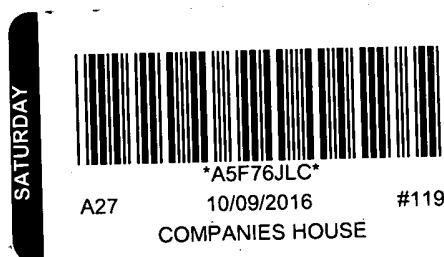


Company number: 00020080

Charity number: 211850

# Toynbee Hall

Report and financial statements  
For the year ended 31 March 2016



# **Toynbee Hall**

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## **Toynbee Hall**

### **Reference and administrative information**

**For the year ended 31 March 2016**

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Company number	00020080		
Charity number	211850		
Registered office	28 Commercial Street London E1 6LS		
Operational office	52 Old Castle Street London E1 7AT		
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:		
	Annette Zera		
	Ben Rowland	Chair	Resigned 17 May 2015
	Clare Corbett		
	David Warner		Appointed 25 January 2016
	Emma Davies		
	Hanif Osmani		Appointed 10 March 2016
	Julian Corner	Chair	Appointed 17 May 2015
	Kate Swade		
	Kawsar Zaman		Appointed 10 March 2016
	Marie Kemplay		Resigned 6 October 2015
	Mary Canavan		Resigned 3 September 2015
	Meredith Niles		Resigned 31 March 2016
	Perdita Hunt		Resigned 31 March 2016
	Richard Allan		
	Sarah Squires		
Principal staff	Graham Fisher	Chief Executive	
Bankers	National Westminster Bank Plc Aldgate Branch 130 Whitechapel High Street London E1 7PS		
Auditors	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane LONDON EC1Y 0TL		

# **Toynbee Hall**

## **Trustees' annual report**

### **For the year ended 31 March 2016**

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The Toynbee Hall Board of Trustees presents its Annual Report and Financial Statements for the year ended 31 March 2016. The Report includes the activities of both the charity and Toynbee Hall Trading Limited, the Charity's trading subsidiary company.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

### **Objects of the Charity**

Toynbee Hall's objects:

- To prevent or relieve poverty or financial hardship:
  - by providing goods, services and/or advice to persons who suffer from hardship or distress, including by virtue of health, age, offending status, economic or other special circumstances;
  - by undertaking and supporting research into factors that contribute to poverty or financial hardship and the most appropriate ways to mitigate these; and
  - by raising awareness and informing and influencing the public and public policy on these issues.
- 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;
- 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.
- To advance education by the encouragement of the Arts, including arts of drama, mime, dancing, singing and music;
- 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
- 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.

## **Toynbee Hall**

### **Trustees' annual report**

**For the year ended 31 March 2016**

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#### **Vision and mission**

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

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

#### **Values**

##### **Bold**

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

##### **Enquiring**

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

##### **Open**

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

#### **Strategic Aims**

We support people to;

- Improve their financial wellbeing
- Exercise their rights and have access to justice
- Improve their confidence and wellbeing

#### **Activities**

We achieve these aims through a combination of service delivery, research, policy development and advocacy;

- We run a range of 18 projects and services, operating locally, across London and nationally. These are focused on advice, wellbeing, education and financial health. We are also developing our Toynbee Hall heritage services.
- We support around 11,500 service users each year largely from our site in Aldgate East.
- We lead and manage the pan London debt advice service, Capitalise, a network of local advice centres that support 22,000 Londoners each year (2,000 directly advised by Toynbee Hall) who have complex multiple debt.
- We lead and manage the Tower Hamlets Linkage Partnership; a borough-wide network of services aiming to connect older people, reduce isolation and improve health and wellbeing.
- This year we also managed the secretariat for the independent London Fairness Commission

## **Toynbee Hall**

### **Trustees' annual report**

**For the year ended 31 March 2016**

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- We use evidence from these services and undertake research to influence local, regional and national policy development.

## **Structure, governance and management**

### **Toynbee Hall Trustees**

There are presently 11 trustees of Toynbee Hall. Five trustees resigned this year and four new trustees were appointed: Julian Corner (Chair), Hanif Osmani, David Warner and Kawsar Zaman. The trustees would like to record their thanks to those retiring trustees for their valuable contribution.

Trustee recruitment is undertaken competitively through open advertisement and selection is based on identified skills and competences tested at interview by a trustee recruitment panel. This panel is responsible for making appointment recommendations to the Board who determine all such appointments.

The trustees meet, on average, six times per year. The Board approves the strategic and business plans for Toynbee Hall including the annual budget, and monitors progress for each of these throughout the year by receiving regular reports from the Chief Executive summarizing performance against target. The Board formally determines, in compliance with the Charity Commission rules, matters such as disposal or acquisition of property, and approves the key operating policies of the charity. The Board is also responsible for the overall risk policy and assessing the adequacy of the risk mitigation plans.

In addition to the Board meetings, Trustees carry out their responsibilities through a range of Committees. This includes a Finance Committee, Estates Committee and a Remuneration Committee. Each of these Committees operates to a set of terms of reference that are regularly reviewed. Membership of each Committee is made up of trustees who also have the power to co-opt non-trustee members to the Committees to address specific and identified skills gaps. The following individuals who are not trustees sat on the respective Committees this year;

#### **Estates Committee – to 31 March 2016**

Roger Dean  
Sylvia Merton

#### **Finance Committee**

Edward Jordan  
Tom Quoroll – resigned 31 May 2016

Each of these Committees formally report to the Board.

## **Toynbee Hall**

### **Trustees' annual report**

#### **For the year ended 31 March 2016**

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In line with our governance plans the Estates Committee ceased to function from March 2016. The Committee has been replaced with a new Project Control Panel that will provide governance oversight and scrutiny of the implementation of the regeneration project. Two non-trustees have been appointed to the Panel, Sylvia Merton and Luke Wainwright, who both bring extensive redevelopment project management skills and experience.

#### **Trustee induction and training**

All new Trustees receive a comprehensive induction and briefings on their organisational, financial and legal responsibilities.

The training needs of trustees are regularly reviewed and training and workshops are provided to address need. Recent training has focused on the role of governance in relation to the implementation of the estates strategy.

#### **Risk and control**

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

The regeneration project presently represents the biggest strategic risk. In addition to the risk register we have therefore developed a supplementary project risk register to enable us to better identify, manage and mitigate the risks and facilitate reporting to the Trustees. The Estates Committee monitored this project specific risk register, a task which will now be undertaken by the new Project Control Panel.

The key strategic operational risks facing the charity are primarily financial risks relating to the delivery of our front-line services. At present we have a significant number of multi-year funding partnerships in place that mitigate these risks in the short term. These include Money Advice Service (MAS) for the delivery of debt advice services 2014-17; London Borough of Tower Hamlets for the delivery of LinkAge Plus and Debt Advice also 2014-17, and City of London Advice Service contract to 2018.

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

## Remuneration policy for key management personnel

The Board has approved a remuneration policy that sets out how the Board determines the pay of senior staff. This policy establishes a Remuneration Committee made up of trustees who have overall responsibility to implement this policy. The policy incorporates the ACEVO Principles on Executive Pay.

## Transparency

In accordance with our remuneration policy, Toynbee Hall publicly reports Toynbee Hall's wage differentials and discloses the pay of our leadership team on our website. Our highest paid employee is the Chief Executive, Graham Fisher who was paid a salary of £85,500 this year. Our policy is in addition to the standard SORP requirement to report leadership pay in our accounts. As an anti-poverty charity and an accredited London Living Wage employer we are particularly pleased to report that we perform well against the sector benchmark on wage differentials;

Our Chief Executive pay to median pay is 2.99:1

Our Chief Executive pay to lowest pay is 5.01:1

Toynbee Hall's CEO salary ratio is in line with the UK average, both being five times that of the lowest paid employee.

## Policy for employment of disabled persons

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

Toynbee Hall takes very seriously its responsibilities under the *Equality Act 2010* towards job applicants who are disabled and we make reasonable adjustments to our procedures, practices, arrangements and premises to remove any disadvantage they may cause for disabled job applicants. Prospective employees are asked to confirm if they require any special requirements at the interview process, and prospective employees are not required to complete a medical questionnaire until after the job offer has been made. Should the medical questionnaire highlight a medical issue that would be considered as a disability; we have access to occupational health consultants who are able to provide us with expert medical advice as to what reasonable adjustments can be made to an individual's role and environment to ensure their wellbeing at work and that they are not disadvantaged in any form because of a disability.

The above also applies to any employee who during the course of their employment with Toynbee Hall becomes disabled. Appropriate support, adjustments and training is provided in line with employee need and Occupational Health recommendations. Similarly, promotion at Toynbee Hall is based purely on the individual's skills and experience regardless of any disability with adjustments



## **Toynbee Hall**

### **Trustees' annual report**

**For the year ended 31 March 2016**

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again made to our procedures, practices, arrangements and premises to remove any disadvantage they may cause for disabled job applicants.

#### **Employee information**

Staff and volunteers are regularly briefed on the performance of the charity and on wider sector trends through attendance at regular staff and team meetings as well as through an e-newsletter. This includes information on service and financial performance of the charity.

Each year we undertake a staff survey, using the Happiness Survey product to enable us to measure staff satisfaction. The results of the survey are shared with staff and with trustees and where appropriate improvement plans are developed at a team level.

During this year staff have been involved in developing our new Strategic Plan 2016/19, contributing their feedback and ideas to setting future priorities and helping us to review our organisational values. Staff workshops have been held for all staff to brief them on the new Strategic Plan including budget reports.

#### **Toynbee Hall Leadership Team**

The Trustees delegate the day-to-day management of Toynbee Hall to the Chief Executive who is supported by a senior management team. The Chief Executive develops Toynbee Hall's strategic and business plans, both of which are approved and then monitored by the Trustees.

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

### **Strategic report**

#### **Summary report on Achievements and Performance 2015/16**

Toynbee Hall provides a range of services to communities in City, Tower Hamlets and Hackney, and more widely across London. We also work nationally supporting organisations to tackle poverty and improve financial health of the people they work with, and use the evidence from our local and national work to influence policy and best practice.

This was the final year of implementing our Strategic Plan 2013/16. A new strategic plan 2016/19 has been approved by the trustees which is summarised later in this report.

### **Context to our work**

Tower Hamlets where we are based is the fastest growing borough in the UK and is undergoing massive regeneration and social change. New luxury housing developments, the eastward extension of the City, the continued growth of Canary Wharf and a number of major transport developments are creating unprecedented opportunities and physical regeneration. However it is increasingly becoming a tale of two Tower Hamlets. The new residents of million pound flats contrast with the many existing local residents who are either trapped in low waged employment or on the edges of the labour market. The combination of low paid, insecure employment, a growing reliance on the increasingly expensive private rented sector for housing along with the implementation of the Government's welfare reform programme is creating a precarious, insecure and transient existence for many people in our local community and across the city. These are the people who turn to Toynbee Hall for help in ever growing numbers.

Poverty in London now affects more working households than it does other groups, and this is forecast to continue to rise. We know from our own research that many of these low income households incur significant additional living costs through the poverty premium; paying more for essential utilities, credit and insurance. Combine that with a London premium on key living costs such as childcare, and for many people living in the private rented sector a Rental premium, comprising ever increasing letting agent fees and administrative costs and many of these people experience a low-wage high cost trap. This effectively traps low income households in a downward spiral of rising costs and creating an increasing reliance on using credit as an income supplement and fueling increased debt.

Local regeneration is also driving social isolation. Many local families are forced to move out of the local area to find cheaper housing, further breaking down their informal social support and networks at a time when public sector funding cuts mean there is less support available. The growing night-time economy and increasingly expensive shops and bars particularly isolate many older people in our community who feel increasingly disconnected from a sense of place.

This context presents very significant challenges for Toynbee Hall. Demand for our services has grown considerably over the past 5 years; increasing demand for welfare benefits and debt advice along with housing and employment advice have more than doubled the number of service users to nearly 11,500 people per year. We forecast that demand for our services and support will continue to rise over the next 5 years and indeed beyond. More people are struggling with complex and multiple debt, the seemingly inevitable administrative problems associated with welfare reform, growing problems with private landlords and zero hours contracts all of which increases demand on our services. Public sector funding cuts compound these challenges reducing support for people at a time of growing need. These circumstances have undoubtedly contributed to this growing demand and we expect this to continue over the next few years.

### **An overview of our achievements**

Given this challenging context we are pleased to report that we have performed very well both this year and over each of the last 3 years, achieving and often exceeding the targets set out in our Strategic Plan 2013/16. Alongside delivering this strategy we have also made excellent progress on implementing our Vision 2020 estate regeneration strategy and we are now poised to begin the extensive restoration, conservation and new building works that will provide the basis for a sustainable asset base that will underpin our work over coming years.

In line with our strategic plan we have sustained the majority of our services and in some areas we have been able to expand capacity, most particularly in our advice services. This has meant we have been able to respond well to increasing demands particularly in the areas of debt, housing and employment advice, demand which is driven by the increase in in-work poverty, rising living costs and insecure employment highlighted earlier. Sustaining funding for welfare rights advice however has been more difficult and the reduction of capacity both at Toynbee Hall and elsewhere presents real challenges for many of our service users and the community more widely. This is an issue that we will continue to keep under review and try to identify opportunities for further development over the coming year.

We have made significant progress in making our Wellbeing services both more financially sustainable and more popular with a growing number of service users making more frequent use of our support and facilities. Our financial health services have also increased in scale both locally and nationally.

Disappointingly however we have been unable to sustain our Community Organisers programme and our wider community development work in the City has also ended. Both these projects closed this year and repeats a trend that we have experienced previously of being unable to sustain funding for community development work. Our new Strategic Plan commits us to reviewing how we can develop our social action focused community development work and find more sustainable solutions to addressing this important need.

We have begun to make progress on our digital development although this has been slower than planned. This year we have been able to develop and test a new money management app and secured funding to turn our successful Community Money Mentors programme into an online training product which enables us to reach a much wider audience. These are good achievements in an area of development and capacity building that has been challenging for us to fully realise. In particular we have been unable to secure investment for digital innovation over the past few years, as we lack the capacity to demonstrate our ability to innovate in this field. But without the investment we have been unable to develop our capacity. We are hopeful that these two projects do demonstrate our ability to innovate and will now enable us to develop further in this area.

Our internal monitoring systems have continued to improve as has our research activity. This year we published a number of research reports drawing from our front line service evidence on the impact of legal aid cuts and access to immigration advice. Improved service monitoring and

## **Toynbee Hall**

### **Trustees' annual report**

#### **For the year ended 31 March 2016**

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evaluation provides us with invaluable evidence to inform further research and policy development work.

Undoubtedly the biggest operational change for us this year was the move to Cityscape in January 2016, our new temporary service centre and HQ located almost opposite Toynbee Hall. The move was necessitated by our regeneration project and we plan to be at Cityscape for the next 2 years. Whilst the move itself was inevitably disruptive, the unforeseen problems and terrible service experienced with our telephone cabling installations had a very significant and negative impact on services, staff and volunteers for over two months. These issues are all now resolved and the improved service and workplace environment is proving to be very popular with staff, volunteers and service users.

#### **Vision 2020 – Regenerating the Toynbee Hall Estate**

Following some 6 years in planning, consultation and fundraising this year marked the start of the physical regeneration of the Toynbee Hall estate. As reported above we have now left the estate and relocated into temporary accommodation. All of our residents and the majority of our commercial tenants have also departed and together this has enabled us to complete the sale of Attlee and Sunley House and move into the implementation phase. This is a very significant achievement and a landmark in the history of Toynbee Hall which will enable us to be sustainable for future generations.

The purpose of the regeneration strategy is threefold;

- To create the right physical setting to deliver enhanced services to our local community and continue to tackle poverty and deprivation. It will allow us to help more people and improve the quality of our service spaces while strengthening our community relationships;
- To preserve and share our heritage to inspire the next generation of social reformers;
- To give us greater long-term financial security by enabling us to increase our unrestricted income generated from our asset base and to develop our successful venue hire business. This increased asset income is essential to the charity's sustainability.

Over the next 2 years we will be investing £14m to conserve and restore the historic Toynbee Hall itself, and develop a new building at 28 Commercial Street for our frontline services. This building will also include commercial office space available for rent which will generate unrestricted income to support our charitable work.

The sale of Attlee and Sunley House provides the majority of funding for the project. This now completes all the major property transactions required for the regeneration project. Fundraising for the regeneration project has also progressed well this year. We have secured a significant BIG Lottery grant towards our new Wellbeing Centre as well as a number of other grants and donations towards both the Hall and 28 Commercial Street. Fundraising will continue into 2016/17 to secure the remaining finance required to achieve our target.

The implementation of the regeneration project is clearly a significant challenge for the organisation and represents the greatest risk for us over the next 2 years. We have put in place a

## **Toynbee Hall**

### **Trustees' annual report**

**For the year ended 31 March 2016**

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strong and experienced team to lead this work supported by a range of comprehensive project management tools and a highly-regarded professional team of architects and consultants to ensure we can achieve all we have set out to do on budget, to standard and on time.

### **Toynbee Hall services report for 2015/16**

Toynbee Hall tackles poverty and disadvantage through delivering a range of local, regional and national services. We also undertake related research and policy work.

#### **How we made a difference**

We directly helped over 11,500 people in 2015/16 who made some 14,500 visits to us for support:

- 5629 people came to us for advice at Toynbee Hall, and 1304 people used our Free Legal Advice Centre
- 711 people sought help through our Macmillan advice service
- Our Older People's Wellbeing Centre had over 2500 visits
- Linkage Plus attracted over 140 new users
- Thirty-six young people took part in Make It!
- 239 women developed their English language skills through our Deesha project
- Our community organisers met 814 people
- We trained 32 Community Money Mentors

In addition, across London, a further 20,000 people used Capitalise Debt Advice Partnership services managed by Toynbee Hall and serviced by our partners.

#### **Advice services**

Our advice services were used by over 25,000 people across London in 2015/16. Our advice services include;

- Advice service for people affected by cancer
- City Advice
- Capitalise Debt Advice Service
- Free Legal Advice Centre
- Tower Hamlets Debt and Money Advice Partnership
- Welfare Benefits Advice

Through this range of services we provide access to justice, casework help and support for people with a range of social welfare problems. Debt advice is the largest area of our provision, providing a face to face specialist service to people with complex multiple debt problems, most commonly Council Tax debt, rent arrears and consumer debts. In addition to the debt advice services that we provide in City, Hackney, Newham and Tower Hamlets we also manage Capitalise the London Debt Advice Partnership which is delivered by 30 partner organisations covering all London Boroughs and provides advice to over 20,000 Londoners, in addition to those served directly by Toynbee Hall. This service is funded by Money Advice Service with whom we work closely as a member of

their national Debt Advice Strategy Group contributing to the development of policy and strategy regarding access to debt advice across the UK.

City Advice is now delivered in partnership with the Royal Courts of Justice Advice Centre and provides social welfare advice to residents and workers in the City of London. The service is provided in a multi-channel format including telephone, email, and outreach and drop-in service and advised over 1,300 people this year.

Toynbee Hall's Free Legal Advice Centre (FLAC) is the longest running pro bono legal advice clinic in the world. Through a large team of pro bono solicitors and barristers we provide access to free legal advice on an appointment basis three evenings per week and alternate Saturdays. FLAC advised over 1,300 people last year from across London with continued growth in people seeking advice on housing and employment issues. With the forecast growth of the private rented sector, and increasing numbers of people in low waged and insecure jobs we expect this demand to continue to grow. The service has become more sustainable this year as a result of generous support and funding from Allen & Overy LLP amongst others in the legal sector. Thanks to new funding and volunteers from Cleary Gottlieb Steen & Hamilton LLP we have also been able to extend our Saturday women-only legal advice service. We are planning to develop a legal capability model over the next year to test how we can develop people's legal knowledge and skills alongside the advice service to reduce and avoid an increasing reliance on services such as FLAC.

Our advice services for people affected by cancer is delivered in partnership with Macmillan and operates from a range of hospital locations across East London as well as telephone helpline. This services provides invaluable support to people with cancer, whether recently diagnosed or with long term condition and particularly focusses on helping with money advice, social security problems as well as housing and employment. This year over 700 people used the service and the team was successful in supporting service users to claim £2m in previously unclaimed benefits, a vital support to enable people to maximize their income at a time of considerable additional cost.

## **Wellbeing**

Isolation, low levels of physical activity and poor health are just some of the recurring issues we regularly hear about in our work with older people. Our wellbeing services aim to support people to age well as well as encouraging people to be active in their community. Our range of services this year includes;

- Dignify & Start
- City 50+ Older People's Outreach
- Community Organisers
- Linkage Plus
- Wellbeing Centre for Older People

Dignify aims to reduce abuse of adults at risk by raising awareness of abuse with groups who may be particularly at risk: older people, mental health service users, adults with a learning disability. This year we ran 11 creative workshops for adults at risk to help in raising self-esteem and self-

worth, which contributes to decreasing vulnerability and makes individuals more likely to seek support when it is required.

Our Linkage Plus and City 50+ outreach services are a life line for older people in Tower Hamlets and the City who find it harder to leave the house or who are not accessing existing support services. Outreach workers provided specialist advice and support including housing, benefits and pension credits as well as connecting people to a range of support services.

This year our drop-in Wellbeing Centre had over 2,700 visits from older people. We provide a warm and friendly place to meet, a chance to socialise and converse with others, and have something to eat. Each of our regular service users has a support plan in place to enable them to age well. We help deliver these support plans through a range of support services including running over 100 learning activities as well as a providing range of fitness activities and health information sessions on topics including healthy hearts, diabetes, dementia and food and nutrition.

We are very grateful to have received a substantial legacy gift for our older people's services this year. We plan to use this funding strategically over the next 4/5 years to enable us to develop and implement a long term ageing-well strategy that is co-produced with older people from across the borough. We will start work on the research phase of this strategy in 2016/17.

This was the final year of the Community Organisers programme supported by Locality. The programme focused on building relationships and mobilising people in our local community to take action on issues that concern them and that makes a positive difference. Our Community Organisers listened to over 800 local people this year in both Tower Hamlets and the City, finding out their concerns and supporting them to take action on the issues that matter and create positive change. Despite extensive fundraising efforts we were unable to secure continuation funding for the two organisers and the programme has therefore come to an end. We plan to embed the learning and methodology from the programme into the implementation of our Model for Meaningful Change.

## Education

Providing people with opportunities to develop their skills, confidence and networks has been at the heart of our work on tackling poverty over many years. Our current services include;

- Deesha – ESOL programme
- Be Active
- Make It!

The Deesha programme provides predominantly women-only pre and entry-level English language and literacy classes. Deesha is delivered in partnership with local primary schools in the E1 area, and many of the classes are based in these schools. We specialise in providing access to learning for people with very little English language knowledge and offer a range of accredited learning and

progression routes both within Deesha itself and through a wider adult learning partnership. 239 women used the service last year.

Our work with young people includes Be Active and Make It! Programmes. Be Active aims to support children to build their confidence and self-esteem. We work with 10 and 11-year-olds in Year 6 who are about to finish primary school and move up to secondary school, a transition that can be difficult for many children. Last year we took 300 pupils from primary schools across the borough for activity days in Mile End Park. The children had the chance to try canoeing, archery, raft building, rock climbing and arts and crafts activities. They also got the chance to engage with children from other schools in a fun and supportive environment. The activities inspire confidence in the children and the introductions and connections that they make help to ease their transition to secondary school.

Make It! is a mentoring programme working with young people in Year 9 to increase their skills, confidence and wellbeing so that they can better engage with school and build positive relationships. This project runs in partnership with four local secondary schools in Tower Hamlets and takes place over the academic year. This year 89% of Make it! students reported an increase in their confidence.

### **Financial Health**

There are still some 2 million unbanked adults in the UK and an even larger number of people who are effectively unable to access mainstream bank and credit facilities and who have limited payment method choices. As a result many of these people end up paying a poverty premium on basic goods and services. Improving financial health is a key objective for Toynbee Hall and is at the heart of our anti-poverty work both supporting individuals and tackling wider systems issues that trap people in poverty. Our services in this area operate at a local, regional and national level and include;

- Community Money Mentors
- Money Access and Participation (MAP)
- Training & Consultancy Services
- Financial Health Exchange, the national forum for financial inclusion

As reported elsewhere, some of these services are delivered through Toynbee Hall Trading.

Our Community Money Mentors project had a particularly successful year securing continuation funding that has enabled us to both sustain and expand the service which now operates across London, co-located with some of our Capitalise Debt Advice partners. Community Money Mentors is a financial capability programme that supports community leaders to develop their financial capability knowledge and networks to improve financial health. Thirty-two people completed accredited programme this year. We are now further developing the programme into an online learning product to provide more flexible and self-directed learning opportunities for our service users. This year we have also developed and piloted a new SnapSpend app in partnership with



## **Toynbee Hall**

### **Trustees' annual report**

**For the year ended 31 March 2016**

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Quaker Social Action that enables Money Mentors to more easily capture their spending profile and further enhance their budgeting skills. Following a successful pilot we are now identifying ways in which to scale up and further develop this product.

MAP is an innovative financial wellbeing measurement tool that enables organisations to assess need and track the impact of financial advice and capability support with service users. By creating a common assessment tool we hope to build a stronger, more sustainable sector, through gathering evidence and sharing learning about the impact of a range of financial capability methods. It will mean that for the first time the financial health sector is able to speak in the same language and this will facilitate further discussion and debate within the sector. Over the past year we have implemented MAP across our Capitalise Debt Advice Partnership and for the first time begun to measure the financial wellbeing improvements of the debt advice process. We are now putting in place plans to sell MAP on a subscription basis across the UK.

Our Training and Consultancy services this year have managed a number of major financial health projects including Barclays Community Finance Fund that supports the development of credit unions, as well as a number of bespoke projects working with Housing Associations and similar organisations to audit and improve their financial health support to their tenants and residents.

We launched the Financial Health Exchange this year as a portal to share and disseminate best practice, research and evidence to improve the financial health of everyone in the UK.

### **Toynbee Hall Heritage**

Our new heritage programme tells the stories from our long history of social action and campaigning to inspire new generations of social activists. From 1880s through to today we have been supporting people to have a secure and affordable home, a good job and a steady income. Our archive contains a unique collection of materials that document how we have supported our local community throughout the generations with what often seems like the continuous struggle to tackle poverty and disadvantage and achieve sustained social progress.

This year our archive collection has moved to London Metropolitan Archive to create a unified collection that is now being catalogued and which will therefore, for the first time, become fully accessible. Once this phase of work is complete we will begin to digitise some of the most significant material in our collection which will form the basis of an online portal to enable people to learn about our heritage, as well as a permanent exhibition which will be incorporated in the restoration of Toynbee Hall.

We have now appointed our first Heritage Learning and Participation Manager who will shortly begin development work on a new heritage learning programme that will complement this archive collection work with a range of new learning opportunities and workshops particularly targeting young people to develop their social action skills.

## **Toynbee Hall**

### **Trustees' annual report**

**For the year ended 31 March 2016**

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#### **London Fairness Commission**

Over the past 18 months Toynbee Hall hosted the secretariat for the independent London Fairness Commission. This built on the work that we did in 2012/13 supporting and advising the Tower Hamlets Fairness Commission. The London Fairness Commission undertook an enquiry into fairness and inequality in London with a particular focus on housing, income and jobs.

Approximately 6000 Londoners took part in the range of activities that the Commission organised from polling to community engagement and stakeholder events. They told the Commission their concerns about inequality in London who gathered a clear view that the people who think London is an unfair city are young people and those from Black and minority ethnic communities. This is perhaps unsurprising given how these are the very issues that we respond to on a daily basis; in-work poverty, high cost and insecure private rented housing, lack of affordable credit and which particularly impact on younger adults in the city the majority of whom are now from BME communities.

The Commission published its final report in March 2016 setting out a series of recommendations to the newly elected Mayor of London that will create a fairer city for everyone. The new Mayoral administration team is now being formed and we are hopeful that a number of our recommendations will be taken forward. We, and our partners who were involved in supporting the Commission, will continue to monitor progress in this regard and review what the follow up steps to the Commission will be.

#### **Toynbee Hall Trading Limited**

Toynbee Hall Trading (THT) Ltd is a subsidiary company that is wholly owned by Toynbee Hall. A Trustee of Toynbee Hall is appointed as one of THT's Directors. THT's main business activities comprise the enterprise aspects of Toynbee Hall activity including:

- Strategic Consultancy Services
- Organisational Development Consultancy
- Organisational Development Training
- Personal Development Training
- Advice Services
- Venue Hire

Trading income has fallen this year largely due to the closure in September 2015 of our successful venue hire business, previously operating out of Toynbee Hall. The venue hire business will reopen in late 2017 following the completion of the restoration of Toynbee Hall.

Our consultancy and training services, delivered by our National Service Team, had a sales target this year of £225,000. This is primarily made up of sales of financial health support services to the social housing sector around mitigating the impact of welfare reform on tenants. However we only achieved a much lower year-end actual sales figure of £75,000. The reasons for this were two-fold. Firstly, the delayed rollout of Universal Credit shifted the social housing sector's focus to the

government's "right to buy" policy for social tenants, reducing the demand for our financial health consultancy. Secondly, a few key sales took longer than anticipated to convert from leads to contracts, pushing income into 2016-17.

This disappointing sales figure was however offset by much higher levels of grant funding being secured by the team for training delivery. The overall income for the team was therefore in line with the original sales target. This restricted grant funding is however commissioned and reported through the charity and not through Toynbee Hall Trading.

Turnover for THT Ltd this year was £179k, generating a profit of £91k, which was gifted to the Charity.

### **Financial Strategy**

The trustees this year approved our 10-year plan that sets out our longer term financial strategy in the context of our redevelopment project. Our financial strategy is focused on sustaining our current levels of statutory and non-statutory income for services, whilst also diversifying our income sources by increasing corporate and earned income and particularly increasing unrestricted income from donations and trading. Further unrestricted income growth is planned once the restored Toynbee Hall reopens in 2018 and our venue hire and our commercial lettings income is re-established. The temporary closure of our venue hire business has meant a reduction to our earned income this year.

We are continuing to make very good progress on increasing our corporate income and we have established several new corporate partnerships this year. We have not though been able to meet our target growth on individual donations with the exception of our capital fundraising and our unrestricted income growth did not meet target. This will be a key priority for our development team over the next 2 years.

As we have reported previously the challenge of achieving Full Cost Recovery (FCR) on a number of our statutory funded programmes remains an ongoing issue for us. We are pleased to report that we have been able to reduce the scale of unrestricted income transfers to address deficits in restricted income projects again this year, and we will need to continue to do this over coming years. This will be a growing challenge though in an environment where some statutory funders have an expectation that FCR is achieved either partially or fully from other sources. Adapting our business model to reflect this trend will be a critical challenge going forward.

We are extremely grateful for the continuing support from many Trusts & Foundation, Corporate partners and statutory bodies whom we work with and who enable us to continue to support our local community. The following funders require us to disclose the value of their grants in our annual reports:

## Toynbee Hall

### Trustees' annual report

For the year ended 31 March 2016

Funder	Amount £	Project
Barclays	£256,117	NS Training
Comic Relief	£11,494	START
Comic Relief	£6,500	NS SnapSpend
Comic Relief	£52,000	NS Digital Money Mentor
Healthwatch Tower Hamlets	£4,638.80	Research
London Borough of Tower Hamlets	£23,332	Tower Hamlets Debt & Money Advice
National Association of Citizens	£5,600	NS Forum – Energy Best Deal Campaign

See our website for a detailed list of funders for donations of £100 and above [here](#).

### Financial Review

The results for the year show a net movement in funds of £5.677m, which reflects the disposal of Attlee House and Sunley House. Conditional contracts had been exchanged some time ago but it was not until the relevant conditions were satisfied that completion could take place. These events had occurred during the year and the sale has therefore been recorded within this year's figures. Debtors includes £9.8m representing the balance of the sale proceeds. This was received in April 2016 and was, in part, utilised to repay the NatWest mortgage of £719k.

Income of £14.124m includes the gain on sale of £5.561m leaving income from operations of £8.563m, an increase of £1.593m over last year. This increase includes legacy income of £700k for our older people's services and capital grants from Trusts and Foundations for our redevelopment project of £682k as well as a substantial increase in income for our Advice work arising from a statutory grant.

Net income from trading activities, which is gift aided by Toynbee Hall Trading Ltd, has reduced this year as a result of the redevelopment project and will not restart until the completion of the work in 2017. Other activities of the subsidiary continue unaffected by the redevelopment.

Total expenditure of £8.445m exceeds last year by £1.487m. This includes

- Increased spending on our Advice work of £646k.
- The write off of £489k, representing the costs of the historic Toynbee Hall and Profumo House, which will be wholly or partly demolished as a part of the redevelopment project; and
- The write off of £258k, representing previously capitalised professional costs following the decision by the Board to abort the plan for a land swap with Tower Hamlets that would have enabled the construction of a new building at 36 Commercial Street

The Charity ends the year with reserves of £11.324m. Of this amount, £2.592m represents restricted reserves. Of the balance of £8.731m, £8.02m has been designated mainly for the redevelopment project leaving undesignated reserves of £700k available for day to day operations.

The amount of £8.02m is the difference between general funds and the reserves policy. There is a paragraph in note 21 explaining its purpose.

After retaining sufficient funds for our operational reserves, the balance will be utilised for the redevelopment project, which will involve a capital outlay of some £14m over the next two years. The balance needed to fund this target has either been committed or is within our realistic fund raising target over the next 12 months.

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

Following completion of the redevelopment project, the Charity will have two major income generating assets in the form of a new venue hire facility and an investment property for commercial letting. It is anticipated that these two new assets will place the Charity on a more secure financial footing for the future.

The operational budget for 2016/17 showing a small net surplus has been formally approved by the Board and reflects the substantial amount of income that has already been committed for the year.

#### **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 £700k (calculated by excluding those funds distributed to and expended by the debt advice partners).

#### **Strategic Plan 2016/19**

The Board of Trustees has approved Toynbee Hall's Strategic Plan 2016/19. Set against the context of increasing poverty and inequality locally and across London, as well as delivering our regeneration project, our plan over the next 3 years is to achieve the following four goals:

- 1 Sustain and improve our services with a particular focus on working with service users to build both financial capability and legal capability. We will also develop a co-produced ageing-well strategy for our older people's services and expand our education services, particularly Deesha and Make It!
- 2 Implement our Model for Meaningful Change. This is a tool we have developed over the past few years to enable us to put service users at the heart of service design and innovation. We believe that this model alongside other changes will enable us to take a more social action based approach to our work in the future and strengthen our work on prevention and eradication of poverty.
- 3 Deliver our Revealing Social Reform, Renewing Social Change heritage learning programme. Drawing on unique our archive collection we will develop a range of learning and engagement programmes to enable people to learn about our heritage and to use these

stories of past campaigns and social action as a way to inspire them into identifying and acting on the issues that concern them in their community today.

- 4 Develop a programme of work to tackle the poverty premium. Many people we work with face rapidly rising living costs with static or falling income. This is often exacerbated for many people through the poverty premium as well as a London premium of higher living costs. Building on our research we now want to develop a social action based programme that will support people to tackle the effect of the poverty premium, to share their stories about the impact and unfairness of the poverty premium and facilitate and help them to organise and campaign for wider change that will reduce and eradicate the poverty premium.

We believe delivering on these goals will support us in our longer term direction in complementing the range of services we currently provide which largely mitigate the impact of poverty with a renewed focus on social action that we believe will enable us to break the cycle of poverty and support and campaign for more effective pathways out of poverty for the communities we work with.

Our overarching financial objective over the next three years is to sustain our present income target and operate to a balanced budget whilst we continue to build on achievements over the past three years in diversifying our income model based on five complimentary income sources;

- Statutory Funding – largely restricted
- Trusts and Foundations – largely restricted
- Corporate donations – largely restricted
- Contracts and social enterprise income – unrestricted income generated by Toynbee Hall assets or sales of goods and services
- Individual donors – largely unrestricted

We will require additional income to deliver our planned work on the Model for meaningful change and the poverty premium for which we are now beginning to fundraise. We also want to secure match funding for our older people's research and ageing-well programme.

#### **Statement of responsibilities of the trustees**

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 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

Trustees' annual report

For the year ended 31 March 2016

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- 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 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's auditors are unaware
- 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 auditors are 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 2016 was 9 (2015:8). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

**Auditors**

Sayer Vincent LLP were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

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

on 6 September 2016 and signed on their behalf by



Name: Julian Corner  
Position: Chair

## **Independent auditors' report**

**To the members of**

**Toynbee Hall**

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We have audited the financial statements of Toynbee Hall for the year ended 31 March 2016, which comprise the consolidated statement of financial activities, the parent, and group balances sheets, the consolidated statement of cashflows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

As explained more fully in the statement of trustees' responsibilities set out in the report of the trustees, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the trustees including the Strategic Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



## **Independent auditors' report**

To the members of

Toynbee Hall

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### **Opinion on financial statements**

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its 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
- Have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the report of the trustees, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

- Adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us
- The financial statements are not in agreement with the accounting records and returns
- Certain disclosures of trustees' remuneration specified by law are not made
- We have not received all the information and explanations we require for our audit

Joanna Pittman (Senior statutory auditor)

7 September 2016

for and on behalf of Sayer Vincent LLP, Statutory Auditors  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

**Toynbee Hall**

**Consolidated statement of financial activities (incorporating an income and expenditure account)**

**For the year ended 31 March 2016**

	Note	MAS-Capitalise restricted £'000	Restricted £'000	Unrestricted £'000	2016 Total £'000	2015 Restated Total £'000
<b>Income from:</b>						
Donations and legacies	3a	-	1,396	341	1,737	519
Charitable activities	3c					
Advice		3,870	841	228	4,939	4,167
Wellbeing		-	686	-	686	691
Education		-	358	-	358	261
Financial health		-	221	147	368	356
London Fairness Commisison		-	123	-	123	35
Provision of accommodation		-	-	29	29	133
Other trading activities						
Estates income	3b	-	-	95	95	395
Trading income		-	-	149	149	145
Investments						
Dividends and interest received		-	-	1	1	2
Rentals from investment property	3b	-	-	30	30	213
Other income						
Release of deferred lease premium		-	-	48	48	53
Gain on sale of properties	10	-	-	5,561	5,561	-
<b>Total income</b>		<b>3,870</b>	<b>3,625</b>	<b>6,629</b>	<b>14,124</b>	<b>6,970</b>
<b>Expenditure on:</b>	4					
Raising funds						
Fundraising and publicity		-	-	464	464	345
Costs of generating estates income		-	-	558	558	646
Costs of generating trading income		-	-	41	41	100
Costs of generating investment income		-	-	100	100	172
Charitable activities						
Advice		3,793	714	211	4,718	4,072
Wellbeing		-	713	-	713	702
Education		-	321	-	321	418
Financial health		-	339	254	593	425
London Fairness Commisison		-	147	-	147	17
Provision of accommodation		-	-	44	44	61
Other expenses						
Write-off of fixed assets	10	-	-	746	746	-
<b>Total expenditure</b>		<b>3,793</b>	<b>2,234</b>	<b>2,418</b>	<b>8,445</b>	<b>6,958</b>
<b>Net income / (expenditure) before net gains / (losses) on investments</b>		<b>77</b>	<b>1,391</b>	<b>4,211</b>	<b>5,679</b>	<b>12</b>
Net gains / (losses) on investments	12			(2)	(2)	1,464
<b>Net income / (expenditure) for the year</b>	5	<b>77</b>	<b>1,391</b>	<b>4,209</b>	<b>5,677</b>	<b>1,476</b>
Transfers between funds	21	-	114	(114)	-	-
<b>Net movement in funds</b>		<b>77</b>	<b>1,505</b>	<b>4,095</b>	<b>5,677</b>	<b>1,476</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		372	639	4,636	5,647	4,171
<b>Total funds carried forward</b>	21	<b>449</b>	<b>2,144</b>	<b>8,731</b>	<b>11,324</b>	<b>5,647</b>

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 21 to the financial statements.

**Toynbee Hall**

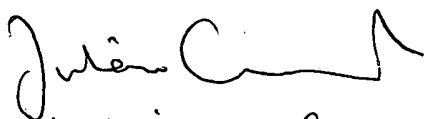
**Balance sheets**

Company no. 00020080

**As at 31 March 2016**

	Note	The group 2016 £'000	2015 £'000	The charity 2016 £'000	2015 £'000
<b>Fixed assets:</b>					
Tangible assets	10	1,341	2,850	1,341	2,850
Investment property	11	300	3,061	300	3,061
Investments	12	12	14	12	14
		<u>1,653</u>	<u>5,925</u>	<u>1,653</u>	<u>5,925</u>
<b>Current assets:</b>					
Debtors	15	11,905	711	11,872	683
Short term cash deposits		447	51	447	51
Cash at bank and in hand		150	1,356	134	1,329
		<u>12,502</u>	<u>2,118</u>	<u>12,453</u>	<u>2,063</u>
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	16	1,147	626	1,098	572
<b>Net current assets / (liabilities)</b>		<u>11,355</u>	<u>1,492</u>	<u>11,355</u>	<u>1,491</u>
<b>Total assets less current liabilities</b>		<u>13,008</u>	<u>7,417</u>	<u>13,008</u>	<u>7,417</u>
Creditors: amounts falling due after one year	18	1,684	1,770	1,684	1,770
<b>Net assets</b>	21	<u>11,324</u>	<u>5,647</u>	<u>11,324</u>	<u>5,647</u>
<b>Funds:</b>					
Restricted funds					
MAS-Capitalise		449	372	449	372
Other funds		2,144	639	2,144	639
<b>Total restricted funds</b>		<u>2,593</u>	<u>1,011</u>	<u>2,593</u>	<u>1,011</u>
Unrestricted funds:					
Designated funds		8,020	69	8,020	69
General funds		700	3,103	700	3,103
Fair value reserve		11	1,464	11	1,464
<b>Total unrestricted funds</b>		<u>8,731</u>	<u>4,636</u>	<u>8,731</u>	<u>4,636</u>
<b>Total funds</b>	21	<u>11,324</u>	<u>5,647</u>	<u>11,324</u>	<u>5,647</u>

Approved by the trustees on 6 September 2016 and signed on their behalf by



Name Julian Corner

Position Chair

**Toynbee Hall**

**Consolidated statement of cash flows**

**For the year ended 31 March 2016**

	Note	2016 £'000	£'000	2015 £'000	£'000
Cash flows from operating activities	22				
Net cash provided by / (used in) operating activities			(973)		(182)
Cash flows from investing activities:					
Dividends, interest and rents from investments		31		215	
Purchase of fixed assets		(853)		(318)	
Proceeds from sale of fixed assets		1,025		1,149	
Net cash provided by / (used in) investing activities			203		1,046
Cash flows from financing activities:					
Repayment of mortgage loan		(39)		(41)	
Transfer from short term deposits		(396)		398	
Net cash provided by / (used in) financing activities			(436)		357
Change in cash and cash equivalents in the year			(1,206)		1,221
Cash and cash equivalents at the beginning of the year			1,356		135
Cash and cash equivalents at the end of the year	23		150		1,356

**1 Accounting policies**

**a) Basis of preparation**

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

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

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary Toynbee Hall Trading Ltd on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

**b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 April 2014.

No restatement of comparative items was required.

**c) Public benefit entity**

The charitable company meets the definition of a public benefit entity.

**d) Going concern**

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

Key judgements that the charitable company has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**e) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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

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

**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 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 to be 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
- The cost of charitable activities comprise project expenditure, and costs relating to the provision of accommodation.
- 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.

**1 Accounting policies (continued)**

**j) Allocation of support costs**

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

● Advice	48%
● Wellbeing	11%
● Education	11%
● Financial health	7%
● Estates	5%
● Fundraising	13%
● London Fairness Commission	2%
● Investment	3%

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

**k) Operating leases**

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

**l) Lease premiums**

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

**m) Tangible fixed assets**

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

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

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

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

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

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

Fixtures, fittings and equipment are stated at cost, less accumulated depreciation, which is provided on a straight line basis at the rate of 33⅓% p.a. for computer equipment and 20% p.a. for other assets. Items of equipment are capitalised where the purchase price exceeds £1,000.

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

**1 Accounting policies (continued)**

**n) Investment properties**

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

**o) Investments**

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

**p) Investments in subsidiaries**

Investments in subsidiaries are at cost.

**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 cash 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.

**s) 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.

**t) 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.



# **Toynbee Hall**

## **Notes to the financial statements**

### **For the year ended 31 March 2016**

#### **2 Detailed comparatives for the consolidated statement of financial activities** For the year ended 31 March 2015

	MAS-Capitalise restricted £'000	Restricted other £'000	Unrestricted £'000	Total 2015 as restated £'000
<b>Income from:</b>				
Donations and legacies	-	47	472	519
<b>Charitable activities</b>				
Advice	3,513	412	242	4,167
Wellbeing	-	691	-	691
Education	-	261	-	261
Financial health	-	356	-	356
London Fairness Commission	-	35	-	35
Provision of accommodation	-	-	133	133
<b>Other trading activities</b>				
Estates income	-	-	395	395
Trading income	-	-	145	145
<b>Investments</b>				
Dividends and interest received	-	-	2	2
Rentals from investment property	-	-	213	213
<b>Other</b>				
Release of deferred lease premium	-	-	53	53
<b>Total income</b>	<b>3,513</b>	<b>1,802</b>	<b>1,655</b>	<b>6,970</b>
<b>Expenditure on:</b>				
<b>Raising funds</b>				
Fundraising and publicity	-	54	291	345
Costs of generating estates income	-	-	646	646
Costs of generating trading income	-	-	100	100
Costs of generating investment income	-	-	172	172
<b>Charitable activities</b>				
Advice	3,360	457	255	4,072
Wellbeing	-	694	8	702
Education	-	408	10	418
Financial health	-	421	4	425
London Fairness Commission	-	17	-	17
Provision of accommodation	-	-	61	61
<b>Total expenditure</b>	<b>3,360</b>	<b>2,051</b>	<b>1,547</b>	<b>6,958</b>
<b>Net income / expenditure before gains / (losses) on</b>	<b>153</b>	<b>(249)</b>	<b>108</b>	<b>12</b>
<b>Net gains / (losses) on investments</b>	<b>-</b>	<b>-</b>	<b>1,464</b>	<b>1,464</b>
<b>Net income / expenditure</b>	<b>153</b>	<b>(249)</b>	<b>1,573</b>	<b>1,477</b>
<b>Transfers between funds</b>	<b>-</b>	<b>150</b>	<b>(150)</b>	<b>-</b>
<b>Net movement in funds</b>	<b>153</b>	<b>(99)</b>	<b>1,432</b>	<b>1,476</b>
<b>Reconciliation of funds:</b>				
<b>Total funds brought forward</b>	<b>219</b>	<b>738</b>	<b>3,214</b>	<b>4,171</b>
<b>Total funds carried forward</b>	<b>372</b>	<b>639</b>	<b>4,636</b>	<b>5,647</b>

Comparative figures for the 'Toynbee Hall - Heritage' project have been included within the 'Education' category of Charitable Activities. Donated services for the prior year have been included within the comparative figures (see note 5). Governance costs that were disclosed last year have been apportioned to activities on the same basis as support costs and no longer shown separately.

# Toyndbee Hall

## Notes to the financial statements

For the year ended 31 March 2016

3 Income	Restricted £'000	Unrestricted £'000	2016 Total £'000	2015 Total £'000
a) <u>Donations and legacies</u>				
Trust and foundation grant	-	-	-	35
Legacy for Wellbeing activities	700	-	700	-
Capital grants for the redevelopment project	682	1	683	148
Other donations	9	149	158	136
Donated services (note 5)	5	191	196	200
	<u>1,396</u>	<u>341</u>	<u>1,737</u>	<u>519</u>

## b) Estates income

The Toyndbee Hall estate is run for a mixture of activities and is therefore recognised in the following three places in the statement of financial activities.

	2016 Total £'000	2015 Total £'000
Activities for generating funds	95	395
Investment income	30	213
Charitable provision of accommodation	29	133
	<u>154</u>	<u>741</u>

## c) Government funding

The Charity received funding of £648k from the London Borough of Tower Hamlets in the year (2014/15: £645k). Of this amount, £600k (2014/15: £600k) was in respect of the Tower Hamlets Linkage Partnership.

In addition, the Charity received funding of £304k from the City of London Corporation in the year (2014/15: £290k). Of this amount, £240k (2014/15: £240k) was in respect of our City Advice service.

## 4 Analysis of expenditure

	Staff costs (note 6) £'000	Direct costs £'000	Reallocation of support and governance costs £'000	2016 Total £'000	2015 Restated Total £'000
Fundraising and publicity	182	169	114	464	345
Costs of generating estates	85	428	45	558	646
Cost of generating trading	15	26	-	41	100
Costs of generating investment	-	77	23	100	172
Advice	896	3,493	329	4,718	4,072
Wellbeing	195	443	75	713	702
Education	201	43	77	321	418
Financial health	200	345	48	593	425
London Fairness Commission	27	108	11	147	17
Provision of accommodation	-	34	11	44	61
Write off of fixed assets	-	746	-	746	-
	1,801	5,912	733	8,445	6,958
Support costs	369	269	(638)	-	-
Governance costs	72	22	(95)	-	-
<b>Total expenditure 2016</b>	<b>2,242</b>	<b>6,203</b>	<b>-</b>	<b>8,445</b>	
<b>Total expenditure 2015</b>	<b>2,247</b>	<b>4,511</b>	<b>-</b>	<b>-</b>	<b>6,958</b>

Of the total expenditure, £2.418m was unrestricted (2015: £1.547m) and £6.027m was restricted (2015: £5.411m).

**5 Net incoming resources for the year**

This is stated after charging / crediting:

	2016 £'000	2015 £'000
Depreciation	24	57
Interest payable	45	50
Operating lease rentals:		
land and buildings	31	-
Auditors' remuneration (excluding VAT):		
audit for Toynbee Hall	17	17
audit for Toynbee Hall Trading Ltd	2	2
Trustees' remuneration	NIL	Nil
Trustees' reimbursed expenses	NIL	Nil

Donated legal services

Linklaters has been providing pro bono legal advice to Toynbee Hall for many years. Their work over the last two years covered assisting with the strategy and implementation of our estate regeneration project and advice on access to certain charity funds. During 2015/16, the fair value of donated services from that firm is £153,000 (2014/15: £193,000) on a 'cost to firm' basis. This valuation methodology was developed by London Benchmarking Group, a consortium of over 100 leading businesses whose approach to valuing community investment is endorsed and employed by indices including DJSI and GRI. 'Cost to firm' is defined by the Group as 'what it costs the firm to provide professional advice, not what the recipient would have had to pay had it been charged at commercial rates'. Linklaters followed that protocol in providing this valuation.

White & Case LLP provided pro bono legal services to assist us with acquiring our current premises. During 2015/16, the fair value of donated services from that firm was £37,973, on a market value basis.

Allen & Overy LLP provided pro bono legal services to assist us with the licencing arrangements for our needs assessment and impact measurement tool. During 2015/16, the fair value of donated services from that firm was £4,666 (2014/15 - £7,464), on a market value basis.

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

Staff costs were as follows:

	2016 £'000	2015 £'000
Salaries and wages	2,141	1,988
Redundancy and termination costs	25	-
Social security costs	200	187
Employer's contribution to defined contribution pension schemes	89	72
	<u>2,455</u>	<u>2,247</u>

Included within total staff costs of £2,455k is £213k representing project management costs incurred wholly and exclusively for the purposes of conserving and restoring the historic Toynbee Hall and the construction of a new building at 28 Commercial Street. These costs have been capitalised as part of the cost of construction.

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

	2016 No.	2015 No.
£70,000 – £79,999	-	1
£80,000 – £89,999	<u>1</u>	<u>-</u>

The total employee benefits, including pension contributions, of the key management personnel were £261k (2015: £270k).

The total employee benefits, on a FTE basis, of the individual key managers fell into the following bands for the year:

Director of Income	£50,000 – £59,999
Director of Operations	£50,000 – £59,999
Director of Finance & Resources	£60,000 – £69,999
CEO	£90,000 – £99,999

Trustees' expenses for the year representing the payment or reimbursement of travel and subsistence costs amounted to £Nil (2015: £Nil).

The Charity trustees were not paid or received any other benefits from employment with the charity in the year (2015: £nil).

**7 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 80 (2015: 77)

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

	2016 No.	2015 No.
Fundraising and publicity	5	4
Advice	26	23
Wellbeing	6	6
Education	6	6
Financial health	4	3
Estates	4	4
Toynbee Hall	4	1
London Fairness Commission	1	-
Support costs	10	12
	<b>66</b>	<b>59</b>

**8 Related party transactions**

Aggregate donations from related parties for 2016 were £6,152 (2015: £4,440). Other than the disclosures made in note 6 and donations received, there were no related party transactions for 2016 (2015: none).

During the year, the Charity acted as the Secretariat to the London Fairness Commission ('the Commission'). The Commission was set up as a joint venture between Toynbee Hall and My Fair London as an independent Commission, with funding from Trust for London, Tudor Trust, London Funders, and City Bridge Trust.

The Commission operated under a budget approved by its funders and joint venture partners. In operating its budget, the Commission made a payment of £3,500 to Annette Zera, a Trustee of the Charity, for the provision of professional services to the Commission. The Trustees are satisfied that this payment was made under the authority provided by article 6.2 of the Charity's Articles of Association. No other Charity trustee received payment for professional or other services supplied to the charity (2015: £nil).

**9 Taxation**

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

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

	Freehold land & buildings £'000	Fixtures, fittings & equipment £'000	Total £'000
<b>Cost</b>			
At the start of the year	3,520	237	3,757
Additions in year	346	207	553
Disposals in year	(2,733)	-	(2,733)
At the end of the year	1,133	444	1,577
<b>Depreciation</b>			
At the start of the year	693	212	905
Charge for the year	-	24	24
Eliminated on disposal	(693)	-	(693)
At the end of the year	-	236	236
<b>Net book value</b>			
At the end of the year	1,133	208	1,341
At the start of the year	2,827	23	2,850

Disposals arise from: the sale of Sunley House and part of Attlee House; the write off of the costs of Toynbee Hall and Profumo House representing the impairment of their values as a result of the regeneration project; and the write off of previously capitalised professional costs following the decision by the Board to abort the plan for a land swap with Tower Hamlets that would have enabled the construction of a new building at 36 Commercial Street.

Additions to freehold properties during the year relate to costs associated with conserving and restoring the historic Toynbee Hall and the construction of a new building at 28 Commercial Street, the former site of Profumo House. Once this project has been completed, the assets will be brought into use, the element that relates to investment property will be separately disclosed and the freehold property depreciated.

Including within Freehold land & buildings is an amount of £944k relating to Toynbee Hall. This asset is currently being redeveloped. Once completed it will be partly held for:

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

All of the above assets are used for charitable purposes.

**11 Investment properties**

	<b>The group</b>		<b>The charity</b>	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Fair value at the start of the year	3,062	2,746	3,062	2,746
Additions	300		300	
Disposals	(3,062)	(1,149)	(3,062)	(1,149)
Revaluation during the year		1,464		1,464
Fair value at the end of the year	300	3,061	300	3,061

The investment property represents a leasehold interest in a residential flat, which was acquired in September 2015. The Trustees consider the acquisition cost to reflect the fair value of the investment property at the balance sheet date. The disposals arise from the sale of part of Attlee House.

## 12 Listed investments

	The group 2016 £'000	2015 £'000	The charity 2016 £'000	2015 £'000
Fair value at the start of the year	14	13	14	13
Net gain / (loss) on change in fair value	(2)	1	(2)	1
Fair value at the end of the year	12	14	12	14
Historic cost at the end of the year	1	1	1	1

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

	The group 2016 £'000	2015 £'000	The charity 2016 £'000	2015 £'000
2,000 ordinary shares of 25p each in Foreign & Colonial Investment Trust	9	9	9	9
1,600 ordinary shares of 25p each in The Morgan Crucible Company plc	4	5	4	5

## 13 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of Toynbee Hall Trading Ltd, a company registered in England (company no.: 07578738). 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 gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2016 £'000	2015 £'000
Turnover	179	366
Cost of sales	(86)	(197)
Gross profit	94	169
Administrative expenses	(3)	(2)
Operating profit	91	167
Donation to parent undertaking	(91)	(167)
Profit / (loss) for the financial year	-	-
The aggregate of the assets, liabilities and funds was:		
Assets	126	156
Liabilities	(126)	(156)
Funds	-	-



14 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2016 £'000	2015 £'000
Gross income	14,036	6,574
Result for the year	5,674	12

15 Debtors

	The group		The charity	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Other debtors	11,813	693	11,780	665
Prepayments	92	18	92	18
	11,905	711	11,872	683

16 Creditors: amounts falling due within one year

	The group		The charity	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Mortgage loan (Note 19)	40	39	40	39
Other creditors and accruals	959	445	952	427
Taxation and social security	91	93	49	57
Deferred income (Note 17)	57	49	57	49
	1,147	626	1,098	572

## 17 Deferred income

	The group		The charity	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Balance at the beginning of the year	1,097	677	1,097	677
Amount released to income in the year	(48)	(78)	(48)	(78)
Amount deferred in the year	11	500	11	500
Balance at the end of the year	1,060	1,099	1,060	1,099

	The group		The charity	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Less than one year	57	49	57	49
Greater than one year	1,003	1,050	1,003	1,050
	1,060	1,099	1,060	1,099

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 the basement lease of Profumo House, the lessee entered into a new lease for the premises until June 2038.

The balance of £1,060k represents the deferred income on the lease premium of £1,049k and a deferral of grant income of £11k.

## 18 Creditors: amounts falling due after one year

	The group		The charity	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Deferred income (Note 17)	1,003	1,050	1,003	1,050
Mortgage loan (Note 19)	681	720	681	720
	1,684	1,770	1,684	1,770

## 19 Mortgage Loan

	The group 2016 £'000	2015 £'000	The charity 2016 £'000	2015 £'000
Borrowings falling due within one year	40	39	40	39
Mortgage loan				
1–2 years	79	78	79	78
2–5 years	119	117	119	117
Greater than 5 years	483	526	483	526
	<b>721</b>	<b>760</b>	<b>721</b>	<b>760</b>

The mortgage loan with RBS Natwest was repayable with interest due by equal monthly instalments ending 17 November 2027. Interest was payable at fixed rate of 6.38%. The loan was secured by a legal charge over Attlee House, 28 Commercial Street, London, E1 6LS.

The outstanding balance of £718,921 on the loan was fully settled on 29 April 2016 after having received the sales proceeds of £10.25m for the sale of Sunley and Attlee House.

The interest charge for the year 31 March 2016 was £47,917. (2015: £49,665).

## 20 Analysis of group net assets between funds

	Restricted funds £'000	Designated funds £'000	General funds £'000	Total funds £'000
Tangible fixed assets	–	–	1,341	1,341
Investment properties	–	–	300	300
Investments	–	–	12	12
Net current assets	2,593	8,020	742	11,355
Long term liabilities	–	–	(1,684)	(1,684)
<b>Net assets at the end of the year</b>	<b>2,593</b>	<b>8,020</b>	<b>711</b>	<b>11,324</b>

## 21 Movements in funds

	At the start of the year £'000	Incoming resources & gains £'000	Outgoing resources & losses £'000	Transfers £'000	At the end of the year £'000
<b>Restricted funds:</b>					
Financial health (including donated services)	368	226	(339)	30	285
Education	45	358	(321)	62	144
Advice (excluding MAS)	99	841	(714)	16	242
Wellbeing (including legacy of £700k)	39	1,386	(713)	-	712
Restoration appeals	3	-	-	-	3
Wilson Memorial Fund	67	9	-	-	76
London Fairness Commission	18	123	(147)	6	-
Restricted redevelopment fund	-	682	-	-	682
	639	3,625	(2,234)	114	2,144
MAS Capitalise	372	3,870	(3,793)	-	449
<b>Total restricted funds</b>	<b>1,011</b>	<b>7,495</b>	<b>(6,027)</b>	<b>114</b>	<b>2,593</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Redevelopment	20	5,561	-	2,390	7,971
John Profumo	49	-	-	-	49
<b>Total designated funds</b>	<b>69</b>	<b>5,561</b>		<b>2,390</b>	<b>8,020</b>
Revaluation reserve	1,464	-	(2)	(1,451)	11
<b>General funds</b>	<b>3,103</b>	<b>1,068</b>	<b>(2,418)</b>	<b>(1,053)</b>	<b>700</b>
<b>Total unrestricted funds</b>	<b>4,636</b>	<b>6,629</b>	<b>(2,420)</b>	<b>(114)</b>	<b>8,731</b>
<b>Total funds</b>	<b>5,647</b>	<b>14,124</b>	<b>(8,447)</b>	<b>-</b>	<b>11,324</b>

## Purposes of restricted funds

## Financial health

Funds for financial health training services.

## Education

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

## Advice (excluding MAS)

Funds for advice services which include the Free Legal Advice Centre, a drop-in service provided by pro-bono lawyers and other professionals; Advice in the Community, a specialist Welfare Benefits advice service; the Fuel Debt Project, supporting people to access grants for fuel arrears; and advice services for people affected by cancer delivered in partnership with Macmillan.

## Wellbeing

Funds for projects focussed on vulnerable adults which include: Dignify, LinkAge Plus & Older People Services.

## Restoration Appeals

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

## Wilson Memorial Fund

Funds to support the residential volunteer programme.

## London Fairness Commission

Funds for establishing the London Fairness Commission

## Restricted Redevelopment Fund

Funds held for the redevelopment of historic Grade II listed halls and Profumo House (28 Commercial Street). Part of the funding comes from Heritage Lottery Funding which awarded Toynbee Hall with a five year funding of £1,709k.

## MAS-Capitalise Fund

Money Advice Services (MAS) – Capitalise Fund is a debt advice program for which Toynbee Hall are one of the lead partners. Funds received from MAS by Toynbee Hall, are passed down to other sub-contracted partners.

Notes to the financial statements

For the year ended 31 March 2016

21 Movements in funds (cont)

**Purposes of designated funds**

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

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

The revaluation reserve is the unrealised gain on the investments.

**Transfer between funds**

Transfers have been made from unrestricted funds into restricted projects to cover additional expenditure on the projects.

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

	2016 £'000	2015 £'000
<b>Net income / (expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>5,677</b>	<b>1,476</b>
Depreciation charges	24	57
(Gains)/losses on investments	2	(1,465)
Dividends, interest and rent from investments	(31)	(215)
(Profit)/loss on the disposal of fixed assets	(5,561)	
Non cash write off assets	411	
(Increase)/decrease in debtors	(1,969)	(132)
Increase/(decrease) in creditors	473	97
<b>Net cash provided by / (used in) operating activities</b>	<b>(973)</b>	<b>(182)</b>

## Notes to the financial statements

For the year ended 31 March 2016

## 23 Analysis of cash and cash equivalents

	At 1 April 2015 £'000	Cash flows £'000	At 31 March 2016 £'000
Cash at bank and in hand	1,356	(1,206)	150
<b>Total cash and cash equivalents</b>	<b>1,356</b>	<b>(1,206)</b>	<b>150</b>

## 24 Operating lease commitments

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

	Property 2016 £'000	2015 £'000	Equipment 2016 £'000	2015 £'000
Less than one year	164	-	4	-
One to five years	411	-	-	42
Over five years	-	-	-	-
	<b>575</b>	<b>-</b>	<b>4</b>	<b>42</b>

## 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.