 .

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**Toynbee Hall**

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

**For the year ended 31 March 2021**

**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 / (expenditure) to net cash flow from operating activities**

| | **2021** | 2020 |
|---|---|---|
| | **£'000** | £'000 |
| **Net income / (expenditure) for the reporting period** | **481** | (543) |
| Depreciation charges | **213** | 210 |
| Losses / (gains) on investments | **(40)** | 435 |
| Dividends, interest and rent from investments | **(367)** | (165) |
| Amortisation of bank loan fees | **4** | - |
| Interest payable | **71** | 67 |
| Increase in debtors | **(524)** | (113) |
| Decrease in creditors | **24** | (77) |
| **Net cash used in operating activities** | **(138)** | (186) |

**22 Analysis of cash and cash equivalents**

| | At 1 April 2020 | Cash flows | **At 31 March 2021** |
|---|---|---|---|
| | £'000 | £'000 | **£'000** |
| Cash at bank and in hand | 1,080 | 520 | **1,600** |
| **Total cash and cash equivalents** | 1,080 | 520 | **1,600** |

**23 Analysis of changes in net debt**

| | At 1 April 2020 | Cash flows | Other non- cash changes | **At 31 March 2021** |
|---|---|---|---|---|
| | £ | £ | £ | **£** |
| **Cash and cash equivalents** | | | | |
| Cash | 1,080 | 520 | - | **1,600** |
| Cash equivalents | - | - | - | - |
| | 1,080 | 520 | | **1,600** |
| **Borrowings** | | | | |
| Loan falling due within one year | (94) | 17 | (16) | **(93)** |
| Loan falling due after more than one year | (2,304) | (474) | 15 | **(2,763)** |
| | (2,398) | (457) | (1) | **(2,856)** |
| **Total** | (1,318) | 63 | (1) | **(1,256)** |

**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** | |
|---|---|---|
| | **2021** | 2020 |
| | **£'000** | £'000 |
| Less than one year | **71** | 16 |
| One to five years | **88** | 44 |
| | **159** | 60 |

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

| | **Investment property** | |
|---|---|---|
| | **2021** | 2020 |
| | **£'000** | £'000 |
| Less than one year | **503** | 503 |
| One to five years | **1,511** | 1,698 |
| | **2,014** | 2,201 |

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**Toynbee Hall**

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

**For the year ended 31 March 2021**

**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.

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# Reference and Administrative Information

For the year ended 31 March 2021
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:

| | |
|---|---|
| Julian Corner | Chair |
| Halima Begum | |
| Ali Hussein | |
| Husna Mortuza | |
| Deirdre (Dee) O'Connell | |
| Laura Ratling | |
| Maysam Rizvi | |
| Tahera Rouf | |
| Sarah Squires | |
| Katherine (Kate) Swade | Retired having finished her third term in December 2020 |
| Samuel Thomas | |
| David Warner | |
| Gemma Wosznicki | |
| Kawsar Zaman | |

Chief Executive Jim Minton

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

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We asked some community members for feedback on the draft of this report before we published it. Here are some of the things they said having read the report:

***"Toynbee Hall is doing great in supporting community and making positive changes in different sectors of the society. Toynbee hall is very inclusive and very good involving people from community. Toynbee Hall is transparent as well."***

***"Toynbee Hall have come a long way with their dynamic approach to work and improvements in the local community and beyond. Working closely with the residents and people with lived experiences will help improve this work."***

Safer communities and young renters peer research groups, March 2020

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# Help us create a fairer and happier East London

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