



THE TOYBOX CHARITY

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

Charity Number: 1084243 | Company Registration Number: 03963000



TOYBOX
Changing the world
for street children

**OUR AIM IS THAT BY 2018 WE WILL
HAVE SIGNIFICANTLY INCREASED OUR
IMPACT ON THE LIVES OF STREET-
CONNECTED CHILDREN WHICH WILL
BE FUELLED BY AN INCREASE IN
INCOME. BOTH OUR IMPACT AND
INCOME GROWTH WILL BE ACHIEVED
THROUGH BECOMING THE MOST
INNOVATIVE STREET CONNECTED
CHARITY IN THE UK.**

CONTENTS

Our Charitable Objectives and Activities	4
Our Partners and Projects	9
Reviewing Last Year	21
Plans and Aspirations for the Financial Year Ending 31 March 2018	24
Our Fundraising	25
Financial Review	27
Structure, Governance and Management	31
Reference and Administrative Details	34
Independent Auditors' Report to the Members of The Toybox Charity	35
Statement of Financial Activities	37
Balance Sheet as at 31 March 2017	38
Statement of Cash Flows	39
Notes to the Accounts	40



Report of the Trustees of The Toybox Charity for the year ended 31 March 2017

The Trustees are pleased to present their annual report and audited financial statements for the year ended 31 March 2017. The Trustees' report also contains the information required in a strategic report.

OUR CHARITABLE OBJECTIVES AND ACTIVITIES

Why do we exist?

We do not exist for ourselves; we exist to help children marginalised and abused by those who should be protecting them.

Our core purpose today remains consistent with the reason Toybox was created over a quarter of a century ago. Toybox started working in Guatemala City in 1992, and we are still there today, working with children who have been plunged into the chaos of living or working on the streets. We are committed to ending the global injustice of children living and working on city streets.



Why do we do this?

We will do it for children like Estephanie

Twelve year old Estephanie* had been living with her mother and two younger siblings in Guatemala City. Estephanie's mother worked as a prostitute, throwing parties most nights with lots of men coming to the house. At these parties her mother often got very drunk and beat her. Estephanie was fearful for her own safety and that of her siblings so would often take them out onto the streets at night instead of staying at home in an effort to protect them.

The outreach team met Estephanie and her siblings one night and learned what was happening to them. In the beginning, the team tried to work with her mother, talking with her and explaining why they believed the situation was wrong and dangerous for her children.



*Names of the children have been changed to protect their identities.

However they never got very far. One evening, an outreach worker received a call in the middle of the night from Estephanie asking for help – she had been severely beaten again. The outreach team, with support from social services, found the children a safe place to stay in a residential home.

Toybox believe that all children need to be provided with the opportunity, like Estephanie through the Guatemala outreach team, to have a life beyond one on the streets.

The Charity's objects are:

1. The relief and prevention of poverty in particular but not exclusively by:
 - a) Providing help, care and assistance to vulnerable families in the developing world so as to encourage a stable and caring family life and prevent children being forced onto the streets.
 - b) Providing help, care and assistance for street working and street living children, including access to education and healthcare.
2. The promotion of the human rights of children, as set out in the United Nations Convention on the Rights of the Child, by any means the Trustees in their absolute discretion choose and in particular by raising awareness as to the needs of street living and working children, and advocacy as to how those needs can best be met.
3. The advancement of education of the public in particular but not exclusively by:
 - a) Educating the public about the nature, causes and effects of poverty and of life on the streets and how appropriate help can be provided or improved.
 - b) Conducting and procuring research concerning the same and disseminating the useful results to the public.
4. The advancement of the Christian faith in particular but not exclusively by:
 - a) Promoting the active engagement of the Christian church in the provision of help, care and assistance to vulnerable families, and street working and living children, as well as in the promotion of their rights.
 - b) Being witnesses of God's love through our dedication to our mission, absolute integrity and unprejudiced compassion, working with all people irrespective of race, gender, colour, age or religious belief.

In setting our programmes each year we have regard to both the Charity Commission's general guidance on public benefit and prevention and relief of poverty for the public benefit. The Trustees always ensure that the programmes we undertake are in line with our charitable objects and aims. All our charitable activities are directed towards, and motivated by, our desire to help street children and their communities and are undertaken to further our charitable purposes for the public benefit.

Why we exist – real life stories of impact and transformation

We exist to support street children; in doing this our work is divided into 3 categories:



Through these real life stories from children we support, it will be evident what Toybox is trying to achieve.



Prevention

In Guatemala our partner has now registered over 3,500 births. One of our Toybox staff met Flor* on a recent visit to Guatemala, here is how our team member recalls the encounter with Flor.

Flor started the day as Santos, which is a strange name firstly because it's normally a surname and secondly because if it were a first name it would be for a boy. She had come with her mum to get registered. We spoke to the community leader from where she lives and he said that there was suspected neglect in her family and that she often eats elsewhere than her home.

By the end of the day there had been a complete transformation in this girl's life, simply by giving her time and registering her birth so that she finally officially exists as a person. Just before we were leaving, she bounded up to us to tell us that she had changed her name to Flor. She had been able to choose her birthday, which she'd chosen to be the following day. Flor was so excited as she told us that she'd never known when her birthday was so she could never have a party, but tomorrow she was going to invite all her friends over, get a new dress and eat lots of cake. This is a great example of how birth registration means different things to different children.

Intervention

Angela* lives within the Kibera slum which stretches along the west of the city of Nairobi. After losing her mother back in her rural home, she was left in the care of her father who went onto remarry and Angela's new step-mother abused her in many ways until her father also died. It was at this point that Angela began her journey away from her rural home as it was evident that she could not survive under her step-mother's ill treatment. Aged 12, Angela left to find employment in neighbouring sugarcane plantations, often seeking refuge in her grandmother's home, but she was old and frail and unable to offer Angela protection and security. Angela's vulnerability led her to be married and pregnant at 15; on realising she was pregnant, her husband left her. Angela also then discovered that she was living with HIV.

*Names of the children have been changed to protect their identities.





I DIDN'T GO TO SCHOOL, I LIVED WITHOUT SHOES AND A GOOD DRESS UNTIL I WAS 14

It was at this point that Angela moved to Kibera and began to heavily rely on her aunt but without the skills to enable her to find a job she struggled daily to support herself and her baby and she was afraid that soon, her aunt would get tired of her. During this difficult and challenging time Angela remarried and became pregnant for the second time. However her husband was abusive, her first daughter was neglected and not enrolled in school when she should have been. Angela eventually left the marriage and it was then she came into contact with PKL.

Our partner organisation in Kenya, PKL, works with street-connected children and they recognised that Angela needed support. They enrolled her into an economic empowerment program in the beginning of 2016 where she started training in tailoring and dress making. Angela hopes to learn the skills and be in a position to start her own tailoring shop that will enable her raise her children. Through the skills training programme, Angela has been able to acquire counselling through PKL's social workers. Through these sessions she has also developed positive parenting skills and is able to look after her children more responsibly.

In order to be able to provide for her children, PKL also enabled Angela to join a Savings and Internal Lending Communities (SILC) group, where she obtained some capital to set up and run a small grocery store. This way, she is able to meet her family's daily needs. She spends time in the grocery shop when she comes back from her training. Her greatest dream is to provide her children with a better life, so that they can receive an education. "I didn't go to school; I lived without shoes and a good dress until I was 14. I and my children can now wear good shoes and dresses. PKL has changed my life" says Angela.

Once she completes her training in tailoring, Angela aspires to open her own tailoring shop where she will be in a position to earn a larger income. Through the SILC group, she hopes to grow her business by saving as well as borrowing in order to boost her capital. Currently, her small grocery business is supporting her family's basic needs, they are able to pay their rent, as well as eat healthy meals, something that Angela is happy about.

Restoration

Pamela* is six and Cesar* is eight (pictured) and they are looked after by their 13 year old sister Mariela*. This little family has had to survive so much in their short lives. Their mother died in 2015 and their father abandoned them soon after.

None of the extended family would take the children in so they ended up living in a shack constructed of three metal sheets on the streets of San Salvador, in an area controlled by a dangerous gang. Here, the children didn't have a bed, toilet, or any way of cooking for themselves. They were unable to protect themselves from the dangers of living on the street and survived by begging and living hand to mouth.

Sofia, a Street Outreach worker in San Salvador, met the three children during one of the night outreach sessions last year. They were all severely malnourished. Mariela had been trying to care for them but all she knew how to cook was rice. Sofia noticed the children were incredibly shy and apprehensive to talk to other children or to her. However Sofia met them again the next night, and the night after, and slowly began to gain their trust.



*Names of the children have been changed to protect their identities.

The children allowed the Outreach team to help them in some basic, practical ways; providing food, clean clothes and medical care. They all soon began to look brighter and healthier.

Sofia encouraged the children to attend the daytime outreach activities where they could benefit from workshops on how to care for themselves, learning about their rights, and how to protect themselves from abuse. These workshops also provided the children with a safe place to play and an opportunity to truly be children.

In September 2016 Pamela, Cesar and Mariela made the decision to leave the streets for good.

The team quickly began searching for permanent accommodation for them. They are all now living in the same residential home in San Salvador where Sofia visits them regularly to check on their progress. She will be a consistent support in their lives, for as long as they need her.

Sofia says,

“ I have seen a huge change in the children since I first met them. They all attend school regularly and take part in the activities like painting, games, playing, and homework help. Their general well-being is so much better and their self-esteem is higher. Another difference we’ve seen in them is that they are participating a lot more with other children and making more friends. They are noticeably happier and more hopeful for what the future has to bring. ”

Inspired by these stories of hope and transformation in individual children’s lives our goal is to significantly reduce the number of children living and working on the streets in cities across the world.

OUR AIM IS THAT BY 2018 WE WILL HAVE SIGNIFICANTLY INCREASED OUR IMPACT ON THE LIVES OF STREET-CONNECTED CHILDREN WHICH WILL BE FUELLED BY AN INCREASE IN INCOME. BOTH OUR IMPACT AND INCOME GROWTH WILL BE ACHIEVED THROUGH BECOMING THE MOST INNOVATIVE STREET CONNECTED CHARITY IN THE UK.

#TOYBOXONTHEEDGE



OUR PARTNERS AND PROJECTS

At Toybox we believe that local organisations are best placed to find the most appropriate ways to prevent and remove children from a life on the streets. Locally-led development increases the effectiveness, legitimacy and cost effectiveness of our engagement with street connected children.

Toybox has significant experience, skills and resources which can help build impactful partnerships, and in addition we support monitoring and training activities while enabling capacity building. This joint working helps our partners to respond more effectively and efficiently whilst growing as an organisation in their own right.

During the year we supported the following partners and their projects (full details of their funding is shown in note 11 of the accounts).



GIVING STREET CHILDREN OFFICIAL IDENTITIES

Birth Registration Guatemala

Focus: **Prevention**

Location: **Guatemala**

Partner: **Viva Guatemala**



CAPITAL > GUATEMALA CITY
OFFICIAL LANGUAGE > SPANISH
POPULATION > 16.34M (2015)

One of the major obstacles facing street children in Guatemala is their lack of legal documentation. This project focuses on registering street children and giving them their official identities. With a birth certificate, a street child can access healthcare, education and protection from abuse and exploitation. Children without birth certificates have no official names, birthdays or identities. Whilst many can begin school, without the official documents required by law to sit exams, they cannot advance past first grade. This lack of progress pushes children out onto the streets, with some working to support their families and others pressured into the temptations of gang life in order to survive. Many are simply left to wander the streets alone looking for friendship and purpose. Instead they find crime, violence, brutality and abuse.

Project Aim

This project aims to reduce the number of invisible and unregistered street children in Guatemala, provide education and training with communities and raise awareness of the importance of birth registration.

Achievements and Highlights

- ✓ Registration days were held within Guatemala City and within suburbs of other large towns to register newborn babies and older children. As a result of these days over 500 children were registered.
- ✓ Awareness raising sessions were held to share the importance and impact of birth registration. As a result, at least 230 state officers in hospitals and other institutions were trained to deliver advice to families about registration.
- ✓ More than 1,200 children have directly benefited from this project in this financial year.



Financing Futures

Focus: **Prevention and Restoration**

Location: **Kenya**

Partner: **Pendekezo Letu**

CAPITAL > NAIROBI
OFFICIAL LANGUAGE > SWAHILI, ENGLISH
POPULATION > 46.05M (2015)



This project aims to empower women in slum communities to establish small businesses and income-generating activities, to be able to provide for themselves and their children with necessities such as clothing, shelter and food. The project also provides vocational training for adolescents at risk of falling into patterns of teenage pregnancy, delinquency or street-living. Most of these adolescents are girls and already parents themselves. This project will ensure that future generations are self-sufficient and supported by sustainable livelihoods.

Project Aim

To support the economic empowerment of vulnerable families through the formation of Savings and Internal Lending Communities (SILCs) and vocational courses for vulnerable adolescents.

Achievements and Highlights

- ✓ Training given to six community groups to run a savings and loans scheme within their group; 96% are women, and mainly mothers. This has resulted in improved livelihoods of the group members as the majority are now able to pay school fees, buy food and able to stock their businesses through the group loans and weekly table banking.
- ✓ 16 vulnerable teenagers enrolled onto vocational skills training courses such as mechanics, catering, tailoring and hair and beauty.



**EMPOWERING WOMEN
IN SLUM COMMUNITIES
PROVIDING VOCATIONAL
TRAINING FOR VULNERABLE
ADOLESCENTS**



CONFRONTING THE CAUSES OF STREET MIGRATION, ABUSE AND NEGLECT IN THE HOME

Prevention and Street Outreach

Focus: **Prevention and Intervention**

Location: **Guatemala**

Partner: **Conacmi**

This project focuses on ensuring that street connected children are attending school regularly and that they are receiving the support needed to enable good educational progress. The project also provides vocational training to young people as well as micro enterprise loans to enable them to start their own businesses. Child protection is at the heart of this project, which partners with local authorities to establish a functioning and effective child protection system and local child protection committees.

Santa Faz is an economically deprived area of Guatemala City, categorised as a red-zone by the Guatemalan government, it is one of the most dangerous areas in the country. Most of the population of Santa Faz come from socially excluded and marginalised families, with low levels of formal education, scarce income generating opportunities and a lack of access to basic services. Only 20% of the adult population are employed in the formal economy, the majority are unemployed or gain their livelihoods as street vendors. This means that they are out for over 12 hours a day and either take their children to work with them or leave them at home unsupervised. Many children in Santa Faz have not been able to attend school before, either because they have had to work to support their families or through lack of the correct legal documentation required to enrol. For children who do have the opportunity to attend school, many find it difficult to adjust to standard school curriculum and discipline, and as a result, fall behind or drop out altogether. This lack of progress pushes children out onto the street, where their vulnerability to exploitation and abuse is drastically increased and all too often, lured by the safety and security they seem to offer and the possibility of earning an income, they join gangs in order to survive.

Project Aim

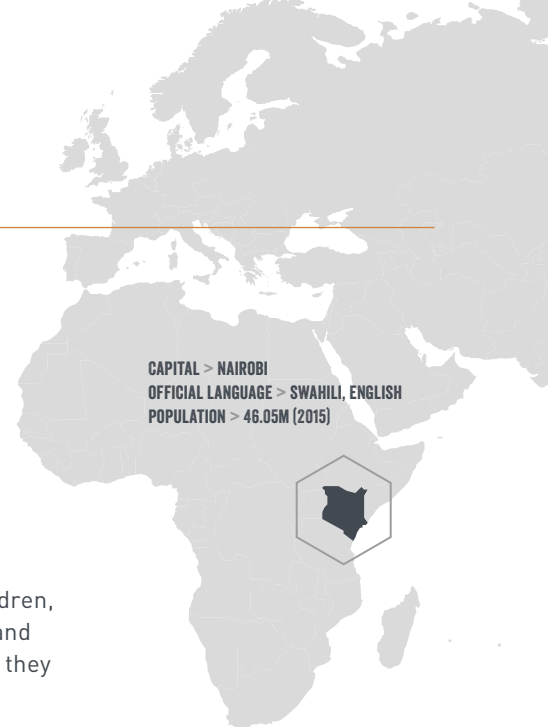
The project aims to confront the root causes of street migration; abuse and neglect in the home, lack of educational opportunity and the need for economic survival, in order to reduce the number of street and working children in the community by 60%.

Achievements and Highlights

- ✓ Support was provided to local community organisations to develop understanding and ownership around issues relating to child protection including coordinating actions to prevent abuse. As a result, a community committee has been empowered and are now involved in taking part in local activities, especially those related to child protection issues.
- ✓ Vocational training (including cookery, computing and motor mechanics) has been provided to at-risk adolescents, along with support in employment skills, including English language, to improve their success in gaining formal work. 250 vulnerable young people have taken part in this training and can now look for employment.
- ✓ Psycho-social support was provided to vulnerable families and children affected by violence within the home and wider community. Four primary and secondary schools have been trained and are now referring cases of children in need.
- ✓ More than 800 children and young people have directly benefited from this project this year.



CAPITAL > GUATEMALA CITY
OFFICIAL LANGUAGE > SPANISH
POPULATION > 16.34M (2015)



Safe from the Street

Focus: **Prevention, Intervention and Restoration**

Location: **Kenya**

Partner: **Pendekezo Letu**

ENHANCING PROTECTION OF STREET CHILDREN IN NAIROBI COUNTY

This project aims to support sustainable community-based child protection through empowering street-connected children, families, communities and authorities to realise the rights and protection needs of children in their communities and when they need to access justice.

The project empowers children in the slum areas to learn about their rights and responsibilities through Child Rights Clubs in schools, while also working with communities on building their knowledge and capacity on child rights and protection so local authorities, teachers and parents are able to raise awareness on these areas and make an informed response to any forms of child abuse. Legal, psychosocial and reintegration support is also given to children and youth in conflict with the law in the Juvenile Justice System, while building the capacity of the Juvenile Justice System stakeholders to ensure the best interest of the child within the system.

Project Aim

To strengthen child protection systems within five slum settlements in Nairobi and Kiambu counties.

Achievements and Highlights

- ✓ Seven child rights clubs were established in primary schools in order to help children know and understand their rights and responsibilities. 93 children have been trained as peer educators and will act as child rights champions in their schools.
- ✓ Four community groups called Local Area Advisory Councils were trained on how to protect children in their communities. As a result one of the groups has been lobbying local police officers to spearhead child protection and follow up on child abuse cases in their community.
- ✓ Training was provided to Juvenile Justice System stakeholders (including magistrates, prosecutors, police) to greater understand the the rights and the best interests of the child whilst it is involved with the system. This has contributed to a faster processing of juvenile cases in one of the law courts in Nairobi.
- ✓ The 'Change on the Streets' workshop facilitated by Toybox in February 2017 has greatly helped in enhancing coordination among various stakeholders involved in child protection in Nairobi leading to formation of the Nairobi street children and youth consortium to enhance protection of street children in Nairobi county.





CAPITAL > SUCRE
OFFICIAL LANGUAGE > SPANISH
POPULATION > 10.72M (2015)



Street Outreach Bolivia

Focus: **Prevention**

Location: **Bolivia**

Partner: **Alalay**

This project seeks to rescue street children (those who have cut all family ties and are street living) with the ultimate aim of getting them to leave the streets and lead a life of dignity. Project workers run outreach sessions using sports, games and activities to engage with and offer a safe place for street children to play. At the sessions children are also provided with a meal and offered guidance and support.

Project Aim

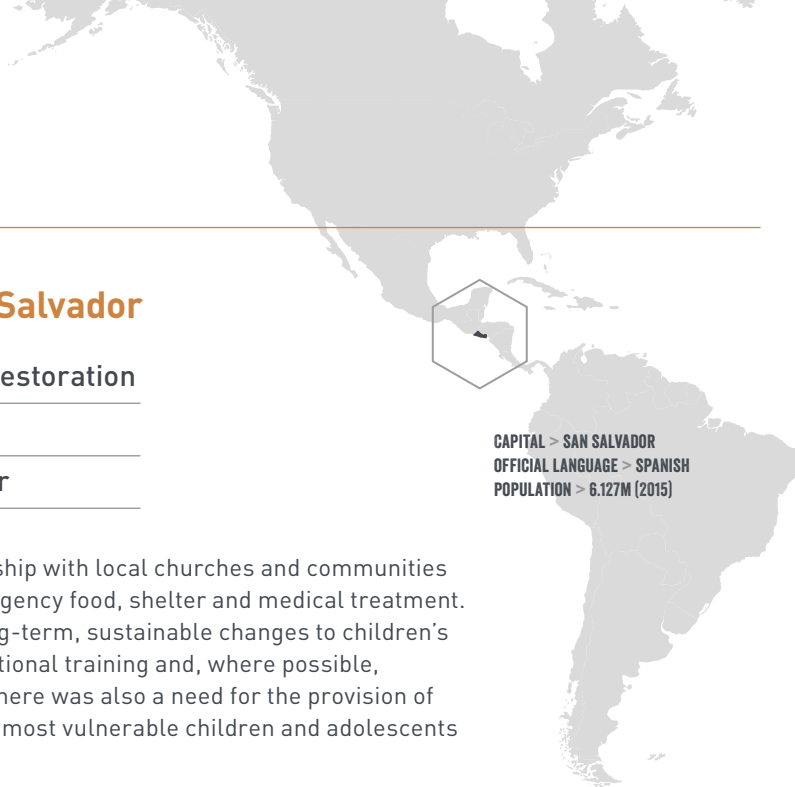
For street children in La Paz and El Alto to understand and exercise their right to protection, education, health, nutrition and develop their personal skills to overcome their vulnerability within Bolivian society.

Achievements and Highlights

- ✓ Support given to street-connected children in La Paz and El Alto including; psycho-social support, social and citizen participation, and skills for life.
- ✓ Legal advice and support given to help children and families to claim their rights including to health care services. Psycho-social training and assistance was given to families living and/or working on the streets to allow their children to have a better future. The team have worked with at least 200 street children. As a result of this work over 130 have developed life plans, accessed healthcare and have been provided with services to prevent domestic violence and improve their chance of retaining a family unit.
- ✓ The civil society network which the project has strengthened is now a key player in the Bolivian child protection system promoting the use of public protection policies.



HELPING STREET CHILDREN UNDERSTAND AND EXERCISE THEIR RIGHT TO PROTECTION, EDUCATION, HEALTH AND NUTRITION



CAPITAL > SAN SALVADOR
OFFICIAL LANGUAGE > SPANISH
POPULATION > 6.127M (2015)



Street Outreach El Salvador

Focus: **Prevention and Restoration**

Location: **El Salvador**

Partner: **Viva El Salvador**

The project works in partnership with local churches and communities to provide children with emergency food, shelter and medical treatment. It also focuses on making long-term, sustainable changes to children's lives through education, vocational training and, where possible, reintegration with families. There was also a need for the provision of a night shelter to support the most vulnerable children and adolescents living on the streets.

Project Aim

To identify and connect with vulnerable children living and working on the streets of San Salvador.

Achievements and Highlights

- ✓ Work was carried out with at-risk children in the suburbs of San Salvador through social and recreational activities. More than 800 children and young people have directly benefited from this project this year.
- ✓ The Child Ambassador programme activities have enabled 30 children to develop skills to increase their abilities to represent the child's voice in their communities.
- ✓ Psycho-social support was given to extremely vulnerable families and children to overcome specific difficulties and family challenges related to sexual abuse, substance abuse and domestic violence. As a result, more than 50 families have been impacted positively.
- ✓ A night-shelter for street-connected children was opened, sleeping up to a maximum of 35 children per night.



WORKING IN PARTNERSHIP WITH LOCAL CHURCHES AND COMMUNITIES. IDENTIFYING AND CONNECTING WITH VULNERABLE CHILDREN



CAPITAL > GUATEMALA CITY
OFFICIAL LANGUAGE > SPANISH
POPULATION > 16.34M (2015)



Street Outreach Guatemala

Focus: **Restoration and Intervention**

Location: **Guatemala**

Partner: **Viva Guatemala**

The street outreach work in Guatemala City helps to identify and engage with vulnerable street-connected children and provide them with emergency food, shelter and medical treatment. Throughout the year, a committed team of project staff and volunteers work tirelessly to visit children on the streets in some of the city's most dangerous areas. It's during these visits that the team can meet children's immediate and often urgent needs. It also gives them the opportunity to start to build relationships with the children and young people by learning about their backgrounds and the circumstances that led them to a life on the streets. Only then can the team start to support and encourage the children to make the decision to leave the streets for good.

Project Aim

This project focuses on identifying and engaging with vulnerable street-connected children. It also provides them with emergency food, shelter and medical treatment.

Achievements and Highlights

- ✓ Prevention work was carried out with at-risk children in the suburbs of Guatemala City through social and recreational activities. Via the peer-to-peer training approach strong child leadership and participation skills were developed by the children, resulting in 47 new Child Ambassadors. As a consequence, more than 4,000 children and young people have directly benefited from this project this year.
- ✓ Legal and psycho-social support has been given to extremely vulnerable families and children to overcome specific individual and family challenges. 60 court files are on-track or have reached a successful ending.



**IDENTIFY AND ENGAGE
WITH VULNERABLE
STREET-CONNECTED
CHILDREN**



CAPITAL > NEW DELHI
OFFICIAL LANGUAGE > HINDI, ENGLISH
POPULATION > 1.311B (2015)



Street to School

Focus: **Prevention and Intervention**

Location: **India**

Partner: **Chetna**

Enrolling a child in school is a crucial way to keep them off the streets and give them the foundations for a brighter future. This project is focused on helping street and working children in Delhi to access and stay in education, and to break down discrimination towards street and working children.

Project Aim

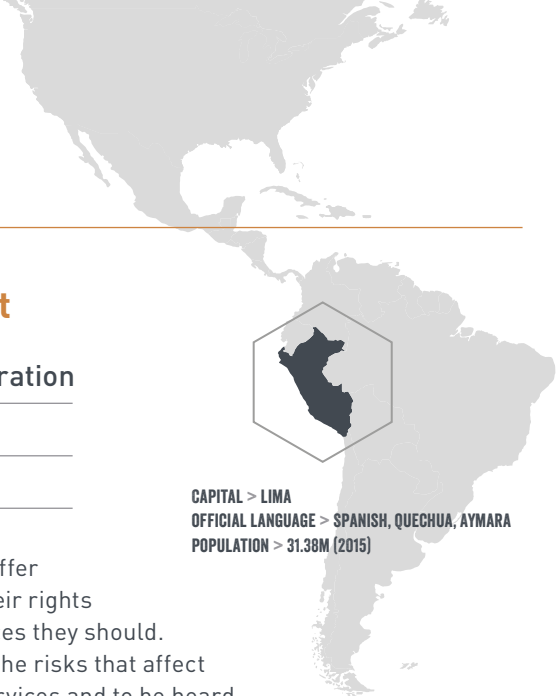
The project focuses on enabling street and working children in Delhi to access formal education. It also aims to improve the knowledge, attitudes and practice towards the education of street and working children by parents, teachers and authorities.

ENABLING ACCESS TO FORMAL EDUCATION

Achievements and Highlights

- ✓ Due to its success, the project was expanded this year into three additional communities.
- ✓ 505 street and working children were enrolled into school in West Delhi and supported with their studies to remain in school through daily education clubs.
- ✓ Children from 13 communities took their final school exams and of these 14 attained top positions in their schools.
- ✓ 12 training sessions were given to different groups of parents on child rights. More parents are also engaging with the education of their children through parents meetings; and 14 of these parents are part of the School Management Committee.





CAPITAL > LIMA
OFFICIAL LANGUAGE > SPANISH, QUECHUA, AYMARA
POPULATION > 31.38M (2015)

Huaycan Agents of Change Project

Focus: **Intervention, Prevention and Restoration**

Location: **Peru**

Partner: **Agape**



HELPING CHILDREN WITH THE RISKS THAT AFFECT THEIR LIVES

Children and adolescents in Huaycan near Lima, suffer abuse and neglect, they often do not understand their rights and therefore are not able to access all basic services they should. Therefore, this project works to help children with the risks that affect their lives as well as to understand their right to services and to be heard. The children themselves have been supported to be agents of change with their peers and their wider community, including building their understanding of child rights and increasing their self-confidence to speak up when these rights are breached. The project has worked with parents who have mistreated their children to help them understand and use methods of discipline that do not include violence. Parents have also been helped to listen more to their children and to encourage the children to express themselves in a loving environment. Community leaders have also been trained to consider children and the need to listen to them. The local government has also been trained in listening to children and they have been encouraged to include child-related issues into their annual planning.

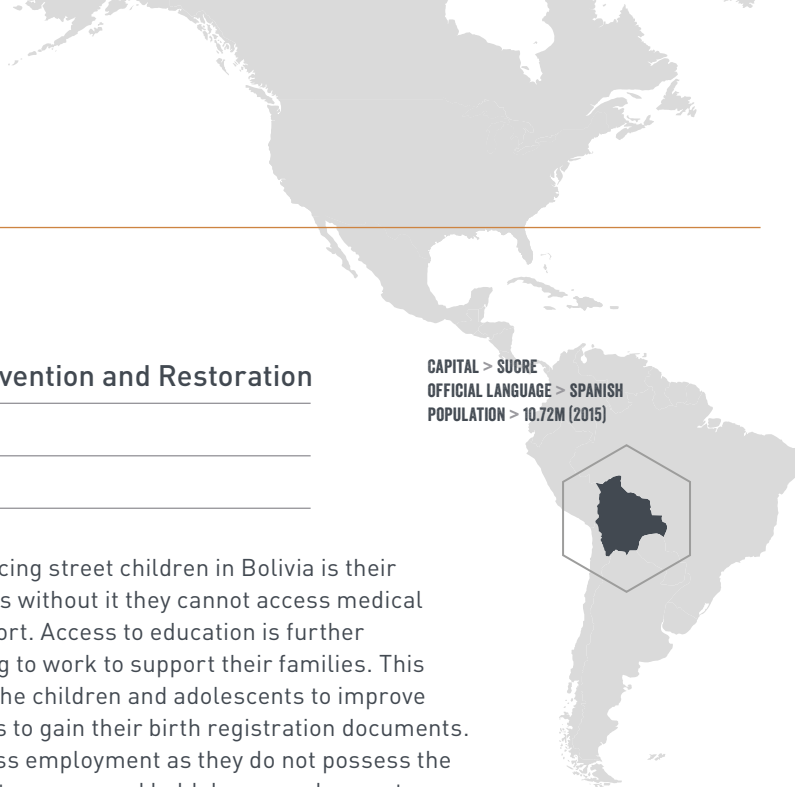
Project Aim

The project aims to ensure that children and adolescents in Huaycan enjoy the following: physical and emotional good health; a reduction in the incidence of ill-treatment from their families; and provide them with the skills needed to be active citizens.



Achievements and Highlights

- ✓ 560 vulnerable children were registered in the social security system and now have access to health services.
- ✓ Support on parenting and communication skills was given to families from a rights approach in order to prevent domestic violence. More than 600 vulnerable children in the suburbs of Lima have taken part in training, sport, child leadership and social activities aimed at preventing them from becoming street-connected children.
- ✓ A group of 40 child leaders have been trained and supported in advocacy activities to influence the local agenda at the municipal and community levels. Following a Child Protection plan there is an ongoing initiative aimed at encouraging the authorities to get involved. At least 20 children took part in a radio programme to publicise their achievements and challenges in this process.



Alalay Village

Focus: **Intervention, Prevention and Restoration**

Location: **Bolivia**

Partner: **Alalay**

One of the major obstacles facing street children in Bolivia is their lack of legal documentation as without it they cannot access medical care, education or legal support. Access to education is further hampered due children having to work to support their families. This project has been supporting the children and adolescents to improve access to education as well as to gain their birth registration documents. Adolescents struggle to access employment as they do not possess the necessary skills or mind-set to access and hold down employment.

Project Aim

The project aims to rescue and rehabilitate 130 vulnerable street and at-risk children in the city of La Paz and to provide holistic care for children through the provision of educational support, psycho-social care and legal assistance. The project also supports adolescents by providing or linking them with vocational training, connecting them to apprenticeships and building their confidence and capacity to engage effectively in the workplace.

Achievements and Highlights

- ✓ Provision of a temporary housing resource aimed at increasing children’s social conditions and skills before they reach 18 and leave to an independent life as adults. As a result, more than 50 children have had effective access to education, health and legal registration services.
- ✓ Vocational training given to adolescents including in cookery, computing and tailoring. Psycho-social support and values education was provided as a complementary component to strengthen children’s life skills. As a result of this at least 17 former street connected children are prepared to access to jobs and maintain a life far from drugs and crime.
- ✓ More than 60 adolescents have directly benefited from this project this year.



IMPROVING ACCESS TO EDUCATION AND EMPLOYMENT



Capacity Building Project in El Salvador

Focus: **Intervention, Prevention and Restoration**

Location: **El Salvador**

Partner: **JUCONI**



CAPITAL > SAN SALVADOR
OFFICIAL LANGUAGE > SPANISH
POPULATION > 6.127M (2015)

In El Salvador there are several organisations working with street-connected children. However, there was a lack of consistency and quality in the approaches used by each one, when addressing child protection issues. This project was designed to create a capacity building network to support these organisations to deliver quality services to street-connected children and have a voice within the child protection agenda at a government level.

Project Aim

This project aims to establish a shared model for the protection and wellbeing of street-connected children.

Achievements and Highlights

- ✓ Capacity building support to the child protection system network of San Salvador. Training on psycho-social intervention with street-connected children was provided by one of the most renowned organisations in Latin America (JUCONI Mexico). As a result, the network delegates have significantly increased their joint capacity to advise the state bodies and influence the national child protection agenda.
- ✓ More than 50 children and adults who were members of key organisations have directly benefited from this project this year.



PROTECTION AND WELLBEING OF STREET-CONNECTED CHILDREN



TOYBOX
Changing the world
for street children

Toybox Beneficiaries in the year to 31 March 2017

During the year Toybox worked with the following numbers of children and adults across these countries, reaching a total of 72,131 people.

* **Direct Beneficiaries** are those who participate and directly benefit from the projects' activities.

** **Indirect Beneficiaries** are those who benefit indirectly from the services provided by the projects to the direct beneficiaries, such as family members and their wider communities.

Country	Direct Beneficiaries*		Indirect Beneficiaries**		Total Beneficiaries		
	Children	Adults	Children	Adults	Children	Adults	Total
Bolivia	774	147	46	169	820	316	1,136
El Salvador	3,171	608	1,431	434	4,602	1,042	5,644
Guatemala	8,504	2,093	8,063	5,282	16,567	7,375	23,942
India	1,746	2,842	2,048	1,660	3,794	4,502	8,296
Kenya	1,071	1,450	15,130	6,699	16,201	8,149	24,350
Peru	2,331	460	3,829	2,143	6,160	2,603	8,763
TOTAL	17,597	7,600	30,547	16,387	48,144	23,987	72,131

REACHING OUT TO A TOTAL OF **72,131** PEOPLE ACROSS THE GLOBE

GUATEMALA

Total Beneficiaries
Children – 16,567
Adults – 7,375

EL SALVADOR

Total Beneficiaries
Children – 4,602
Adults – 1,042

PERU

Total Beneficiaries
Children – 6,160
Adults – 2,603

BOLIVIA

Total Beneficiaries
Children – 820
Adults – 316

INDIA

Total Beneficiaries
Children – 3,794
Adults – 4,502

KENYA

Total Beneficiaries
Children – 16,201
Adults – 8,149

REVIEWING LAST YEAR

What we said we would do and did we achieve it?

We had a year where income continued to be challenging and we were constantly testing new ideas to ensure we met our commitments to the street children we are working alongside. We measured our achievements and effectiveness this year within the following three main streams of our organisational strategy: impact, income and innovation.

Last year we said that we had the following goals – did we achieve them?

Impact



We will be supporting more than 10,000 street children in six countries by 31 March 2017.

YES – this year we supported 17,597 children.



We will be working with ten partners by the end of the financial year.

NO – we worked with eight partners during the year.



The number of unrestricted reserve days will be no more than 90 days (3 months).

NO – the number of unrestricted reserve days is 120.



A new strategic plan will be created and implemented by the end of the financial year.

YES – our new strategic plan was signed off by the Toybox Board of Trustees in December 2016.



Staff turnover will be less than 15% for the year.

YES – staff turnover for the year was better than this at 10.4%.



A comprehensive governance review will be completed by 31 December 2016.

YES – this review was completed by December 2016 and all learnings have been implemented.

Income



Grow total income by 14% for the year.

NO – but we did well! Total income grew by 3% in a very challenging environment and voluntary income grew by 5%.



Double the institutional income from the last Financial Year.

NO – institutional funding was a real challenge in this financial year.



Grow philanthropic income to over £300,000.

Not quite – we raised over £210,000, an increase of 16% from the previous year.



Ensure attrition rates of less than 2% for the regular giving programmes.

NEARLY – the overall attrition rate for our regular giving programmes was 2.3%.



Have a fundraising ratio of less than 15%.

SO CLOSE! – Our fundraising ratio is calculated by comparing the direct, non-staff fundraising expenditure with voluntary income; so this ratio shows the money which is spent to generate the next pound. This financial year the ratio was 15.8% due to a decision by the Trustees to invest in Marketing and Fundraising activities this year.

Innovation



Mainstream the new regular giving proposition this year.

YES – this financial year we tested and mainstreamed a new regular giving product.



Five prototype projects will be in place.

YES – five projects were successfully started as prototypes, either with new partners or programming areas that were new to the partner.



Five pilot projects will be operating.

YES – five projects were successfully operated as pilots, further improving our programming approach ready to mainstream in the future.



Test and roll out our new innovative Project Cycle Management system.

Not quite – some tools were developed and field tested. The full handbook and finalised tools will be available by 31st December 2017.



Embrace the new fundraising regulations and be an early adopter of recommended good practice.

YES – we have adopted and implemented all the recommendations from the new Fundraising Regulator.



Implement a new communication strategy for supporters by 31 March 2017.

YES – we have worked to develop a clear communication strategy for all supporters from their first touch point with Toybox throughout their relationship with us.



In addition to the targets mentioned on the previous pages we undertook the activities listed below which had a substantial impact on Toybox this financial year:

1. We outsourced our Human Resource (HR) advice and implemented new online HR systems thereby making the organisation more cost effective and efficient.
2. We undertook a tender process for new auditors to ensure a fresh perspective on all our activities.
3. We reviewed and decided to close our Latin American office in Costa Rica, this action did not impact our ability to engage with our beneficiaries and it has reduced our costs.
4. We continued to refresh our IT systems with the implementation of a VOIP phone system, ensuring we are using the most effective tools to deliver the best impact.
5. We were delighted in the success of our BBC Radio 4 Appeal in April 2016 which raised £61,122 (not including Gift Aid).

Our business as usual

So much of the day to day tasks we undertake to run Toybox are excellently delivered but we just see them as normal, here is a snapshot of some of the things that we consider to be normal:

- ✓ A quick income report produced on the first working day of the month.
- ✓ Monthly Income and Expense statements produced by the tenth working day of each month.
- ✓ We have a rolling review programme for our Board and Management Policies.
- ✓ Each quarter we have a week of team meetings which include a review of the previous quarter, organisational training days, innovation days and annual days of prayer and restoration.
- ✓ We have a two year rolling cycle programme for a financial review of all our partners.
- ✓ Our supporters are thanked for their donations within two working days.
- ✓ We carry out an annual survey of staff satisfaction.
- ✓ Quarterly narrative and financial reports are received for each project and then progress and learnings discussed with each partner.
- ✓ Visits to partners and projects carried out facilitating discussion on quality and learning of the projects.
- ✓ Organisational development of all our partners supported via Toybox running training or funding provided for partners to use in-country consultants to build their own capacity.
- ✓ Develop proposals for funding from institutional donors and then manage the grants.
- ✓ We have a continuous improvement cycle in place for communications with our supporters to ensure we are providing robust feedback about how their donations are making a difference.
- ✓ In-bound communications from our supporters are responded to within two working days.
- ✓ Submit funding proposals to new and existing philanthropic donors.
- ✓ Undertake two annual appeal mailings to current and prospective supporters.
- ✓ Mail three supporter magazines each year to highlight work that is being undertaken by our partners.



PLANS AND ASPIRATIONS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2018

In December 2016 the Toybox Board signed off a new strategic plan which will take us to March 2020. Our three strategic priorities for this period are:

Strategic priority #1: to support more children who are subject to exploitation

Strategic priority #2: to grow our income streams

Strategic priority #3: a stronger, more effective Toybox

So this financial year we will work towards the following goals:

To support more children who are subject to exploitation

1. To expand our geographic reach to include two new countries, this would mean we are working in seven countries in three continents by 31 March 2018.
2. To support over 17,100 exploited children by 31 March 2018.
3. To publish three Advocacy and Policy Papers to support our policy database and grow our credibility.
4. To pilot at least one accountability feedback mechanism by which children can give feedback on the project and how well it is being implemented.

To grow our income streams

1. To grow total income by 7% by 31 March 2018.
2. To submit proposals with two new institutional funders.
3. To secure an acquisition rate of 2% for the regular giving programme by 31 March 2018.
4. To ensure we only have an attrition rate of our regular givers of 3%.
5. To ensure that the percentage of complaints received from our supporters is less than 1%.
6. To test our products on Direct Response TV by 31 January 2018.
7. To diversify the Toybox supporter demographic, testing channels and products throughout the financial year.
8. To improve our philanthropic giving application success rates with existing donors to 55%.

A stronger, more effective Toybox

1. To merge with an organisation with similar values and thematic focus, allowing us to impact more children, and make cost saving efficiencies.
2. To relaunch a refreshed website by 1 September 2017.
3. To review, tender for and implement a new supporter database by 31 March 2018.
4. To ensure reserves of no less than 90 days by 31 March 2018.
5. To have a staff turnover of less than 12% for the year.
6. To continually review our office location and environment and make small improvements.

OUR FUNDRAISING



Toybox raises £4 for every £1 we spend on fundraising activities.

At Toybox we want the money we raise to have the biggest and deepest impact it possibly can and to do this we have taken the decision to buy in professional fundraising services and skills that our in-house fundraising team do not have. We work with some brilliant agencies and have spent time with each of them developing a strategic partnership which is enabling us to get the skills in for just the time we need them. We believe that by employing a specialist agency you get these core skills that add real benefit to an organisation. We are always focused on the net income result. Our goal is always to reach and change the lives of more street children.

During the year we used the following agencies for the projects listed:

Agency	Project(s)	Service provided
Different Kettle	Christmas Appeal, Spring Appeal, Legacy mailing	Creative, Production Management
DM Focus	Christmas Appeal, Spring Appeal, Street Life and Light magazines	Data Management, Media buying
Creatiscope	Street Life and Street Light Magazines	Creative, Production Management
Payroll Giving in Action	Payroll Giving promotional activity	Donor recruitment
Snap	Christmas Appeal, Spring Appeal, Legacy mailing, Street Life magazine	Print, Fulfilment
Teresa Lane (Consultant)	Trust and Foundation research	Research
Videobeat	Direct Response TV	Creative, Media Production, Media Buying
Vir2/RSM2000	Text giving	Inbound text donation processing
QTS	Tele-fundraising	Donor conversion and lapsed donor reactivation

QTS and Payroll Giving in Action were the only agencies who carried out fundraising on our behalf during the year. QTS only made calls to our current supporters. During the 8 week campaign that QTS ran, the internal project lead carried out training with their staff over the telephone and conducted at least weekly catch ups with the account manager throughout the campaign and checked random recordings of calls and requested specific ones if a query was made directly to Toybox. The project lead working with Payroll Giving in Action is in regular communication with the account manager to ensure that all is working as it should.

On invitation Toybox registered with the Fundraising Regulator and have worked hard to ensure that we are delivering fundraising practices and activities that are compliant with the new Code of Fundraising practice which was released in January 2017. We spent a considerable amount of time working through all of our procedures, the methods we use and the way in which we record information regarding our fundraising to ensure that they are in line with the new legal guidelines.



As part of our work on updating our guidelines we created a Vulnerable Persons Policy to ensure that all our practices allow staff the opportunity to take reasonable and appropriate steps to identify vulnerable supporters and take relevant steps to ensure they are treated appropriately and with dignity. A copy of this policy can be found on our website www.toybox.org.uk/policies.

All current Toybox staff who have a role which involves any kind of fundraising have read the relevant sections of the Code of Practice and have signed a document to say they have done so and that they will abide by the standards set out in their fundraising work for Toybox. We have also asked all external agencies who work with us on fundraising projects to sign a statement of commitment to adhering to the guidelines laid out by the Fundraising Regulator and this is monitored by the Toybox project lead. We have also asked all external agencies who work with us on any form of fundraising to sign this declaration as well to ensure that they understand their role in us remaining compliant with the regulations. We work within an internal Direct Marketing checklist which is referred to for each project and all documentation is kept. We closely monitor the relationships with our external agencies and meet regularly with our strategic partnership agencies

Toybox has a team of six Marketing and Fundraising professionals, who work to raise funds from the UK general public and the philanthropic community. Members of our International Development team also work to raise funds from Institutional Donors.

During the year we received one complaint about a specific fundraising activity this financial year and addressed this directly with the supporter.



**OUR GOAL IS ALWAYS TO REACH
AND CHANGE THE LIVES OF
MORE STREET CHILDREN.**

FINANCIAL REVIEW

Income

Total income for the year was £1,578,348, an increase of 3% compared to the previous year (2016: £1,527,465). Voluntary income, excluding institutional grants and legacies, increased during the year by 6% to £1,473,077 (2016: £1,395,076). There was a decrease in institutional grant income of £22,092 because one significant funder made a decision not to give grants to charities of our size this year.

The income from regular giving decreased this year: our Best Friend programme income decreased by £16,511 (7%) and income from our Child Ambassador programme decreased by £39,709 (8%). These decreases were partly offset by a new regular giving stream which generated income of £30,483 in the year, an increase of £18,910 from the previous year. Income received from Charitable Trusts and Foundations increased by £34,973 this year and other donations increased by £80,338 this year.

Investment income decreased this year, from £6,504 to £5,110 due to continuing low interest rates. There was a currency loss of £25,813 (2016: £2,850 gain) from the devaluation of GB Pound against the US Dollar following the referendum result to leave the European Union. This currency loss was incurred because we made the decision to honour our US Dollar budget commitments to our partners so that they could continue with their planned activities to support the children.

We strive to use our resources for generating income in the most cost effective and productive way possible. Our fundraising activities were limited to: event fundraising, radio advertising, online advertising and Direct Mail activities, including sourcing cold lists and inserts in publications. In addition we send appeals and use telemarketing campaigns to engage with our current supporters.

Expenditure

Total resources expended during the year were £1,695,349 (2016: £1,684,632). Charitable expenditure decreased this year by £44,735 from £1,347,438 to £1,302,703, and comprised 77% of total expenditure.

Grants to partners totalled £776,958 for the year. Monitoring and evaluation costs of £321,024 comprised all international and UK support costs including staff costs and travel.

This year £392,646 was spent on raising funds, an increase of £55,452 compared to last year, due to an intentional decision by the Trustees to continue to invest in fundraising this year.

Expenditure continues to be closely controlled, and efficient and effective use of our resources is pursued in every area of our work.



Reserves

Regular giving provides income stability which allows the charity to commit to existing and new projects and make long-term decisions to help more street children. The reserves provide a cushion in the event of shortfalls in income compared to the budget so that projects can be planned and approved within the project planning cycle. The reserves policy is reviewed annually by the Finance and Audit Committee and approved by the Board, most recently in May 2017.

The minimum level of reserves deemed to be required is based on the budgeted expenditure for the next year, with the aim being for general unrestricted reserves to be between two and four months' expenditure with a target of three months; plus an amount to cover any contingency or risk anticipated. In this respect a provision for a possible decline in income of £100,000 or 5%, plus a provision for a fall in value of the GB Pound against the US Dollar of £50,000 or 5%, is made.

At 31 March 2017 general unrestricted reserves, excluding fixed assets was £601,957 and equivalent to 4.0 months expenditure (2016: £539,285 or 3.5 months).

In March 2014 the Trustees designated £150,000 of the unrestricted reserves to be for the development of overseas work with partners. During the year £36,373 was spent to develop work with new partners. The remaining funds of £54,702 are carried forward for use by 31st March 2018. In November 2015 the Trustees designated a further £100,000 to be used for investment in Marketing and Fundraising and the remaining £75,000 of this reserve was expended during this financial year.

Restricted reserves represent income which has been received to fund specific projects and the balance therefore needs to be carried forward to be expended by projects in the next financial year. At 31 March 2017 restricted reserves amounted to £25,611 (2016: £84,733).

At 31 March 2017 the total funds of the charity amounted to £696,010 (2016: £813,011). Therefore, the Trustees are of the view that the Charity is a going concern because it continues to be able to meet its obligations as they fall due.

Merger with Action for Street Kids

On 16 May 2017 it was formally agreed that Toybox would acquire the assets and liabilities of Action For Street Kids, registered company number 04032669 (England and Wales) and registered charity number 1082810, with a view to merging the two charities and continuing Action for Street Kids' project work in the following countries: Egypt, Kenya, Zimbabwe, Nepal, Sierra Leone, Uganda and Rwanda.

Investment Policy

The aim in investing funds is to provide a maximum income return, whilst ensuring that there is appropriate liquidity to cover both operational costs as timing requires and other reserves as determined by the Reserves Policy.

Our investment policy is to adopt a prudent approach with regard to the investments held and to accept lower rates of returns to reduce the level of speculative risk. As a result the investment practice is to invest in bank or building society deposits on terms to match the timing of returns to meet the needs of the charity. Toybox does not have a bespoke ethical policy but where practically possible Toybox will make investments covered by an ethical policy of the bank with which investments are held.



Risk Management

The Trustees have considered the major risks to which the charity is exposed and have reviewed those risks, establishing systems and procedures to manage major risks.

The positive risk management strategy adopted by the Trustees comprises:

- ✓ Quarterly review of the major risks of the charity, the overall risk map, movement in risks, actions taken and an updated risk map presented and discussed at each Trustee meeting;
- ✓ Ongoing systems and procedures to mitigate major risks identified;
- ✓ Implementation of procedures designed to minimise any potential impact on the charity should these risks materialise.

This strategy of positive risk management identifies significant risks, along with the probability of such risks occurring, the likely level of impact, together with mitigating action. Particular attention is given to those risks having the potential to have the greatest impact on the charity such as reputation, finance, funding, international partnerships and child protection. Procedures to mitigate other identified significant risks are implemented covering areas such as staff retention, erosion of values, mission drift, key relationships and efficiency. Significant opportunities and threats are discussed in more detail at the Trustee meetings. Outcomes of these discussions feed into the strategic and operational plans.

During the year we monitored 26 identified risks in the areas of Strategy, Governance, Management, Regulatory Issues, Global and Charity Sector and Significant Projects that are under way. The principal risks that were identified included:

Risk	Strategy for managing this risk
Political and economic uncertainty.	Constant monitoring and evaluation and assessment of likely risks and implications.
Falling value of GB Pound against the US Dollar.	Purchasing of forward contracts whenever the budget rate can be achieved.
Charity fundraising in the public domain.	Keep informed regarding developments in regulations and ensure that we adopt new legislation appropriately.
Assurance framework in respect of partnership working.	Continuing to develop agreements with partners and implement a system of project transition from prototype to pilot to mainstream.
New regulations in the charity sector.	Ensuring that we are up to date and prepared for forthcoming legislation such as the new Fundraising Regulator and General Data Protection Regulation.



Prevention and detection of fraud

Toybox has a zero-tolerance approach to fraud of any type or in any circumstances, whether perpetrated by staff, volunteers, contractors or partners and is determined to prevent, and where this is not possible to detect and investigate such acts. Fraud of any size will be taken seriously.

Toybox expects that its Trustees, staff and volunteers will have the highest standards of honesty at all times. Fraud prevention and detection is the responsibility of everybody in Toybox; staff, volunteers and management. Processes may be devised to prevent and detect many frauds but the commitment and dedication of staff and volunteers is a vital ingredient to improve protection.

Some of the measures that we take to prevent fraud include identifying the risks to which operations, locations and assets are exposed and developing adequate controls and ensuring effective compliance with these controls, this includes:

- ✓ thorough recruitment procedures;
- ✓ physical security of assets;
- ✓ clear organisation of responsibilities and reporting lines;
- ✓ adequate staffing levels;
- ✓ supervision and checking of output;
- ✓ separation of duties;
- ✓ random spot checks by managers;
- ✓ complete and secure audit trails;
- ✓ performance monitoring by management;
- ✓ budgetary and other financial reports;
- ✓ reviews by independent bodies such as audit.

As we work with partner organisations we have additional control systems to detect and prevent fraud, such as:

- ✓ ensuring a thorough, documented Partner Assessment is undertaken prior to engagement to assess the Partner's control environment;
- ✓ ensuring Toybox policies, including the Whistleblowing Policy, are shared and understood by Partner staff;
- ✓ ensure reporting requirements are effectively communicated to Partner staff, including the type of documents expected to support all reports;
- ✓ ensuring a signed Partnership Agreement supports all work with Partners;
- ✓ ensure financial reports received from Partners are thoroughly reviewed, fully supported and compared to the approved budget prior to sending the next tranche of funds.

It is the responsibility of all staff to report suspected, actual or attempted fraud. All reported instances of actual, attempted or suspected fraud are investigated and appropriate action taken. Control weaknesses identified as a result of reported instances will be addressed with immediate effect to prevent future similar occurrences.

We are pleased to report that in the last financial year there was no fraud suspected.



STRUCTURE, GOVERNANCE AND MANAGEMENT

The Toybox Charity is a registered charity and charitable company limited by guarantee governed by its Memorandum and Articles of Association dated 29 March 2000 as amended by special resolution dated 6 December 2000 and further on 28 June 2010 which sets out the objects and powers.

Directors and Trustees

The Directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year, and on the date the report was approved, were:

Mr D Lowbridge	<i>Chair of Trustees</i>
Mr JR Eke	<i>Treasurer, Resigned 31 July 2016</i>
Ms J Watson	
Mrs J Hytner	
Mr S Shrouder	
Ms N Battle	
Mr A de Sousa Caires	<i>Appointed 25 May 2016, Treasurer</i>
Mrs G Derham	<i>Appointed 25 May 2016</i>
Mr F Caicedo	<i>Appointed 1 March 2017</i>
Mr F Goss	<i>Appointed 7 June 2017</i>

Appointment of Trustees, Induction and Training

The process for recruitment of new Trustees is as follows: after an open recruitment process, selected candidates are interviewed by the Governance and Nominations Committee; if successful at this stage they are then invited to observe a Board meeting and at this meeting the candidate will or will not be approved by the full Board.

When appointed new Trustees are provided with an information pack containing copies of all the governing documents, annual report, strategic plan, core documents and other supporting papers. Each new Trustee has a full induction programme and spends time in the UK office meeting staff and gaining an understanding of each department. After initial attendance at Trustee meetings, new Trustees may undertake an international awareness visit. Training is made available as required and can include providing suitable publications, in-house updates and external events.

Trustee and Committee Meetings

The Trustees met four times during the year to make strategic and policy decisions. The CEO and members of the Leadership Team attended these meetings but had no voting powers. The CEO reports to and is appointed by the Trustees to manage the day-to-day operations of the charity. There is also a Finance and Audit Committee which met four times during the year.

All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses are disclosed in note 4 to the accounts. Trustees are required to disclose all relevant interests and register them with the CEO and in accordance with the charity's policy

withdraw from decisions where a conflict of interest arises. One third of Trustees are required to retire (and if appropriate seek reappointment) annually.

At the end of each quarter the Trustees receive Management Accounts, a KPI Dashboard and an Organisational Risk Report in order to determine the strategic direction of the charity.

During the year Trustees attendance at Board and Sub-Committee meetings was as follows:

Trustees	Board meetings	Sub-committee meetings
Mr D Lowbridge	4	5
Ms J Watson	2	-
Mrs J Hytner	2	-
Mr S Shrouder	2	-
Ms N Battle	4	-
Mr A de Sousa Cairnes	1*	3
Mrs G Derham	4	-
Mr Fernando Caicedo	2	-

* Mr A de Sousa Cairnes was unable to attend 2 Board meetings due to family bereavements.

Leadership Team

The Chief Executive Officer (CEO) is responsible for the day to day operation of the charity and managing the staff of the charity on behalf of the Trustees. The CEO heads the Leadership Team and the staff team who deliver the strategy and programmes of Toybox. The Leadership Team comprises:

Lynne Morris	<i>CEO</i>
Ian Gray	<i>Director of International Programmes (to 28 February 2017)</i>
Al Richardson	<i>Director of International Programmes (from 6 March 2017)</i>
Naomi Lewis	<i>Director of Marketing and Fundraising</i>
Caroline Taylor	<i>Director of Finance and Support Services</i>

The salaries of executive teams in the third sector are constantly under scrutiny. At Toybox we strive to employ dedicated professionals whilst ensuring a pay structure which is fair, equitable and reflects the mission and values of the organisation. For this financial year, the ratio between the highest paid employee and the median FTE salary was 2.34 (2016: 2.38); our aim is to keep this ratio below 3. We do not want a situation where the Leadership Team are paid vastly different from the other team members; salary information for the Leadership Team is shown in note 4 to the accounts.

Salaries are reviewed annually and any increase is based on the cost of living increase over the last 12 months, and will give consideration to the Consumer Price Index movement for the previous year to 31 December. This salary increase applies to every member of staff and is determined by the Trustees.



Statement of Trustees' responsibilities

The Trustees (who are also Directors of The Toybox Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- ✓ select suitable accounting policies and then apply them consistently;
- ✓ observe the methods and principles in the Charities SORP;
- ✓ make judgements and estimates that are reasonable and prudent;
- ✓ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ✓ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 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; and
- ✓ the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the 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.



REFERENCE AND ADMINISTRATIVE DETAILS

Charity number	1084243
Company number	03963000
Registered Office & Principal Address	G4 Challenge House, Sherwood Drive, Bletchley, Milton Keynes, Buckinghamshire MK3 6DP Telephone: 01908 360050 Email: info@toybox.org Website: www.toybox.org.uk
Auditors	Kingston Smith LLP, 4 Victoria Square, St Albans, AL1 3TF
Bankers	Co-operative Bank, 10 Warwick Lane, London, EC4M 7BP
Solicitors	Franklins LLP, 8 Castellan Street, Northampton NN1 1JX

Approved by the Board of Trustees on 27 September 2017 and signed on its behalf by:

Mr D Lowbridge, Chair of Trustees

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE TOYBOX CHARITY

We have audited the financial statements of The Toybox Charity for the year ended 31 March 2017 which comprise the statement of financial activities, balance sheet, the statement of cash flows 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 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.

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 2017 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 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.
- The Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Kingston Smith LLP – Chartered Accountants.
4 Victoria Square, St Albans AL1 3TF.

27 September 2017



STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an income and expenditure account)

Year Ended 31 March 2017

	Notes	Unrestricted Funds £	Restricted Funds £	2017 Total £	Unrestricted Funds £	Restricted Funds £	2016 Total £
Income from:							
Donations and legacies	2	1,219,421	353,817	1,573,238	1,240,730	277,381	1,518,111
Investments		5,110	-	5,110	6,504	-	6,504
Other		-	-	-	2,850	-	2,850
Total income		1,224,531	353,817	1,578,348	1,250,084	277,381	1,527,465
Expenditure on:							
Raising funds		392,646	-	392,646	337,194	-	337,194
Charitable activities		525,745	776,958	1,302,703	602,359	745,079	1,347,438
Total expenditure	3	918,391	776,958	1,695,349	939,553	745,079	1,684,632
Net income/(expenditure) for the year	5	306,140	(423,141)	(117,001)	310,531	(467,698)	(157,167)
Transfers between funds		(364,019)	364,019	-	(326,924)	326,924	-
Net movement in funds		(57,879)	(59,122)	(117,001)	(16,393)	(140,774)	(157,167)
Funds at 1 April		728,278	84,733	813,011	744,671	225,507	970,178
Funds at 31 March		670,399	25,611	696,010	728,278	84,733	813,011

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 11 to the accounts.

The notes on pages 40 to 48 form part of these accounts.

BALANCE SHEET AS AT 31 MARCH 2017

Company Number: 03963000

	Notes	2017 £	2016 £
Fixed Assets			
Tangible assets	8	13,740	22,918
Current Assets			
Debtors	9	145,550	150,953
Short term deposits		442,307	530,078
Cash at bank		138,827	213,934
		726,684	894,965
Creditors: amounts falling due within one year	10	(44,414)	(104,872)
Net Current Assets		682,270	790,093
Net Assets		696,010	813,011
Funds			
Unrestricted:			
General		615,697	562,203
Designated		54,702	166,075
Restricted		25,611	84,733
TOTAL FUNDS	11	696,010	813,011

The accounts were approved by the Board of Trustees on 27 September 2017 and were signed on their behalf by:

Mr D Lowbridge, Chair of Trustees.

The notes on pages 40 to 48 form part of these accounts.

STATEMENT OF CASH FLOWS

Year Ended 31 March 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	6	(264,158)	(196,373)
Cash flows from investing activities			
Purchase of fixed assets		-	(14,478)
Net cash used in investing activities		-	(14,478)
Change in cash and cash equivalents in the year			
Cash and cash equivalents at the beginning of the year		644,012	854,863
Cash and cash equivalents at the end of the year	7	379,854	644,012

NOTES TO THE ACCOUNTS

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) 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.

b) Public benefit entity

The Toybox Charity meets the definition of a public benefit entity under FRS 102.

c) Going concern

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

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.

d) 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.

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 executors 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.

e) 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.

f) Volunteer services and gifts in kind

No amounts are included in the accounts for services donated by volunteers. The charity has not received any gifts in kind during the year.

g) Resources expended

Expenditure is recognised when 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.

Overseas grant payments were recognised when a constructive obligation arose which resulted in the payment being unavoidable. Grants to partners may be remitted before the start of the period to which they relate in order to assist partners with their cash flow, and accordingly have been treated as a prepayment at the year end. Should the grant conditions not be met, the payment could be refundable.

Certain expenditure is directly attributable to specific activities and has been allocated to those cost categories. Certain other costs and some staff costs are attributable to more than one activity. In these cases the costs have been apportioned to the other individual activities on the basis of the time spent by staff on those activities.

Support costs represent the costs incurred by UK based staff directly providing support to charitable activities including governance, management, technical and prayer support.

h) Fund accounting

Restricted funds are those which are to be used for particular 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 for charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees to be used for the development of international projects and for marketing investment.

i) Tangible fixed assets

All fixed assets acquired for more than £5,000 are capitalised. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Furniture and fittings	10% per annum straight line
Equipment	25% per annum straight line

j) Debtors

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

k) 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.

l) Foreign currencies

Foreign currency transactions are recorded at the exchange rate achieved when the foreign currency was purchased. In order to minimise the risk from buying foreign currencies, forward contracts are entered into. The expenditure is recorded at the average rate of the balance held in the foreign currency account when the payment is made.

Assets and liabilities at the balance sheet date are translated into sterling at the rates of exchange ruling at that date, with exchange gains and losses taken to the Statement of Financial Activities.

m) 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.

n) Pensions

The charity operates a defined contribution stakeholder pension scheme. The pension charge represents the amount payable by the charity to the scheme during the year.

o) Operating leases

Rental charges are applied on a straight line basis over the period of the lease.

p) Taxation

Toybox is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

q) Financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective rate method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

r) Financial liabilities

Basic financial liabilities are initially measured at transaction price.

s) Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when Toybox is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2. Income from donations and legacies

	Unrestricted £	Restricted	2017 £	2016 £
Regular Giving:				
Child Ambassador Programme	433,675	-	433,675	473,384
Best Friend Programme	228,142	-	228,142	244,653
Non specific	30,483	-	30,483	11,573
Charitable Trusts and Foundations	-	127,462	127,462	92,489
Other donations	497,208	156,107	653,315	572,977
Voluntary income	1,189,508	283,569	1,473,077	1,395,076
Institutional grants	-	70,248	70,248	92,340
Legacies	29,913	-	29,913	30,695
	1,219,421	353,817	1,573,238	1,518,111

3. Analysis of expenditure on charitable activities

	Charitable Activities				Support costs £	Total 2017 £	Total 2016 £
	Raising funds	Grants to partners £	Monitoring & Evaluation £	Advocacy & Awareness £			
Overseas projects	-	675,616	-	-	-	675,616	647,893
International support costs	-	-	55,456	-	-	55,456	93,737
UK staff costs	118,728	-	160,899	97,356	157,976	534,959	559,033
Marketing & fundraising	236,150	-	-	38,218	-	274,368	235,757
UK office costs	37,768	-	43,063	29,860	44,259	154,950	148,212
	392,646	675,616	259,418	165,434	202,235	1,695,349	1,684,632
Support costs allocated	-	101,342	61,606	39,287	(202,235)	-	-
	392,646	776,958	321,024	204,721	-	1,695,349	1,684,632

Grants were made to partner organisations to implement programmes with street children. Our partner organisations during the year are detailed in the Trustees Report. Details of grants made to partners are shown in note 11.

UK staff costs include those who are working in the UK and internationally and consist of all costs relating to UK staff employed, including their training and development. Staff and support costs are allocated to the areas of activity according to staff time spent on each activity.

Support costs include governance costs of £8,640 for audit fees and £978 for Trustee expenses.

4. Staff costs and numbers

The average number of contracted employees during the year was:

	2017 Actual Number	2017 FTE Number	2016 Actual Number	2016 FTE Number
Overseas	4.2	4.0	5.5	5.1
Advocacy & Awareness	3.1	2.5	3.1	2.8
Fundraising	3.8	3.2	3.7	3.2
Support	4.4	3.8	4.9	4.5
	15.5	13.5	17.2	15.6

The cost of employing these staff was:

	2017 £	2016 £
Salaries	463,910	517,186
Social security costs	42,031	50,904
Employer's pension contributions to defined contribution scheme	28,299	29,279
	534,240	597,369

During the year redundancy payments of £2,155.50 (2016: £nil) were made to staff taking voluntary redundancy.

The salaries of the Leadership Team, who were the highest paid employees, fell into the following bands:

	2017 Number	2016 Number
£30,000 - £39,999	1	0
£40,000 - £49,999	2	2
£50,000 - £59,999	0	1
£60,000 - £69,999	1	1

The total employee benefits including salaries and pension contributions of the Leadership Team were £219,523 (2016: £230,019).

The charity Trustees were not paid nor received any other benefits from employment with the charity in the year, and no Trustee received payment for professional or other services supplied to the charity (2016: nil). During the year Trustees expenses were incurred of £38 for travel expenses reimbursed to 1 Trustee (2016: £90 for travel expenses reimbursed to 1 Trustee).

5. Net expenditure for the year

This is stated after charging / (crediting):

	2017 £	2016 £
Depreciation	9,178	9,484
Operating lease rentals: office premises	40,346	50,868
Currency gain	-	(2,850)
Auditors remuneration: UK audit (excluding VAT)	7,200	8,000
Provision of corporation tax services by auditors	-	500

6. Reconciliation of net expenditure to net cash flow from operating activities

	2017 £	2016 £
Net expenditure for the reporting period	(117,001)	(157,167)
Depreciation charges	9,178	9,484
Increase in short term deposits with 120 days notice	(101,280)	(100,000)
Decrease in debtors	5,403	41,321
Increase / (decrease) in creditors	(60,458)	9,989
Net cash used in operating activities	(264,158)	(196,373)

7. Analysis of cash and cash equivalents

	At 1 April 2016 £	Cash Flows £	At 31 March 2017 £
Cash in hand	213,934	(75,107)	138,827
Short term deposits up to 90 days notice	430,078	(189,051)	241,027
Total cash and cash equivalents	644,012	(264,158)	379,854
Short term deposits 120 days notice	100,000	101,280	201,280
Total cash and short term deposits	744,012	(162,878)	581,134

8. Tangible Fixed Assets

	Furniture & Fittings £	Equipment £	Total £
Cost			
At 1 April 2016	30,688	57,851	88,539
Additions	-	-	-
At 31 March 2017	30,688	57,851	88,539
Depreciation			
At 1 April 2016	24,806	40,815	65,621
Charge for the Year	3,069	6,109	9,178
At 31 March 2017	27,875	46,924	74,799
Net Book Value			
At 31 March 2017	2,813	10,927	13,740
At 31 March 2016	5,882	17,036	22,918

The assets owned by the charity are used for direct charitable purposes.

9. Debtors

	2017 £	2016 £
Gift Aid recoverable	14,860	20,500
Prepayments	24,121	27,949
Grants to partners	106,229	92,403
Other debtors	340	10,101
	145,550	150,953

The grants to partners shown above were remittances which were made before the year end relating to budgeted expenditure for the period April to June in the next financial year.

10. Creditors: amounts falling due within one year

	2017 £	2016 £
Taxation and social security	10,704	11,992
Accruals and other creditors	33,710	92,880
	44,414	104,872

11. Movements in funds

	At 1 April 2016 £	Income £	Expenditure £	Transfers £	At 31 March 2017 £
Restricted Funds					
Guatemala					
Viva: Early Encounter	84,075	25,916	123,768	13,777	-
Viva: Birth Registration	-	68,390	42,779	-	25,611
Conacmi	-	15,058	156,155	141,097	-
El Salvador					
Viva	-	87,829	142,808	54,979	-
Bolivia					
Alalay	-	25,781	82,973	57,192	-
Peru					
Agape	658	70,248	81,253	10,347	-
India					
Chetna	-	51,133	52,338	1,205	-
Kenya					
PKL	-	9,462	56,614	47,152	-
General	-	-	38,270	38,270	-
	84,733	353,817	776,958	364,019	25,611
Unrestricted Funds					
Designated Funds					
International Development	91,075	-	36,373	-	54,702
Marketing Investment	75,000	-	75,000	-	-
	166,075	-	111,373	-	54,702
General Funds					
	562,203	1,224,531	807,018	(364,019)	615,697
	728,278	1,224,531	918,391	(364,019)	670,399
TOTAL FUNDS	813,011	1,578,348	1,695,349	-	696,010

Details of the work of each overseas project are given in the Trustees Report.

Income is restricted to the project when the donation is received specifically for the work of that project. Most of the income received by the charity is unrestricted, and so is transferred to fund projects where there has been no specific donor commitment.

Designated funds represent those amounts that have been set aside for specific expenditure in international development and marketing in the current financial year.

12. Analysis of Net Assets Between Funds

	General Unrestricted £	Designated £	Restricted £	Total Funds £
Tangible Fixed Assets	13,740	-	-	13,740
Current Assets	646,371	54,702	25,611	726,684
Current Liabilities	(44,414)	-	-	(44,414)
Net assets at the end of the year	615,697	54,702	25,611	696,010

13. Operating Lease

The charity's total future commitments under a non-cancellable operating lease for its office property are as follows:

	2017 £	2016 £
Less than one year	52,844	52,844
One to five years	92,478	145,322
	145,322	198,166

14. Pension Scheme

The charity operates a defined contribution stakeholder pension scheme on behalf of its employees. The assets of the scheme are held separately from those of the charity. At 31 March 2017 there were no outstanding contributions (2016: nil).

15. Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

16. Commitments

On 21 February 2017 Toybox entered into a non-cancellable contract to purchase 100,000 US Dollars on 1 December 2017. The type of contract entered into was a Participating Collar. On maturity 50% of the contract will be purchased at a rate of 1.210; the remaining 50% of the contract will be purchased at 1.210, the spot rate on the day or 1.350, whichever is the higher rate, up to a maximum achievable rate of 1.350.

At 31 March 2017 there was also a commitment to buy 200,000 US Dollars in a foreign exchange forward contract by 31 May 2017. This contract was then extended by a further 45 days to give a final maturity date of 14 July 2017. At 31 March 2016 there were commitments to buy 250,000 US Dollars in forward exchange forward contracts.

These commitments were made in order to reduce the risk that the charity faces should the value of the GB Pound decline against the US Dollar over the next 12 months.

17. Contingencies

The Trustees have confirmed that there were no contingent liabilities which need to be disclosed (2016: nil).

18. Legal status of charity

The charity is a company limited by guarantee and has no share capital. The liability of each Trustee in the event of winding up is limited to £10. The total number of members at 31 March 2017 was 8 (2016:6).



G4 Challenge House, Sherwood Drive, Bletchley,
Milton Keynes, Buckinghamshire MK3 6DP

T: 01908 360050 E: info@toybox.org

www.toybox.org.uk

Charity number: 1084243 Company number: 03963000



TOYBOX

Changing the world
for street children