

Financial Statements

31 March 2023

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Torus Foundation
Charity Number: 1152903
Company Registration Number: 08444912



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TORUS FOUNDATION TRUSTEES, ADVISORS AND BANKERS

Charity registration number 1152903

Company registration number 08444912

Trustee	Category	Changes in the year
Sarah Jane Saunders	Chair, Director and Trustee	
Peter Graham Morton	Director and Trustee	To 26 April 2022
CLlr Jeanie Bell	Director and Trustee	To 3 January 2023
Catherine Anne Murray-Howard	Director and Trustee	
Philip John Charles Garrigan	Director and Trustee	To 5 March 2023
Colleen Deanne Martin	Director and Trustee	To 26 April 2022
Clare Gosling	Director and Trustee	
Holly Chan	Director and Trustee	
Uzair Patel	Director and Trustee	
Simon Bean	Director and Trustee	
Stephanie Donaldson	Director and Trustee	
Tony Okotie	Director and Trustee	
Ronnie Clawson	Company Secretary	To 1 November 2022
Catherine Fearon	Company Secretary	From 1 November 2022

Registered office 4 Corporation Street
St Helens
Merseyside
WA9 1LD

Auditors BDO LLP
5 Temple Square
Temple Street
Liverpool, L2 5RH

Solicitors Brabners
Horton House
Exchange Flags
Liverpool, L2 3YL

Bankers National Westminster Bank
5 Ormskirk Street
St Helens, Merseyside
WA10 1DR

TRUSTEES' REPORT

The Trustees are pleased to present their annual Trustees' report together with the Financial Statements of the Charity for the year ending 31st March 2023 which are also prepared to meet the requirements for a Directors' Report, accounts for Companies Act purposes and in accordance with the provisions applicable to companies entitled to the Small Companies exemption.

The Financial Statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice: Accounting and Reporting by Charities, Charities SORP (FRS102) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Volunteering and In Kind Contributions

During 2022/23 Torus Foundation hosted a total of ten volunteers. Five people volunteered at FireFit Hub and supported with the delivery of activities for children and young people. In addition, five volunteers helped to train participants on the "IT Include Mersey" programme.

The extensive range of partnerships developed across Torus Foundation add real value to the projects being delivered, through the additional assets and skills gifted by partners across the city region. A combined value of £702,645 in-kind funding was generated for the benefit of Torus Foundation customers in 2022/23.

OBJECTIVES AND ACTIVITIES

Torus Group's ("Group") charitable arm Torus Foundation became part of the Group in January 2017, to make a positive difference to communities across Merseyside and the surrounding area.

Activities centre around five key focus areas: Employment and Skills; Financial Inclusion; Health and Wellbeing; Digital Inclusion; and Youth. Activities are delivered directly by Torus Foundation colleagues as well as through third party providers.

FINANCIAL REVIEW

In 2022/23, the Charity received income of £7.5m (2021/22: £8.6m). This includes £3.6m received as Gift Aid from the Group (2021/22 £1.4m), £0.1m donation from the parent (2020/21: £0.8m) and £3.6m income from Torus for commissioned services, New Leaf, Springboard, TFFH membership fees, hire charges, and grant income received from Restricted Funds (2021/22: £3.4m).

EMPLOYMENT

Torus Foundation helped 659 people to find work:

- 44 work placements and volunteer placements were undertaken.
- 40 people were supported into an apprenticeship.
- 90% of customers reported an increase in skills and confidence as a result of engaging with the Torus Foundation Employment and Skills Team.

TRUSTEES' REPORT

FINANCIAL INCLUSION

- 2,874 people were engaged in the financial inclusion service.
- 100% of customer reported an increase in skills and confidence as a result of engaging with the Torus Foundation financial inclusion service.
- A total of £4,777,975 in financial gains was obtained for Torus customers.

HEALTH & WELLBEING

- 2,796 people attended health and wellbeing sessions.

YOUTH

- In line with the Firefit Hub Youth Impact Framework, 783 outcomes were achieved by FireFit Hub members.

DIGITAL INCLUSION

- 118 people received digital kit.
- 8 physical Digital Hubs were provided during the year prior to delivery moving to online provision.
- 766 individuals engaged in with the digital inclusion service 100% of customers reported an increase in skills and confidence as a result of engaging with Torus Foundation Digital Inclusion Service.

RESERVES

The Charity establishes restricted reserves for specific purposes where their use is subject to external restrictions. Unrestricted reserves relate to historic surpluses and deficits from the Charity's activities. Reserves are used to fund the Charity's future activities.

At the year end the Charity held £205k in restricted reserves (2022: £312k) and £3,580k in unrestricted reserves (2022: £3,010k).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is a company limited by guarantee, incorporated on the 14th March 2013 and registered as a charity on the 11th July 2013.

The Charity's governance is set out in its Memorandum and Articles of Association of 13th March 2013. The management of the Company's affairs is vested in the Board of Trustees about whom the Memorandum and Articles of Association state that there will be a minimum of three.

In January 2017, the charity was incorporated into Liverpool Mutual Homes as ComMutual and a Board was formed from three former Toxteth Firefit Hub Trustees (P Morton, C Martin and P Garrigan) and six new Trustees.

On 1 January 2019, Liverpool Mutual Homes amalgamated with Torus62 Limited and its subsidiaries Helena Partnerships Limited and Golden Gates Housing Trust in accordance with the Co-Operative and Community Benefit Society Act 2014. This formed a new Community Benefit Society called Torus62 Limited. The former Torus community activities were transferred into the Charity which now provides services across the entire Group and specifically its Heartland areas of Liverpool, St Helens and

TRUSTEES' REPORT

Warrington. This included the "New Leaf" contract which is a grant funded programme providing employment support and advice across the whole of Cheshire.

In April 2019, ComMutual changed its name to Torus Foundation.

During 22-23 two trustees resigned.

EXECUTIVE MANAGEMENT STRUCTURE

The Chair is authorised to manage the Charity on a day-to-day basis under a written scheme of delegation from the Board, which is reviewed annually. The Chair has an executive team which is responsible for the delivery of the strategic plan and it meets formally on a monthly basis, in order to review the key performance indicators for the organisation and to keep abreast of developments in the organisation generally. The Senior Leadership Team brings together senior managers to develop ownership of the strategic plan and regularly meets with the Executive Team.

TRUSTEE TRAINING AND DEVELOPMENT

The Trustees have continued to support the development of the organisation. The Trustees are drawn from a range of community representatives, including those associated with key stakeholders such as Merseyside Fire and Rescue Authority and the Torus Group (Formerly Torus).

All Trustees have been involved in formulating the plans and action required to ensure the ongoing development of the short and medium term strategy for the organisation and have been involved in Group Away Days discussing issues including:

- The Group's Strategies; *and*
- Business Planning.

As and when new Trustees are recruited and appointed, a full induction is delivered to ensure that they are fully conversant with the aims, objectives and operation of the Charity.

PUBLIC BENEFIT

The Trustees have had due regard to the guidance published by the Charity Commission on public benefit and in particular the supplementary guidance on public benefit and fee charging, ensuring the Charity's work delivers its aims and charitable objectives.

GOING CONCERN

The Group policy is to stress test Business Plans to ensure they are robust and stay within specified Golden Rules. The recent challenging economic operating environment has had an adverse impact on Group commercial entities and their ability to generate Gift Aid to the levels expected in the Torus Group amalgamation Business Plan. This is forecast to impact the Torus Foundation Gift Aid receipt in 2023/24. However, the Charity remains in a robust position to continue operations into the future with cash and cash equivalents £4.2m as at 31st March 2023.

After reviewing the Charity's revised forecast and projections, taking into account the principal risks and uncertainties, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the date of approval of these financial statements. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

TRUSTEES' REPORT

PRINCIPAL RISKS AND UNCERTAINTIES

Risks that may prevent the Charity from meeting its objectives are reported to Group Audit and Risk Committee on a quarterly basis. Risks are recorded and assessed in terms of their impact and probability.

Torus aims to become a leading growth and regeneration group for the North West. Its charitable arm, Torus Foundation, aims to become a sector-leader in supporting communities to grow stronger and to thrive, providing targeted services to support tenants, customers and communities most in need. With a strategic focus on Liverpool, St Helens and Warrington, as well as key neighbouring areas, it will create better places to live and support sustained economic growth and regeneration.

KEY RISK AREA	KEY CONTROLS IN PLACE	MITIGATING ACTIONS
Being unable to deliver our Social Impact Ambitions	<ul style="list-style-type: none"> • Grant conditions tracker • Torus Foundation Fundraising Strategy • Torus Foundation Financial Plan • Partnership agreements with providers • Social impact evidence via CSR • Torus Foundation Board • HMS Business Plan Targets 	<ul style="list-style-type: none"> • Social Impact Policy is being developed to capture the social impact delivered across all Group members. • The Charity continues to source external funding.

The recent and continuing challenging economic operating environment and the consequent adverse impact on Group Gift Aid generation in 2023/24 is a principal risk to delivering social impact ambitions. The Torus Foundation Board has recognised this risk in the medium term and has taken proactive action to address this issue with a review of projects and expenditure being undertaken. A cost reduction plan has been created for review and decision by the Torus Foundation Board with a view to prioritising charitable activity expenditure over the forthcoming year. Budgets and business plans will be updated following the decisions made including stress-testing of risks. Cash and finances are monitored on a monthly basis to support management decision making.

Further risk has been identified by the cost of living increases and the impact on the lives of Torus tenants and Torus Foundation communities. It is expected that the Charity will see an increased demand for services over the next year which could adversely affect the delivery of the charitable social impact ambitions.

TRUSTEES' REPORT

PLANS FOR THE FUTURE

The Charity is an ambitious organisation and is keen to expand its impact across the three Torus Heartlands. Following a place-shaping approach, the Charity will use its regional influence and partner networks to ensure communities have the right resources; acting as an enabler and coordinator (where needed) to create places people want to live, work and do business.

Where possible, the Charity will seek to work in collaboration, utilising the strengths of partners across Liverpool, St Helens and Warrington, promoting co-investment models.

The Torus Foundation Fundraising Strategy sets out its approach to diversifying income to increase resilience as a charity and expand provision across the North West. Torus Foundation will maximise impact in communities by:

- Securing significant additional grant funding,
- Implementing a corporate fundraising plan,
- Leveraging additional monies through match funding and in-kind funding,
- Explore commercial opportunities and tenders, *and*
- Expanding reach and delivery of projects within the FFH model.

The Charity will also look to expand its provision by joining with other organisations where an opportunity exists to add value to the delivery of both organisations.

POST BALANCE SHEET EVENTS

There are no other events since the year-end that have had a significant effect on the Charity's financial position.

EXTERNAL AUDITORS

Torus Group appoints the external auditors for all Group companies.

ANNUAL GENERAL MEETING

The Charity is not required to hold an Annual General Meeting under its Articles of Association.

APPROVAL

The Trustees' report was approved by the Board on 17th August 2023 and signed on its behalf by:



Sarah Jane Saunders

Trustee

Date: 17th August 2023

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

By order of the board of trustees



Sarah Jane Saunders

Trustee

Date: 17th August 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION

Opinion on the 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 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Torus Foundation ("the Charitable Company") for the year ended 31 March 2023 which comprise the statement of financial activities, the statement of financial position balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' report, other than the financial statements and our auditor's

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION

report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which are included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Charitable Company and the sector in which it operates;
- Discussion with management and those charged with governance;
- Obtaining and understanding of the Charitable Company's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be FRS 102, UK tax legislation, etc.

The Charitable Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation & employment equity act.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit;
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION*Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Charitable Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and income recognition, in substance around the cut off of the income recognised.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including pension scheme liability where assumption to the liability was assessed through an expert; and
- Selection of income recognised before and after the financial year end in order to assess whether the income has been recognised in the correct period.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION

Use of our report

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

DocuSigned by:
Hamid Ghafoor
829727ECC12041D...

15 September 2023

Hamid Ghafoor (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Manchester, UK

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

STATEMENT OF FINANCIAL ACTIVITIES

(including income and expenditure account)

For the year ended 31 March 2023

	Note	2023			2022		
		Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
		£'000	£'000	£'000	£'000	£'000	£'000
Income:							
Donations and legacies	3	3,676	-	3,676	5,002	-	5,002
Income from charitable activities	4	944	2,633	3,577	1,420	2,030	3,450
Commercial trading activities	5	271	-	271	182	-	182
Investment income	6	14	-	14	-	-	-
Other income		-	-	-	-	-	-
Total Income		4,905	2,633	7,538	6,604	2,030	8,634
Expenditure on:							
Interest payable and financing costs		(12)	-	(12)	(14)	-	(14)
Charitable activities	7,8	(4,813)	(2,740)	(7,553)	(4,837)	(1,728)	(6,565)
Total Expenditure		(4,825)	(2,740)	(7,565)	(4,851)	(1,728)	(6,579)
Net income/(deficit) and net movement in funds for the year		80	(107)	(27)	1,753	302	2,055
Actuarial gain/(loss) on pension scheme	16	490	-	490	323	-	323
Transfer of reserves		-	-	-	-	-	-
Total funds at beginning of year		3,010	312	3,322	934	10	944
Total funds at end of year		3,580	205	3,785	3,010	312	3,322

The incoming resources and resulting net movement in funds arise from continuing activities.

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Tangible assets	13	225	248
Current assets			
Debtors	14	445	677
Cash and cash equivalents		4,221	4,954
Total current assets		4,666	5,631
Creditors: amounts falling due within one year	15	(1,083)	(2,104)
Net current assets		3,583	3,527
Total assets less current liabilities		3,808	3,775
Pension provision	16	(23)	(453)
Total net assets		3,785	3,322
The funds of the charity:			
Restricted funds	17	205	312
Unrestricted funds	17	3,580	3,010
Total charity funds		3,785	3,322

The financial statements were approved by the Board on 17th August 2023 and signed on its behalf by:



Sarah Jane Saunders
Trustee

Company Registration Number: 08444912

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Legal status

The Charity is limited by guarantee and has no share capital. Every member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up whilst he or she is a member or within one period of ceasing to be a member for the debts and liabilities of the Society contracted before he or she ceases to be a member, such as may be required not exceeding £1.

Registered Office	4 Corporation Street St Helens Merseyside WA9 1LD
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2. Accounting policies

Basis of accounting

The Financial Statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with:

- Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS102));
- Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102); and
- Charities Act 2011 and the Companies Act 2006.

The Charitable Company constitutes a public benefit entity as defined by FRS102.

The Charitable Company has taken the exemption in relation to the preparation of a statement of cash flows on the basis that the company is included in the consolidated financial statements of Torus62 Limited as at 31 March 2023. These financial statements may be obtained from its registered office: 4 Corporation Street, St Helens, Merseyside, WA9 1LD.

The recent challenging economic operating environment has had an adverse impact on Group commercial entities and their ability to generate Gift Aid to the levels expected in the Torus Group amalgamation Business Plan. This is forecast to impact the Torus Foundation Gift Aid receipt in 2023/24. However, the Charity remains in a robust position to continue operations into the future with cash and cash equivalents £4.2m as at 31st March 2023.

After reviewing the Charity's revised forecast and projections, taking into account the principal risks and uncertainties, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the date of approval of these financial statements. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Incoming resources

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

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

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the Trust 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.

Volunteers and donated services

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS102), the general volunteer time is not recognised. Refer to the Trustees' annual report for more information about their contribution.

On receipt, donation of professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Funds

Unrestricted funds are donations and other incoming resources receivable or generated for the furtherance of the Charity's objects without further specified purpose and are available as general funds.

Restricted funds are to be used for specific purposes are laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Costs of raising funds comprise the costs associated with attracting donations, grants and legacies and the costs of trading for fundraising purposes.

NOTES TO THE FINANCIAL STATEMENTS

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Other expenditure includes all expenditure that is neither related to raising funds for the Charity nor part of its expenditure on charitable activities.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, as set out in the notes to the accounts.

Debtors

Short term debtors are measured at transaction price, less any impairment and are measured subsequently at amortised cost using the effective interest method.

Creditors

Short term creditors are measured at transaction price.

Financial Instruments

The Charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities, such as accounts receivable and payable.

Fixed Assets

All fixed assets are initially recorded at cost.

Depreciation is provided to write off the cost of each asset over its useful economic life at the following rates:

Fixtures and fittings	- 15% straight line
-----------------------	---------------------

Pension Cost

The Foundation participates in the Merseyside Pension Fund and the Cheshire Pension Fund, part of the Local Government Pension Scheme ("the Schemes"); both are multi-employer defined benefit scheme.

The difference between the realisable value of the assets held in the Defined Benefit Pension Schemes and the Schemes' liabilities measured on an actuarial basis using the projected unit method are recognised in the Statement of Financial Position as a pension scheme asset or liability as appropriate.

The carrying value of any resulting pension scheme asset is restricted to the extent that the Charity is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Changes in the defined benefit pension schemes asset or liability arising from factors other than cash contribution by the Charity are charged to the Statement of Financial Activities in accordance with FRS 102.

NOTES TO THE FINANCIAL STATEMENTS

The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Remeasurements are reported in other comprehensive income.

The Charity also provides a Group Pension Scheme supplied by AVIVA, which is a defined contribution scheme. The income and expenditure charge represent the employer contribution payable to the scheme for the accounting period.

Reserves

The Charity establishes restricted reserves for specific purposes where their use is subject to external restrictions. Unrestricted reserves relate to historic surpluses and deficits from the Charity's activities. Reserves are used to fund the Charity's future activities.

Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from;

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees control; *or*
- a present obligation following a grant offer where settlement is either not considered probable.

Significant judgements and key areas of estimation uncertainty

Management's estimate of the defined benefit obligation is based on several critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses.

Management apply a consistent set of assumptions with the exception of mortality rates, which are in line with those provided by Pensions Funds.

NOTES TO THE FINANCIAL STATEMENTS

3. Incoming resources from donations and legacies

	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	2022-23	2022-23	2022-23	2021-22	2021-22	2021-22
	£'000	£'000	£'000	£'000	£'000	£'000
Donations						
Torus	3,676	-	3,676	5,002	-	5,002
	3,676	-	3,676	5,002	-	5,002

4. Income from Charitable Activities

	Unrestricted Funds	Restricted funds	Total Funds	Unrestricted Funds	Restricted funds	Total Funds
	2022-23	2022-23	2022-23	2021-22	2021-22	2021-22
	£'000	£'000	£'000	£'000	£'000	£'000
Memberships, activities and hire	944	150	1,094	1,420	-	1,420
New Leaf and social inclusion	-	1,134	1,134	-	937	937
Street Games	-	-	-	-	3	3
Duke of Edinburgh	-	3	3	-	6	6
Energy Redress	-	49	49	-	347	347
Winter Energy	-	-	-	-	10	10
Springboard	-	766	766	-	350	350
Community Champions	-	32	32	-	22	22
Children in Need	-	39	39	-	41	41
NHS	-	220	220	-	7	7
Kickstart	-	138	138	-	266	266
Liverpool City Council	-	-	-	-	41	41
Look Ahead Lifestyles	-	79	79	-	-	-
Parent Champions Project	-	8	8	-	-	-
MVRP Basketball Project	-	14	14	-	-	-
	944	2,633	3,577	1,420	2,030	3,451

NOTES TO THE FINANCIAL STATEMENTS

5. Commercial Trading Activities

	2023	2023	2022	2022
	Unrestricted	Total	Unrestricted	Total
	Funds	Funds	Funds	Funds
	£'000	£'000	£'000	£'000
Vending income	-	-	-	9
Rent received	271	271	182	38
Other income	-	-	-	3
	271	271	182	50

6. Investment Income

	2023	2023	2022	2022
	Unrestricted	Total	Unrestricted	Total
	Funds	Funds	Funds	Funds
	£'000	£'000	£'000	£'000
Bank interest receivable	14	14	-	-
	14	14	-	-

7. Costs of Charitable activities by fund type

	Unrestricted	Restricted	2023	Unrestricted	Restricted	2022
	Funds	Funds	Total	Funds	Funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	2,455	1,444	3,899	2,801	1,011	3,812
Events and activities project	2,306	1,296	3,602	1,974	717	2,691
Establishment expenses	6	-	6	(6)	-	(6)
Depreciation	22	-	22	18	-	18
Support costs	24	-	24	50	-	50
	4,813	2,740	7,553	4,837	1,728	6,565

NOTES TO THE FINANCIAL STATEMENTS

8. Costs of Charitable activities by activity type

	Activities Undertaken Directly	Support Costs	2023 Total Funds	2022 Total Funds
	£'000	£'000	£'000	£'000
Staff costs	3,899	-	3,899	3,811
Events and activities project	3,602	-	3,602	2,692
Establishment expenses	6	24	30	44
Depreciation	22	-	22	18
	7,529	24	7,553	6,565

9. Governance costs

Governance costs are met by Torus62 Limited.

10. Net Income/(Outgoing) resources for the year

	2023 £'000	2022 £'000
This is stated after charging:		
Depreciation	<u>22</u>	<u>18</u>

Auditor's remuneration for the Charity is included within the fees to Torus62 Limited and charged to the Charity via a service level agreement.

11. Staff Costs and Emoluments

Employee costs

Total staff costs were as follows:

	2023 £'000	2022 £'000
Wages and salaries	3,169	3,141
Social security costs	304	288
Other pension costs	296	301
	<u>3,769</u>	<u>3,730</u>

NOTES TO THE FINANCIAL STATEMENTS

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2023	2022
	Average	Average
	Number	Number
Management staff	2	3
Regeneration staff	11	9
Youth team and support staff	93	93
	107	105

One employee received remuneration between £60,000 and £70,000, one employee received remuneration between £80,000 and £90,000 and one employee received remuneration between £90,000 and £100,000 during the year (2022: one employee between £80,000 and £90,000 and one employee between £90,000 and £100,000). None of the Trustees received any remuneration during the period (2022: £Nil). Reimbursed expenses amounted to £Nil (2022: £Nil).

The key management personnel of the Charity comprise the Trustees. None of the Trustees are employed by the charity.

12. Taxation

The Charity is exempt from corporation tax on its charitable activities.

13. Tangible fixed assets

	Fixtures & Fittings £'000
Cost	
At 1st April 2022	298
Additions	-
At 31st March 2023	298
Depreciation	
At 1st April 2022	50
Charge for the year	23
At 31st March 2023	73
Net book value at 31st March 2023	225
Net book value at 31st March 2022	248

NOTES TO THE FINANCIAL STATEMENTS

14. Debtors

	2023 £'000	2022 £'000
Due within one year		
Trade debtors	71	53
Prepayments and accrued income	374	624
	<u>445</u>	<u>677</u>

15. Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	25	80
Amounts owed to Group undertakings	278	50
Other tax and social security	79	96
Accruals and deferred income	701	1,878
	<u>1,083</u>	<u>2,104</u>

16. Pensions

The Charity participates in the Local Government Pension Schemes administered by Wirral Metropolitan Borough Council as the Merseyside Pension Scheme (MPF), and Cheshire West and Chester Council as the Cheshire Pension Fund (CPF). Both funds are multi-employer schemes administered under the regulations governing the Local Government Pension Scheme, a defined benefit scheme.

Actuarial valuation took place prior to admission with assets and liabilities transferred from Torus62 and contribution rates agreed at 23.0% (Merseyside Pension Fund) and 32.9% (Cheshire Pension Fund).

NOTES TO THE FINANCIAL STATEMENTS

16. Pensions (continued)

Principal actuarial assumptions: Financial assumptions	2023	2023	2022	2022
	CPF	MPF	CPF	MPF
	%	%	%	%
Discount rate	4.8	4.8	2.8	2.8
Future salary increases	3.9	3.7	3.8	3.8
Future pension increases	2.6	2.7	2.8	3.1
Inflation assumption	2.6	2.7	3.1	3.1
Mortality assumptions	2023	2023	2022	2022
	CPF	MPF	CPF	MPF
	No of years	No of years	No of years	No of years
Retiring today:				
Males	20.9	21.1	20.6	20.3
Females	23.9	23.5	23.8	23.5
Retiring in 20 years:				
Males	19.6	21.1	22.0	21.2
Females	25.0	23.5	25.3	24.8
Analysis of amounts recognised in operating costs	2023	2023	2023	2022
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Current service cost	(116)	(80)	(196)	(88)
Past service costs/(gains)	-	-	-	-
Administration costs	-	(1)	(1)	(1)
Contributions by employer	-	-	-	-
Curtailments	-	-	-	-
Net operating (loss)	<u>(116)</u>	<u>(81)</u>	<u>(197)</u>	<u>(89)</u>

NOTES TO THE FINANCIAL STATEMENTS

16. Pensions (continued)

Analysis of amounts recognised in other financing costs	2023	2023	2023	2022
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Expected return on pension scheme assets	44	57	101	38
Administration costs	-	-	-	-
Interest on pension scheme liabilities	(52)	(61)	(113)	(45)
Net financing costs	(8)	(4)	(12)	(7)

Reconciliation of defined benefit obligation	2023	2023	2023	2022
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Opening defined benefit obligation	(1,783)	(2,219)	(4,002)	(2,181)
Current service cost	(116)	(80)	(196)	(88)
Past service cost	-	-	-	-
Interest cost	(52)	(61)	(113)	(45)
Contributions by members	(20)	(15)	(35)	(15)
Benefits paid	1	26	27	49
Actuarial gains / (losses)	817	113	930	61
Closing defined benefit obligation	(1,153)	(2,236)	(3,389)	(2,219)

Reconciliation of the fair value of plan assets	2023	2023	2023	2022
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Opening fair value of plan assets	1,533	2,016	3,549	1,792
Interest income on plan assets	44	57	101	38
Administration cost	-	(1)	(1)	(1)
Contributions by members	20	15	35	15
Contributions by employer	96	53	149	91
Benefits paid	(1)	(26)	(27)	(49)
Actuarial gains / (losses)	386	99	485	130
Transfer of members to Torus Foundation	-	-	-	-
Closing fair value of plan assets	2,078	2,213	4,291	2,016

Net pension liability	2023	2023	2023	2022
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Defined benefit obligation net of plan assets	925	(23)	902	(203)
Amounts not recognised over Asset Ceiling level	(925)	-	(925)	-
	-	(23)	(23)	(203)

NOTES TO THE FINANCIAL STATEMENTS

16. Pensions (continued)

Analysis of amounts Recognised In Actuarial (Loss)/Gain Relating to Pension Schemes	2023	2023	2023	2022
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Actuarial (losses) / gains on assets	386	99	485	130
Actuarial gains / (losses) arising on the scheme liabilities	817	113	930	61
Reverse surplus to Asset Ceiling level	(925)	-	(925)	-
Net actuarial loss	278	212	490	191

Major categories of plan assets as a percentage of total plan assets	2023	2023	2022	2022
	CPF	MPF	CPF	MPF
	%	%	%	%
Equities	43	37	37	38
Gilts/bonds	39	31	45	31
Properties	16	8	12	7
Cash	2	4	6	4

17. Funds

Restricted Funds	£'000
Balance at 31 March 2021	10
Transfer of reserves	-
Surplus for the year	302
Balance at 31 March 2022	312
Transfer of reserves	-
Deficit for the year	(107)
Balance at 31 March 2023	205

The restricted funds relate to specific projects and events run by the Charity in accordance with the conditions of the funding arrangements with the funding provider.

Restricted funds carried forward at the year-end are made up as follows:

NOTES TO THE FINANCIAL STATEMENTS

Balance at 31st March 22, £	Income 22-23, £	Expenditure 22-23, £	Balance at 31st March 23, £	Fund Name	Details
(1)	-	-	(1)	Sports England	Sports England is a funding project that has the aim of 'Tackling Youth Violence and Knife Crime' through engagement in positive activities such as boxing and basketball. The goal is to engage with young people who are involved in anti-social behaviour and at risk of becoming involved in crime and introduced a positive pathway to keep them away from gang-related activities.
(1)	-	-	(1)	Street Games	The Street Games grant is to support the FFH youth zone with the purchase of equipment and the delivery of grass-roots door-step sports. This includes the delivery of staff training sessions such as short tennis.
(4)	(39)	43	-	Children In Need	The funding is to fund three outreach engagement posts to engage 8 to 16 year olds in the community and sign-post them to centre-based youth activities.

NOTES TO THE FINANCIAL STATEMENTS

Balance at 31st March 22, £	Income 22-23, £	Expenditure 22-23, £	Balance at 31st March 23, £	Fund Name	Details
-	(1,135)	987	(148)	New Leaf	New Leaf is part of the Building Better Opportunities Programme and funded by the European Social Fund and the National Lottery Community Fund . It is to help people get into work or training through 1-2-1 mentoring, money advice, access to volunteering and mental help support. The programme is open to anyone living in Warrington or Cheshire who is currently out of work. It provides investment in local projects that increase economic development by investing in projects which support skills development, employment, job creation, social inclusion and local community regeneration.
-	(766)	757	(9)	Springboard	Springboard is an ESF funded project generated to tackle the impact on the economy and labour market following COVID-19. The project directly assist participants who have recently lost their job or their job has been affected as a result of the pandemic [furloughed, hours reduced etc] and young people who are struggling to get into stable employment for the first time, to gain a new job quickly, acting as a 'covid Response Employment Service'.
-	(32)	32	-	Community Champions	This is funding to focus on Health and Wellbeing around vaccinations for the BAME community providing workshops activities and promotion for the community to engage and improve their health and wellbeing.

NOTES TO THE FINANCIAL STATEMENTS

Balance at 31st March 22, £	Income 22-23, £	Expenditure 22-23, £	Balance at 31st March 23, £	Fund Name	Details
(52)	(138)	150	(40)	Kick Start	The Kickstart Programme is part of a Government Initiative to support young people aged 18-24 who are claiming universal credit getting back into employment. Part of the funding is to support and develop new skills and to help applicants move into sustained employment after they have completed their six month funded role.
-	(126)	126	-	NHS	To support community partnerships in recognition of the impact of Covid-19 on the wider community. Grant funding is for activities delivered through partnership between the NHS and relevant social and health care organisations from the public or third sector. Project Aim is a co-designed project to improve the mental well-being of young people through the development of new youth-focused social prescribing pathways between clinical NHS Trust services and local youth organisations.
(3)	(4)	9	2	Duke of Edinburgh	This project is funding out of core-funding, corporate and donations and is to provide equipment, administration for young to complete their DofE course at no cost to themselves.
(244)	(8)	252	-	Winter Energy Fund	The Winter Energy fund is to provide charities to support vulnerable energy customers by providing energy vouchers.
-	(106)	101	(5)	Wargrave Big Local (Lottery)	The Charity holds funding from Local Trust on behalf of Wargrave Big Local Resident Partnership. The Partnership fund Wargrave Community Hub and community projects to help build a resilient local community.

NOTES TO THE FINANCIAL STATEMENTS

Balance at 31st March 22, £	Income 22-23, £	Expenditure 22-23, £	Balance at 31st March 23, £	Fund Name	Details
(7)	(41)	45	(3)	Energy Redress Emergency Fuel Voucher Projects	Energy Savings Trust Project to provide vouchers for gas and electricity for those tenants with prepayment meters who are in fuel poverty during the pandemic.
-	(43)	43	-	IT Include (Merseyside BBO)	Funding for a basic entry level IT skills course for residents of St Helens. Part of an LCR wide programme to overcome digital exclusion.
-	(79)	79	-	Look Ahead Lifelines	Funding to support family resilience and wellbeing through providing training and regular opportunities for facilitated peer support.
-	(94)	94	-	NHS Indoor Air Quality Monitor	NHS Indoor Air Quality Monitor Funding to install indoor air quality monitors in homes with children under 10 in order to empower them to improve their own indoor air quality and improve respiratory health.
-	(8)	8	-	Parent Champion	Funding to train a cohort of Healthy Neighbours volunteers as Parent Champions in Warrington to be peer educators around child respiratory health.
-	(14)	14	-	MVRP Basketball Project	A programme to help young people improve mental health through sporting activity. Engagement with support staff through gym and basketball sessions benefits mental and physical well-being and helps to curb violent behaviour.
(312)	(2,633)	2,740	(205)	TOTAL	

NOTES TO THE FINANCIAL STATEMENTS

Unrestricted funds	£'000
Balance at 31 March 2021	934
Transfer of reserves	-
Surplus for the year	2,076
Balance at 31 March 2022	3,010
Transfer of reserves	-
Surplus for the year	570
Balance at 31 March 2023	3,580

18 . Financial assets and liabilities

	2023	2022
	£'000	£'000
Categories of financial assets and financial liabilities		
Financial assets that are measured at amortised cost	4,292	5,007
Other liabilities measured at amortised cost	(104)	(177)
Financial assets		
Cash at bank	4,221	4,954
Financial assets on which no interest is earned	71	53
	4,292	5,007

19. Related party transactions

C Murray Howard a trustee of the charity, is a representative of Torus62 Limited. Torus Foundation a Service Level Agreement with Torus62 Limited for the provision of support services such as IT, Human Resources, Finance and Asset Management. The value of services procured during the period was £885,031 (2022- £369,206.)

Phil Garrigan, a trustee of the charity until 5 March 2023, is a representative of Merseyside Fire and Rescue. Torus Foundation also paid £59,385 (2022- £nil) to Merseyside Fire and Rescue for the lease and associated utility costs for the Toxteth Fire Fit Hub.

C Martin, a trustee of the charity until 26 April 2022, is a representative of Liverpool City Council. Liverpool City Council provided funding for a project delivered by Torus Foundation with a value of £37,678 (2022- £2,800).

Tony Okotie , a trustee of the charity from 6 June 2022, is an employee of BBC Children in Need. Torus Foundation hold a grant with Children In Need of £42,234 (2022 -£nil.).

NOTES TO THE FINANCIAL STATEMENTS

20. Ultimate controlling party

An Intra Group Agreement is in place between Torus62 and its subsidiaries, whereby subsidiaries agree that their immediate and ultimate shareholder/member is Torus62 Limited (Community Benefit Society 7973). As Torus62 controls the appointment of the Board it is considered to be the beneficial owner. In the opinion of the Trustees Torus62 is the ultimate parent company and controlling party.

Financial Statements

31 March 2023

22
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23

Torus Foundation
Charity Number: 1152903
Company Registration Number: 08444912



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TORUS FOUNDATION TRUSTEES, ADVISORS AND BANKERS

Charity registration number 1152903

Company registration number 08444912

Trustee	Category	Changes in the year
Sarah Jane Saunders	Chair, Director and Trustee	
Peter Graham Morton	Director and Trustee	To 26 April 2022
CLlr Jeanie Bell	Director and Trustee	To 3 January 2023
Catherine Anne Murray-Howard	Director and Trustee	
Philip John Charles Garrigan	Director and Trustee	To 5 March 2023
Colleen Deanne Martin	Director and Trustee	To 26 April 2022
Clare Gosling	Director and Trustee	
Holly Chan	Director and Trustee	
Uzair Patel	Director and Trustee	
Simon Bean	Director and Trustee	
Stephanie Donaldson	Director and Trustee	
Tony Okotie	Director and Trustee	
Ronnie Clawson	Company Secretary	To 1 November 2022
Catherine Fearon	Company Secretary	From 1 November 2022

Registered office 4 Corporation Street
St Helens
Merseyside
WA9 1LD

Auditors BDO LLP
5 Temple Square
Temple Street
Liverpool, L2 5RH

Solicitors Brabners
Horton House
Exchange Flags
Liverpool, L2 3YL

Bankers National Westminster Bank
5 Ormskirk Street
St Helens, Merseyside
WA10 1DR

TRUSTEES' REPORT

The Trustees are pleased to present their annual Trustees' report together with the Financial Statements of the Charity for the year ending 31st March 2023 which are also prepared to meet the requirements for a Directors' Report, accounts for Companies Act purposes and in accordance with the provisions applicable to companies entitled to the Small Companies exemption.

The Financial Statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice: Accounting and Reporting by Charities, Charities SORP (FRS102) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Volunteering and In Kind Contributions

During 2022/23 Torus Foundation hosted a total of ten volunteers. Five people volunteered at FireFit Hub and supported with the delivery of activities for children and young people. In addition, five volunteers helped to train participants on the "IT Include Mersey" programme.

The extensive range of partnerships developed across Torus Foundation add real value to the projects being delivered, through the additional assets and skills gifted by partners across the city region. A combined value of £702,645 in-kind funding was generated for the benefit of Torus Foundation customers in 2022/23.

OBJECTIVES AND ACTIVITIES

Torus Group's ("Group") charitable arm Torus Foundation became part of the Group in January 2017, to make a positive difference to communities across Merseyside and the surrounding area.

Activities centre around five key focus areas: Employment and Skills; Financial Inclusion; Health and Wellbeing; Digital Inclusion; and Youth. Activities are delivered directly by Torus Foundation colleagues as well as through third party providers.

FINANCIAL REVIEW

In 2022/23, the Charity received income of £7.5m (2021/22: £8.6m). This includes £3.6m received as Gift Aid from the Group (2021/22 £1.4m), £0.1m donation from the parent (2020/21: £0.8m) and £3.6m income from Torus for commissioned services, New Leaf, Springboard, TFFH membership fees, hire charges, and grant income received from Restricted Funds (2021/22: £3.4m).

EMPLOYMENT

Torus Foundation helped 659 people to find work:

- 44 work placements and volunteer placements were undertaken.
- 40 people were supported into an apprenticeship.
- 90% of customers reported an increase in skills and confidence as a result of engaging with the Torus Foundation Employment and Skills Team.

TRUSTEES' REPORT

FINANCIAL INCLUSION

- 2,874 people were engaged in the financial inclusion service.
- 100% of customer reported an increase in skills and confidence as a result of engaging with the Torus Foundation financial inclusion service.
- A total of £4,777,975 in financial gains was obtained for Torus customers.

HEALTH & WELLBEING

- 2,796 people attended health and wellbeing sessions.

YOUTH

- In line with the Firefit Hub Youth Impact Framework, 783 outcomes were achieved by FireFit Hub members.

DIGITAL INCLUSION

- 118 people received digital kit.
- 8 physical Digital Hubs were provided during the year prior to delivery moving to online provision.
- 766 individuals engaged in with the digital inclusion service 100% of customers reported an increase in skills and confidence as a result of engaging with Torus Foundation Digital Inclusion Service.

RESERVES

The Charity establishes restricted reserves for specific purposes where their use is subject to external restrictions. Unrestricted reserves relate to historic surpluses and deficits from the Charity's activities. Reserves are used to fund the Charity's future activities.

At the year end the Charity held £205k in restricted reserves (2022: £312k) and £3,580k in unrestricted reserves (2022: £3,010k).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is a company limited by guarantee, incorporated on the 14th March 2013 and registered as a charity on the 11th July 2013.

The Charity's governance is set out in its Memorandum and Articles of Association of 13th March 2013. The management of the Company's affairs is vested in the Board of Trustees about whom the Memorandum and Articles of Association state that there will be a minimum of three.

In January 2017, the charity was incorporated into Liverpool Mutual Homes as ComMutual and a Board was formed from three former Toxteth Firefit Hub Trustees (P Morton, C Martin and P Garrigan) and six new Trustees.

On 1 January 2019, Liverpool Mutual Homes amalgamated with Torus62 Limited and its subsidiaries Helena Partnerships Limited and Golden Gates Housing Trust in accordance with the Co-Operative and Community Benefit Society Act 2014. This formed a new Community Benefit Society called Torus62 Limited. The former Torus community activities were transferred into the Charity which now provides services across the entire Group and specifically its Heartland areas of Liverpool, St Helens and

TRUSTEES' REPORT

Warrington. This included the "New Leaf" contract which is a grant funded programme providing employment support and advice across the whole of Cheshire.

In April 2019, ComMutual changed its name to Torus Foundation.

During 22-23 two trustees resigned.

EXECUTIVE MANAGEMENT STRUCTURE

The Chair is authorised to manage the Charity on a day-to-day basis under a written scheme of delegation from the Board, which is reviewed annually. The Chair has an executive team which is responsible for the delivery of the strategic plan and it meets formally on a monthly basis, in order to review the key performance indicators for the organisation and to keep abreast of developments in the organisation generally. The Senior Leadership Team brings together senior managers to develop ownership of the strategic plan and regularly meets with the Executive Team.

TRUSTEE TRAINING AND DEVELOPMENT

The Trustees have continued to support the development of the organisation. The Trustees are drawn from a range of community representatives, including those associated with key stakeholders such as Merseyside Fire and Rescue Authority and the Torus Group (Formerly Torus).

All Trustees have been involved in formulating the plans and action required to ensure the ongoing development of the short and medium term strategy for the organisation and have been involved in Group Away Days discussing issues including:

- The Group's Strategies; *and*
- Business Planning.

As and when new Trustees are recruited and appointed, a full induction is delivered to ensure that they are fully conversant with the aims, objectives and operation of the Charity.

PUBLIC BENEFIT

The Trustees have had due regard to the guidance published by the Charity Commission on public benefit and in particular the supplementary guidance on public benefit and fee charging, ensuring the Charity's work delivers its aims and charitable objectives.

GOING CONCERN

The Group policy is to stress test Business Plans to ensure they are robust and stay within specified Golden Rules. The recent challenging economic operating environment has had an adverse impact on Group commercial entities and their ability to generate Gift Aid to the levels expected in the Torus Group amalgamation Business Plan. This is forecast to impact the Torus Foundation Gift Aid receipt in 2023/24. However, the Charity remains in a robust position to continue operations into the future with cash and cash equivalents £4.2m as at 31st March 2023.

After reviewing the Charity's revised forecast and projections, taking into account the principal risks and uncertainties, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the date of approval of these financial statements. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

TRUSTEES' REPORT

PRINCIPAL RISKS AND UNCERTAINTIES

Risks that may prevent the Charity from meeting its objectives are reported to Group Audit and Risk Committee on a quarterly basis. Risks are recorded and assessed in terms of their impact and probability.

Torus aims to become a leading growth and regeneration group for the North West. Its charitable arm, Torus Foundation, aims to become a sector-leader in supporting communities to grow stronger and to thrive, providing targeted services to support tenants, customers and communities most in need. With a strategic focus on Liverpool, St Helens and Warrington, as well as key neighbouring areas, it will create better places to live and support sustained economic growth and regeneration.

KEY RISK AREA	KEY CONTROLS IN PLACE	MITIGATING ACTIONS
Being unable to deliver our Social Impact Ambitions	<ul style="list-style-type: none"> • Grant conditions tracker • Torus Foundation Fundraising Strategy • Torus Foundation Financial Plan • Partnership agreements with providers • Social impact evidence via CSR • Torus Foundation Board • HMS Business Plan Targets 	<ul style="list-style-type: none"> • Social Impact Policy is being developed to capture the social impact delivered across all Group members. • The Charity continues to source external funding.

The recent and continuing challenging economic operating environment and the consequent adverse impact on Group Gift Aid generation in 2023/24 is a principal risk to delivering social impact ambitions. The Torus Foundation Board has recognised this risk in the medium term and has taken proactive action to address this issue with a review of projects and expenditure being undertaken. A cost reduction plan has been created for review and decision by the Torus Foundation Board with a view to prioritising charitable activity expenditure over the forthcoming year. Budgets and business plans will be updated following the decisions made including stress-testing of risks. Cash and finances are monitored on a monthly basis to support management decision making.

Further risk has been identified by the cost of living increases and the impact on the lives of Torus tenants and Torus Foundation communities. It is expected that the Charity will see an increased demand for services over the next year which could adversely affect the delivery of the charitable social impact ambitions.

TRUSTEES' REPORT

PLANS FOR THE FUTURE

The Charity is an ambitious organisation and is keen to expand its impact across the three Torus Heartlands. Following a place-shaping approach, the Charity will use its regional influence and partner networks to ensure communities have the right resources; acting as an enabler and coordinator (where needed) to create places people want to live, work and do business.

Where possible, the Charity will seek to work in collaboration, utilising the strengths of partners across Liverpool, St Helens and Warrington, promoting co-investment models.

The Torus Foundation Fundraising Strategy sets out its approach to diversifying income to increase resilience as a charity and expand provision across the North West. Torus Foundation will maximise impact in communities by:

- Securing significant additional grant funding,
- Implementing a corporate fundraising plan,
- Leveraging additional monies through match funding and in-kind funding,
- Explore commercial opportunities and tenders, *and*
- Expanding reach and delivery of projects within the FFH model.

The Charity will also look to expand its provision by joining with other organisations where an opportunity exists to add value to the delivery of both organisations.

POST BALANCE SHEET EVENTS

There are no other events since the year-end that have had a significant effect on the Charity's financial position.

EXTERNAL AUDITORS

Torus Group appoints the external auditors for all Group companies.

ANNUAL GENERAL MEETING

The Charity is not required to hold an Annual General Meeting under its Articles of Association.

APPROVAL

The Trustees' report was approved by the Board on 17th August 2023 and signed on its behalf by:



Sarah Jane Saunders

Trustee

Date: 17th August 2023

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

By order of the board of trustees



Sarah Jane Saunders

Trustee

Date: 17th August 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION

Opinion on the 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 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Torus Foundation ("the Charitable Company") for the year ended 31 March 2023 which comprise the statement of financial activities, the statement of financial position balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' report, other than the financial statements and our auditor's

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION

report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which are included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Charitable Company and the sector in which it operates;
- Discussion with management and those charged with governance;
- Obtaining and understanding of the Charitable Company's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be FRS 102, UK tax legislation, etc.

The Charitable Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation & employment equity act.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit;
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Charitable Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and income recognition, in substance around the cut off of the income recognised.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including pension scheme liability where assumption to the liability was assessed through an expert; and
- Selection of income recognised before and after the financial year end in order to assess whether the income has been recognised in the correct period.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION

Use of our report

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

DocuSigned by:
Hamid Ghafoor
829727ECC12041D...

15 September 2023

Hamid Ghafoor (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Manchester, UK

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

STATEMENT OF FINANCIAL ACTIVITIES

(including income and expenditure account)

For the year ended 31 March 2023

	Note	2023			2022		
		Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Income:							
Donations and legacies	3	3,676	-	3,676	5,002	-	5,002
Income from charitable activities	4	944	2,633	3,577	1,420	2,030	3,450
Commercial trading activities	5	271	-	271	182	-	182
Investment income	6	14	-	14	-	-	-
Other income		-	-	-	-	-	-
Total Income		4,905	2,633	7,538	6,604	2,030	8,634
Expenditure on:							
Interest payable and financing costs		(12)	-	(12)	(14)	-	(14)
Charitable activities	7,8	(4,813)	(2,740)	(7,553)	(4,837)	(1,728)	(6,565)
Total Expenditure		(4,825)	(2,740)	(7,565)	(4,851)	(1,728)	(6,579)
Net income/(deficit) and net movement in funds for the year		80	(107)	(27)	1,753	302	2,055
Actuarial gain/(loss) on pension scheme	16	490	-	490	323	-	323
Transfer of reserves		-	-	-	-	-	-
Total funds at beginning of year		3,010	312	3,322	934	10	944
Total funds at end of year		3,580	205	3,785	3,010	312	3,322

The incoming resources and resulting net movement in funds arise from continuing activities.

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Tangible assets	13	225	248
Current assets			
Debtors	14	445	677
Cash and cash equivalents		4,221	4,954
Total current assets		4,666	5,631
Creditors: amounts falling due within one year	15	(1,083)	(2,104)
Net current assets		3,583	3,527
Total assets less current liabilities		3,808	3,775
Pension provision	16	(23)	(453)
Total net assets		3,785	3,322
The funds of the charity:			
Restricted funds	17	205	312
Unrestricted funds	17	3,580	3,010
Total charity funds		3,785	3,322

The financial statements were approved by the Board on 17th August 2023 and signed on its behalf by:



Sarah Jane Saunders
Trustee

Company Registration Number: 08444912

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Legal status

The Charity is limited by guarantee and has no share capital. Every member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up whilst he or she is a member or within one period of ceasing to be a member for the debts and liabilities of the Society contracted before he or she ceases to be a member, such as may be required not exceeding £1.

Registered Office	4 Corporation Street St Helens Merseyside WA9 1LD
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2. Accounting policies

Basis of accounting

The Financial Statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with:

- Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS102));
- Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102); and
- Charities Act 2011 and the Companies Act 2006.

The Charitable Company constitutes a public benefit entity as defined by FRS102.

The Charitable Company has taken the exemption in relation to the preparation of a statement of cash flows on the basis that the company is included in the consolidated financial statements of Torus62 Limited as at 31 March 2023. These financial statements may be obtained from its registered office: 4 Corporation Street, St Helens, Merseyside, WA9 1LD.

The recent challenging economic operating environment has had an adverse impact on Group commercial entities and their ability to generate Gift Aid to the levels expected in the Torus Group amalgamation Business Plan. This is forecast to impact the Torus Foundation Gift Aid receipt in 2023/24. However, the Charity remains in a robust position to continue operations into the future with cash and cash equivalents £4.2m as at 31st March 2023.

After reviewing the Charity's revised forecast and projections, taking into account the principal risks and uncertainties, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the date of approval of these financial statements. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Incoming resources

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

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

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the Trust 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.

Volunteers and donated services

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS102), the general volunteer time is not recognised. Refer to the Trustees' annual report for more information about their contribution.

On receipt, donation of professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Funds

Unrestricted funds are donations and other incoming resources receivable or generated for the furtherance of the Charity's objects without further specified purpose and are available as general funds.

Restricted funds are to be used for specific purposes are laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Costs of raising funds comprise the costs associated with attracting donations, grants and legacies and the costs of trading for fundraising purposes.

NOTES TO THE FINANCIAL STATEMENTS

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Other expenditure includes all expenditure that is neither related to raising funds for the Charity nor part of its expenditure on charitable activities.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, as set out in the notes to the accounts.

Debtors

Short term debtors are measured at transaction price, less any impairment and are measured subsequently at amortised cost using the effective interest method.

Creditors

Short term creditors are measured at transaction price.

Financial Instruments

The Charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities, such as accounts receivable and payable.

Fixed Assets

All fixed assets are initially recorded at cost.

Depreciation is provided to write off the cost of each asset over its useful economic life at the following rates:

Fixtures and fittings	- 15% straight line
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Pension Cost

The Foundation participates in the Merseyside Pension Fund and the Cheshire Pension Fund, part of the Local Government Pension Scheme ("the Schemes"); both are multi-employer defined benefit scheme.

The difference between the realisable value of the assets held in the Defined Benefit Pension Schemes and the Schemes' liabilities measured on an actuarial basis using the projected unit method are recognised in the Statement of Financial Position as a pension scheme asset or liability as appropriate.

The carrying value of any resulting pension scheme asset is restricted to the extent that the Charity is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Changes in the defined benefit pension schemes asset or liability arising from factors other than cash contribution by the Charity are charged to the Statement of Financial Activities in accordance with FRS 102.

NOTES TO THE FINANCIAL STATEMENTS

The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Remeasurements are reported in other comprehensive income.

The Charity also provides a Group Pension Scheme supplied by AVIVA, which is a defined contribution scheme. The income and expenditure charge represent the employer contribution payable to the scheme for the accounting period.

Reserves

The Charity establishes restricted reserves for specific purposes where their use is subject to external restrictions. Unrestricted reserves relate to historic surpluses and deficits from the Charity's activities. Reserves are used to fund the Charity's future activities.

Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from;

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees control; *or*
- a present obligation following a grant offer where settlement is either not considered probable.

Significant judgements and key areas of estimation uncertainty

Management's estimate of the defined benefit obligation is based on several critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses.

Management apply a consistent set of assumptions with the exception of mortality rates, which are in line with those provided by Pensions Funds.

NOTES TO THE FINANCIAL STATEMENTS

3. Incoming resources from donations and legacies

	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	2022-23	2022-23	2022-23	2021-22	2021-22	2021-22
	£'000	£'000	£'000	£'000	£'000	£'000
Donations						
Torus	3,676	-	3,676	5,002	-	5,002
	3,676	-	3,676	5,002	-	5,002

4. Income from Charitable Activities

	Unrestricted Funds	Restricted funds	Total Funds	Unrestricted Funds	Restricted funds	Total Funds
	2022-23	2022-23	2022-23	2021-22	2021-22	2021-22
	£'000	£'000	£'000	£'000	£'000	£'000
Memberships, activities and hire	944	150	1,094	1,420	-	1,420
New Leaf and social inclusion	-	1,134	1,134	-	937	937
Street Games	-	-	-	-	3	3
Duke of Edinburgh	-	3	3	-	6	6
Energy Redress	-	49	49	-	347	347
Winter Energy	-	-	-	-	10	10
Springboard	-	766	766	-	350	350
Community Champions	-	32	32	-	22	22
Children in Need	-	39	39	-	41	41
NHS	-	220	220	-	7	7
Kickstart	-	138	138	-	266	266
Liverpool City Council	-	-	-	-	41	41
Look Ahead Lifestyles	-	79	79	-	-	-
Parent Champions Project	-	8	8	-	-	-
MVRP Basketball Project	-	14	14	-	-	-
	944	2,633	3,577	1,420	2,030	3,451

NOTES TO THE FINANCIAL STATEMENTS

5. Commercial Trading Activities

	2023	2023	2022	2022
	Unrestricted	Total	Unrestricted	Total
	Funds	Funds	Funds	Funds
	£'000	£'000	£'000	£'000
Vending income	-	-	-	9
Rent received	271	271	182	38
Other income	-	-	-	3
	271	271	182	50

6. Investment Income

	2023	2023	2022	2022
	Unrestricted	Total	Unrestricted	Total
	Funds	Funds	Funds	Funds
	£'000	£'000	£'000	£'000
Bank interest receivable	14	14	-	-
	14	14	-	-

7. Costs of Charitable activities by fund type

	Unrestricted	Restricted	2023	Unrestricted	Restricted	2022
	Funds	Funds	Total	Funds	Funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	2,455	1,444	3,899	2,801	1,011	3,812
Events and activities project	2,306	1,296	3,602	1,974	717	2,691
Establishment expenses	6	-	6	(6)	-	(6)
Depreciation	22	-	22	18	-	18
Support costs	24	-	24	50	-	50
	4,813	2,740	7,553	4,837	1,728	6,565

NOTES TO THE FINANCIAL STATEMENTS

8. Costs of Charitable activities by activity type

	Activities Undertaken Directly	Support Costs	2023 Total Funds	2022 Total Funds
	£'000	£'000	£'000	£'000
Staff costs	3,899	-	3,899	3,811
Events and activities project	3,602	-	3,602	2,692
Establishment expenses	6	24	30	44
Depreciation	22	-	22	18
	7,529	24	7,553	6,565

9. Governance costs

Governance costs are met by Torus62 Limited.

10. Net Income/(Outgoing) resources for the year

	2023 £'000	2022 £'000
This is stated after charging:		
Depreciation	22	18

Auditor's remuneration for the Charity is included within the fees to Torus62 Limited and charged to the Charity via a service level agreement.

11. Staff Costs and Emoluments

Employee costs

Total staff costs were as follows:

	2023 £'000	2022 £'000
Wages and salaries	3,169	3,141
Social security costs	304	288
Other pension costs	296	301
	3,769	3,730

NOTES TO THE FINANCIAL STATEMENTS

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2023	2022
	Average	Average
	Number	Number
Management staff	2	3
Regeneration staff	11	9
Youth team and support staff	93	93
	107	105

One employee received remuneration between £60,000 and £70,000, one employee received remuneration between £80,000 and £90,000 and one employee received remuneration between £90,000 and £100,000 during the year (2022: one employee between £80,000 and £90,000 and one employee between £90,000 and £100,000). None of the Trustees received any remuneration during the period (2022: £Nil). Reimbursed expenses amounted to £Nil (2022: £Nil).

The key management personnel of the Charity comprise the Trustees. None of the Trustees are employed by the charity.

12. Taxation

The Charity is exempt from corporation tax on its charitable activities.

13. Tangible fixed assets

	Fixtures & Fittings £'000
Cost	
At 1st April 2022	298
Additions	-
At 31st March 2023	298
Depreciation	
At 1st April 2022	50
Charge for the year	23
At 31st March 2023	73
Net book value at 31st March 2023	225
Net book value at 31st March 2022	248

NOTES TO THE FINANCIAL STATEMENTS

14. Debtors

	2023	2022
	£'000	£'000
Due within one year		
Trade debtors	71	53
Prepayments and accrued income	374	624
	445	677

15. Creditors: amounts falling due within one year

	2023	2022
	£'000	£'000
Trade creditors	25	80
Amounts owed to Group undertakings	278	50
Other tax and social security	79	96
Accruals and deferred income	701	1,878
	1,083	2,104

16. Pensions

The Charity participates in the Local Government Pension Schemes administered by Wirral Metropolitan Borough Council as the Merseyside Pension Scheme (MPF), and Cheshire West and Chester Council as the Cheshire Pension Fund (CPF). Both funds are multi-employer schemes administered under the regulations governing the Local Government Pension Scheme, a defined benefit scheme.

Actuarial valuation took place prior to admission with assets and liabilities transferred from Torus62 and contribution rates agreed at 23.0% (Merseyside Pension Fund) and 32.9% (Cheshire Pension Fund).

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16. Pensions (continued)

Principal actuarial assumptions: Financial assumptions	2023	2023	2022	2022
	CPF	MPF	CPF	MPF
	%	%	%	%
Discount rate	4.8	4.8	2.8	2.8
Future salary increases	3.9	3.7	3.8	3.8
Future pension increases	2.6	2.7	2.8	3.1
Inflation assumption	2.6	2.7	3.1	3.1

Mortality assumptions	2023	2023	2022	2022
	CPF	MPF	CPF	MPF
	No of years	No of years	No of years	No of years
Retiring today:				
Males	20.9	21.1	20.6	20.3
Females	23.9	23.5	23.8	23.5
Retiring in 20 years:				
Males	19.6	21.1	22.0	21.2
Females	25.0	23.5	25.3	24.8

Analysis of amounts recognised in operating costs	2023	2023	2023	2022
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Current service cost	(116)	(80)	(196)	(88)
Past service costs/(gains)	-	-	-	-
Administration costs	-	(1)	(1)	(1)
Contributions by employer	-	-	-	-
Curtailments	-	-	-	-
Net operating (loss)	(116)	(81)	(197)	(89)

NOTES TO THE FINANCIAL STATEMENTS

16. Pensions (continued)

Analysis of amounts recognised in other financing costs	2023	2023	2023	2022
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Expected return on pension scheme assets	44	57	101	38
Administration costs	-	-	-	-
Interest on pension scheme liabilities	(52)	(61)	(113)	(45)
Net financing costs	(8)	(4)	(12)	(7)

Reconciliation of defined benefit obligation	2023	2023	2023	2022
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Opening defined benefit obligation	(1,783)	(2,219)	(4,002)	(2,181)
Current service cost	(116)	(80)	(196)	(88)
Past service cost	-	-	-	-
Interest cost	(52)	(61)	(113)	(45)
Contributions by members	(20)	(15)	(35)	(15)
Benefits paid	1	26	27	49
Actuarial gains / (losses)	817	113	930	61
Closing defined benefit obligation	(1,153)	(2,236)	(3,389)	(2,219)

Reconciliation of the fair value of plan assets	2023	2023	2023	2022
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Opening fair value of plan assets	1,533	2,016	3,549	1,792
Interest income on plan assets	44	57	101	38
Administration cost	-	(1)	(1)	(1)
Contributions by members	20	15	35	15
Contributions by employer	96	53	149	91
Benefits paid	(1)	(26)	(27)	(49)
Actuarial gains / (losses)	386	99	485	130
Transfer of members to Torus Foundation	-	-	-	-
Closing fair value of plan assets	2,078	2,213	4,291	2,016

Net pension liability	2023	2023	2023	2022
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Defined benefit obligation net of plan assets	925	(23)	902	(203)
Amounts not recognised over Asset Ceiling level	(925)	-	(925)	-
	-	(23)	(23)	(203)

NOTES TO THE FINANCIAL STATEMENTS

16. Pensions (continued)

Analysis of amounts Recognised In Actuarial (Loss)/Gain Relating to Pension Schemes	2023	2023	2023	2022
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Actuarial (losses) / gains on assets	386	99	485	130
Actuarial gains / (losses) arising on the scheme liabilities	817	113	930	61
Reverse surplus to Asset Ceiling level	(925)	-	(925)	-
Net actuarial loss	278	212	490	191

Major categories of plan assets as a percentage of total plan assets	2023	2023	2022	2022
	CPF	MPF	CPF	MPF
	%	%	%	%
Equities	43	37	37	38
Gilts/bonds	39	31	45	31
Properties	16	8	12	7
Cash	2	4	6	4

17. Funds

Restricted Funds	£'000
Balance at 31 March 2021	10
Transfer of reserves	-
Surplus for the year	302
Balance at 31 March 2022	312
Transfer of reserves	-
Deficit for the year	(107)
Balance at 31 March 2023	205

The restricted funds relate to specific projects and events run by the Charity in accordance with the conditions of the funding arrangements with the funding provider.

Restricted funds carried forward at the year-end are made up as follows:

NOTES TO THE FINANCIAL STATEMENTS

Balance at 31st March 22, £	Income 22-23, £	Expenditure 22-23, £	Balance at 31st March 23, £	Fund Name	Details
(1)	-	-	(1)	Sports England	Sports England is a funding project that has the aim of 'Tackling Youth Violence and Knife Crime' through engagement in positive activities such as boxing and basketball. The goal is to engage with young people who are involved in anti-social behaviour and at risk of becoming involved in crime and introduced a positive pathway to keep them away from gang-related activities.
(1)	-	-	(1)	Street Games	The Street Games grant is to support the FFH youth zone with the purchase of equipment and the delivery of grass-roots door-step sports. This includes the delivery of staff training sessions such as short tennis.
(4)	(39)	43	-	Children In Need	The funding is to fund three outreach engagement posts to engage 8 to 16 year olds in the community and sign-post them to centre-based youth activities.

NOTES TO THE FINANCIAL STATEMENTS

Balance at 31st March 22, £	Income 22-23, £	Expenditure 22-23, £	Balance at 31st March 23, £	Fund Name	Details
-	(1,135)	987	(148)	New Leaf	New Leaf is part of the Building Better Opportunities Programme and funded by the European Social Fund and the National Lottery Community Fund . It is to help people get into work or training through 1-2-1 mentoring, money advice, access to volunteering and mental help support. The programme is open to anyone living in Warrington or Cheshire who is currently out of work. It provides investment in local projects that increase economic development by investing in projects which support skills development, employment, job creation, social inclusion and local community regeneration.
-	(766)	757	(9)	Springboard	Springboard is an ESF funded project generated to tackle the impact on the economy and labour market following COVID-19. The project directly assist participants who have recently lost their job or their job has been affected as a result of the pandemic [furloughed, hours reduced etc] and young people who are struggling to get into stable employment for the first time, to gain a new job quickly, acting as a 'covid Response Employment Service'.
-	(32)	32	-	Community Champions	This is funding to focus on Health and Wellbeing around vaccinations for the BAME community providing workshops activities and promotion for the community to engage and improve their health and wellbeing.

NOTES TO THE FINANCIAL STATEMENTS

Balance at 31st March 22, £	Income 22-23, £	Expenditure 22-23, £	Balance at 31st March 23, £	Fund Name	Details
(52)	(138)	150	(40)	Kick Start	The Kickstart Programme is part of a Government Initiative to support young people aged 18-24 who are claiming universal credit getting back into employment. Part of the funding is to support and develop new skills and to help applicants move into sustained employment after they have completed their six month funded role.
-	(126)	126	-	NHS	To support community partnerships in recognition of the impact of Covid-19 on the wider community. Grant funding is for activities delivered through partnership between the NHS and relevant social and health care organisations from the public or third sector. Project Aim is a co-designed project to improve the mental well-being of young people through the development of new youth-focused social prescribing pathways between clinical NHS Trust services and local youth organisations.
(3)	(4)	9	2	Duke of Edinburgh	This project is funding out of core-funding, corporate and donations and is to provide equipment, administration for young to complete their DofE course at no cost to themselves.
(244)	(8)	252	-	Winter Energy Fund	The Winter Energy fund is to provide charities to support vulnerable energy customers by providing energy vouchers.
-	(106)	101	(5)	Wargrave Big Local (Lottery)	The Charity holds funding from Local Trust on behalf of Wargrave Big Local Resident Partnership. The Partnership fund Wargrave Community Hub and community projects to help build a resilient local community.

NOTES TO THE FINANCIAL STATEMENTS

Balance at 31st March 22, £	Income 22-23, £	Expenditure 22-23, £	Balance at 31st March 23, £	Fund Name	Details
(7)	(41)	45	(3)	Energy Redress Emergency Fuel Voucher Projects	Energy Savings Trust Project to provide vouchers for gas and electricity for those tenants with prepayment meters who are in fuel poverty during the pandemic.
-	(43)	43	-	IT Include (Merseyside BBO)	Funding for a basic entry level IT skills course for residents of St Helens. Part of an LCR wide programme to overcome digital exclusion.
-	(79)	79	-	Look Ahead Lifelines	Funding to support family resilience and wellbeing through providing training and regular opportunities for facilitated peer support.
-	(94)	94	-	NHS Indoor Air Quality Monitor	NHS Indoor Air Quality Monitor Funding to install indoor air quality monitors in homes with children under 10 in order to empower them to improve their own indoor air quality and improve respiratory health.
-	(8)	8	-	Parent Champion	Funding to train a cohort of Healthy Neighbours volunteers as Parent Champions in Warrington to be peer educators around child respiratory health.
-	(14)	14	-	MVRP Basketball Project	A programme to help young people improve mental health through sporting activity. Engagement with support staff through gym and basketball sessions benefits mental and physical well-being and helps to curb violent behaviour.
(312)	(2,633)	2,740	(205)	TOTAL	

NOTES TO THE FINANCIAL STATEMENTS

Unrestricted funds	£'000
Balance at 31 March 2021	934
Transfer of reserves	-
Surplus for the year	2,076
Balance at 31 March 2022	3,010
Transfer of reserves	-
Surplus for the year	570
Balance at 31 March 2023	3,580

18 . Financial assets and liabilities

	2023	2022
	£'000	£'000
Categories of financial assets and financial liabilities		
Financial assets that are measured at amortised cost	4,292	5,007
Other liabilities measured at amortised cost	(104)	(177)
Financial assets		
Cash at bank	4,221	4,954
Financial assets on which no interest is earned	71	53
	4,292	5,007

19. Related party transactions

C Murray Howard a trustee of the charity, is a representative of Torus62 Limited. Torus Foundation a Service Level Agreement with Torus62 Limited for the provision of support services such as IT, Human Resources, Finance and Asset Management. The value of services procured during the period was £885,031 (2022- £369,206.)

Phil Garrigan, a trustee of the charity until 5 March 2023, is a representative of Merseyside Fire and Rescue. Torus Foundation also paid £59,385 (2022- £nil) to Merseyside Fire and Rescue for the lease and associated utility costs for the Toxteth Fire Fit Hub.

C Martin, a trustee of the charity until 26 April 2022, is a representative of Liverpool City Council. Liverpool City Council provided funding for a project delivered by Torus Foundation with a value of £37,678 (2022- £2,800).

Tony Okotie , a trustee of the charity from 6 June 2022, is an employee of BBC Children in Need. Torus Foundation hold a grant with Children In Need of £42,234 (2022 -£nil.).

NOTES TO THE FINANCIAL STATEMENTS

20. Ultimate controlling party

An Intra Group Agreement is in place between Torus62 and its subsidiaries, whereby subsidiaries agree that their immediate and ultimate shareholder/member is Torus62 Limited (Community Benefit Society 7973). As Torus62 controls the appointment of the Board it is considered to be the beneficial owner. In the opinion of the Trustees Torus62 is the ultimate parent company and controlling party.

Torus62 Limited



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Welcome

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We have pleasure in presenting our Audit Completion Report to the Audit and Risk Committee. This report is an integral part of our communication strategy with you, a strategy which is designed to ensure effective two way communication throughout the audit process with those charged with governance.

It summarises the results of completing the planned audit approach for the Year ended 31 March 2023, specific audit findings and areas requiring further discussion and/or the attention of the Audit and Risk Committee. At the completion stage of the audit it is essential that we engage with the Audit and Risk Committee on the results of audit work on key risk areas, including significant estimates and judgements made by Management, critical accounting policies, any significant deficiencies in internal controls, and the presentation and disclosure in the financial statements.

This report contains matters which should properly be considered by the Board as a whole. We expect that the Audit and Risk Committee will refer such matters to the Board, together with any recommendations, as it considers appropriate.

We would also like to take this opportunity to thank the Management and staff of the Group for the co-operation and assistance provided during the audit.



Hamid Ghafoor

Partner

15 September 2023



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Overview

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This summary provides an overview of the audit matters that we believe are important to the audit of the financial statements for the Group for the Year ended 31 March 2023.

It is also intended to promote effective communication and discussion and to ensure that the results of the audit appropriately incorporate input from those charged with governance.

Members' responsibilities

The members are responsible for preparing and filing an Annual Report and financial statements which show a true and fair view, comply with the Co-operative and Community Benefit Societies Act 2014, prepared in accordance with FRS 102, the SORP for Registered Social Housing Providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Our audit of the financial statements does not relieve Management nor those charged with governance of their responsibilities for the preparation of the financial statements.

Further information regarding these responsibilities is provided in the engagement letter which was sent on the 19th of February 2020.

Overview

Our audit work is complete we issued an audit opinion on the Group's financial statements for the year ended in line with the agreed timetable.

There were no significant changes to the planned audit approach and no additional significant audit risks have been identified.

No restrictions were placed on our work.

Audit report

We issued an unmodified audit opinion on the financial statements.

Independence

We confirm that the firm and its partners and staff involved in the audit remain independent of the Association and Group in accordance with the FRC's Ethical Standard.



The numbers

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Final Materiality

Group Materiality was determined based on adjusted operating profit (as defined in your strictest loan covenant).

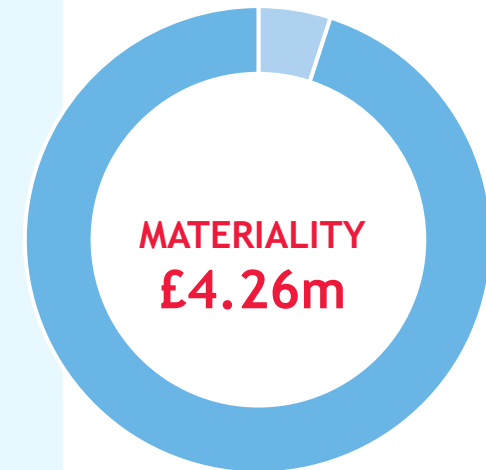
There were no changes to the basis of calculation of final materiality or clearly trivial levels from that reported in our planning report. Figures were updated for actuals.

Unadjusted audit differences

We have identified one audit unadjusted error.

Audit scope

Our approach was designed to ensure we obtained the required level of assurance across the components of the group in accordance with ISA (UK) 600 (Audits of Group Financial Statements). This objective has been achieved.



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Key matters

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Financial reporting

- ▶ We have not identified any non-compliance with group accounting policies or applicable accounting framework.
- ▶ No significant accounting policy changes have been identified impacting the current year.

Other matters that require discussion or confirmation

- ▶ Confirmation on fraud, contingent liabilities and subsequent events.
- ▶ Letter of Representation.



Summary

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We obtain our audit evidence through a combination of substantive and controls testing.

We planned our audit using different testing methodology depending on the area being audited. Our testing can either be substantive where we directly verify items in the profit and loss account and balance sheet or assurance is obtained based on controls testing.

We set out here how we have obtained our audit assurance for the year ended 31 March 2023 for categories of the balance sheet. We also include a comparative to the approach undertaken in the prior year.

Balance sheet category	2023	2022
Housing Properties	Substantive	Substantive
Other Fixed Assets	Substantive	Substantive
Investment Properties	Substantive	Substantive
Investments	Substantive	Substantive
Properties for sale	Substantive	Substantive
Properties for Sale - NRV	Substantive	Substantive
Trade / Other Debtors	Substantive	Substantive
Cash and Cash Equivalents	Substantive	Substantive
Trade & Other Creditors	Substantive	Substantive
Borrowings	Substantive	Substantive
Deferred Capital Grant	Substantive	Substantive
Pensions / Provisions	Substantive & controls	Substantive & controls
Share Capital & Reserves	Substantive	Substantive
Turnover	Substantive	Substantive
Operating costs	Substantive	Substantive
Staff costs	Substantive	Substantive
Interest payable	Substantive	Substantive
Capital commitments	Substantive	Substantive

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As identified in our audit planning report we assessed the following matters as being the most significant risks of material misstatement in the financial statements. These include those risks which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit and the directing of the efforts of the engagement team.

Significant Audit Risk	Significant Management Judgement	Use of Experts Required	Unadjusted error reported	Adjusted error reported	Significant control findings reported	Specific Letter of Representation Point	Work complete at time of drafting
Management override of controls or bias in accounting estimates and judgements leads to material misstatement	Yes	No	No	No	No	No	Yes
Fraud in revenue recognition (contracts, projects and grant income)	Yes	No	No	No	No	No	Yes
Development programme - due to many developments undertaken by the group, this poses a significant risk of material misstatements due to the estimates involved	Yes	No	No	No	No	No	Yes

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Entity	Nature of Operations	Significant component? Reason for classification	Audit Risks	Component Materiality and basis of assessment	Component clearly trivial threshold	Audit strategy
Torus 62 Co-operative & Community Benefit Societies Act 2014	Social Housing (parent)	Yes Size	Group & Entity - Risk no. 1, 2, 3, 4	8% of adjusted operating surplus**	3%	Statutory audit performed by BDO UK
Torus62 Developments Limited Companies Act 2006	Development company for certain internal new build schemes	Yes Size	Risk no. 1, 2, 3	2% of Turnover	3%	Statutory audit performed by BDO UK
Housing Maintenance Solutions Limited Companies Act 2006	Property repairs and build services - principally interna	Yes Size	Risk no. 1, 3,4	2% of Turnover	3%	Statutory audit performed by BDO UK
Torus Foundation Charities Act 2011 & Companies Act 2006	Charity - support services and other charitable projects	Yes Size	Risk no. 1, 2	2% of Turnover	3%	Statutory audit performed by BDO UK
Torus Living Limited Companies Act 2006	Dormant	No - dormant				
Torus Commercial Services Limited Companies Act 2006	Dormant	No - dormant				

Management override of controls or bias in accounting estimates and judgements leads to material misstatement

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Risk description

Management has the ability to manipulate accounting records and override controls that otherwise appear to be operating effectively. We are required to consider this as a significant risk of material misstatement due to fraud.

Our understanding is that the most susceptible areas of the accounting records, where management override could take place, are the posting of journals and the judgements involved in accounting estimates within the financial statements.

Audit procedures

Our audit procedures included the following:

- A review and verification of large and unusual journal entries made in the year, agreeing the journals to supporting documentation. We determined key risk characteristics to filter the population of journals.
- Evaluation of risks arising from automated journals
- Tests of operating effectiveness of IT general controls over the finance application
- A critical review of the consolidation and, in particular, manual or late journals posted at consolidated level
- A review of estimates and judgements applied by Management in the financial statements to assess their appropriateness and the existence of any systematic bias

- A review of unadjusted audit differences for indications of bias or deliberate misstatement.

Results

We obtained a complete list of journals and, using information gathered during the audit and our understanding of the entity we target tested those journals and adjustments that we considered may be inappropriate or unusual. We did this using our data analytics tool, Advantage.

We also reviewed material journals and transactions outside what is considered the normal course of business.

We reviewed significant accounting estimates and judgements to ensure they were appropriate as well as significant areas.

● Significant risk
Normal risk
● Fraud risk
● Related controls identified to mitigate risk
● Significant Management estimates & judgements
● Controls testing approach
● Data analytics testing approach
● Substantive testing approach



Fraud in revenue recognition leads to material misstatement - Income from contracts, projects and grants

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Risk description

The amounts reported in relation to revenue represent information of significant interest to many users of the financial statements. This puts revenue at a greater risk of manipulation, bias and misstatement.

Rental income & Service Charges

International Standard on Auditing 240 “The auditor’s responsibility to consider fraud in an audit of financial statements” states there is an assumption that revenue recognition is a fraud risk.

We were therefore required to target it as part of our audit response unless we were able to rebut that risk. We rebutted the risk for rental income; whilst there is an element of manual intervention and variation in the increases/decreases applied to rents we considered that the risk of material misstatement through fraud and error remained low.

Income from contracts and projects

Income from contracts should be recognised in line with the terms of the contract and is therefore subject to management judgement; we therefore considered this a significant risk.

Certain group entities receive income that is specific to certain stand alone projects and should be recognised in line with the specified criteria (e.g. based on certain SLA’s in PFI contracts).

Property sales

For proceeds on sale of properties, including first tranche shared ownership properties, the primary risk related to ensuring sales are recorded in the correct period.

Other income

Subsidiary entities have a number of smaller income streams that are grouped together for disclosure purposes. There was a risk that these are not fully understood.

Discussion & Conclusion

TORUS62 - Material streams consist of:

-Rental & Service Charge Income, confirmed rental increased and calculated total rental income. Income was £190.8m(£180.7m FY22)

- First Tranche Shared Ownership, agreed a sample to completion document, confirming amount disposed. Income FY23 £20.1m(£6.9m FY22)

-Other income and Other Property sales, agreed a sample to supporting document. Income FY23 £1.3m(£0.4m FY22)

Foundation - Material streams consist of:

- Community initiatives, Donations & other charitable activities, whereby we’ve agreed a sample to 3rd party supporting documentation and bank receipt. Income FY23 £4.9m(£6.6m FY22)

Developments - Material streams consist of:

- Development works for TORUS62, performed a recalculation based on cost & markup to within immaterial differences. Income FY23 £77.3m(£73m FY22)

HMS - Material streams consist of:

- Housing maintenance, whereby we’ve agreed a sample to supporting documentation and bank receipt. Income FY23 £99.7m(£81.1m FY22)

Based on our review of the streams noted above, the testing performed indicates that revenue is materially correct.

We have no further issues to report.

● Significant risk
Normal risk
● Fraud risk
● Related controls identified to mitigate risk
● Significant Management estimates & judgements
Controls testing approach
● Substantive testing approach



Development Programme

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Risk detail

Within the group, there is a very large development programme being undertaken. We are required to consider this as a significant risk of material misstatement due to fraud. There is significant estimate in regards to costs being appropriately allocated between revenue and capital, and any income recognition, or cost overruns are appropriately recognised.

As there is significant estimate in regard to the stage of completion as at the year end we have assessed this as a significant risk of material misstatement.

We have also investigated any long term revenue contracts in relation to development schemes (e.g. Golden Brick - Torus Developments) in order to test the revenue recognition policy utilised by the entity is appropriate

Discussion & Conclusion

We agreed the year end valuations to QS certificates/statements, we agreed the initial budgeted figure to development appraisals, and we agreed the latest estimates to updated contracts/board reports, we agreed the total EUV-SH valuation to Savills reports to give comfort that replacement cost would be higher than current value.

All developments were reviewed for impairment, with a focus predominantly on costs to complete for each scheme, and whether this makes them unviable as a result of external market changes.

We have confirmed for all Golden Brick schemes (Torus developments), that the appropriate stage of estimate regarding completion is provided by use of qualified surveyor valuation statements, and this has been tested by BDO by agreeing to contracts & completion data. No issues were noted.

We have noted and agreed the following per note 14. This has formed part of audit testing.

	£'000
Enhancements to existing properties	31,136
Additions	123,702
	154,838

No issues were identified in relation to cost to complete on projects tested or within long term contract testing.

● Significant risk
Normal risk
Fraud risk
● Related controls identified to mitigate risk
● Significant Management estimates & judgements
Controls testing approach
Data analytics testing approach
● Substantive testing approach



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Risk		
Inappropriate pension scheme assumptions leads to material misstatement	<p>Torus participated in the following defined benefit pension schemes:</p> <ul style="list-style-type: none"> - MPF -LGPS - net liability position is £2236k - CPF (Cheshire Pension Fund) - net liability position is £1153k <p>On review and challenge of the LGPS asset, Torus has not received any reduction in payments. The asset ceiling has been capped at £nil in the financial statements.</p> <p>The valuation of both the CPF an LGPS scheme's requires the use of several actuarial assumptions. There was a risk identified that actuarial assumptions cannot be supported, leading to inappropriate valuations, accounting and disclosure.</p> <p>We will perform the following procedures:</p> <ul style="list-style-type: none"> ➤ Obtain the Internal controls reports to cover the period from 1 April 2022 to 31 March 2023 for the Custodian. ➤ Agree the valuation summary for March 2023 to the audited accounts of the scheme for the year ended 31 March 2023 ➤ Agree the valuation summary to the valuation provided by the Actuary as at 31 March 2023 ➤ Review the change in asset value and composition from 31 March 2022 to 31 March 2023 and determine whether any significant changes have an impact on the asset values rolled forward by the Actuary at 31 March 2023. ➤ That there is a confirmation in the Actuary report for the year ended 31 March 2023 that the work has been performed in accordance with TAS100 ➤ Confirm that there have been no special events in the year that would impact the asset value 	<p>We have perform the following additional procedures:</p> <ul style="list-style-type: none"> ➤ Bridging letters where control reports don't align to YE 31 March 2023. ➤ Reconciliation of opening and closing assets and liabilities ➤ Harder to value assets (level 3) sampled and agreed to controls reports <p>We have involved our own pension experts to perform a review of the actuarial reports. This included assessing the methodology used for the valuation and the underlying assumptions to determine whether these were reasonable.</p> <p>We have reviewed the credentials of management experts used to ensure their suitability.</p> <p>We will read the pension scheme disclosures to confirm that they are compliant with FRS 102.</p> <p>No concerns have been noted and our is completed satisfactorily in this area.</p>

IT Audit Approach

BDO Advantage Guided Data Analytics

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Overview

BDO Advantage is our in house developed Data analytics software.

Our Advantage Data Analytics specialists transform your transactional, bank and payroll data into our BDO Advantage solutions to enable performance of data analytics tests (DATs) and Risk Assessment Data Analytics (RADAs) which have been scoped based on the risk areas identified in our planning report

The BDO Advantage Data Analytics Solutions we have used are:

Analysers	Used For	Narrative
Advantage Financial Analyser (AFA)	Audit of Journals	<p>The AFA enables identification of fraud and other areas where risks of material misstatement is present as well as deeper analysis & sample extraction of data when performing audits of journals. We used it to:</p> <ul style="list-style-type: none">• review journals data and facilitate targeted testing of journal entries• assess the pattern and variability of monthly rental income postings
Advantage Payroll Analyser (APA)	Audit of payroll	<p>The APA is a powerful tool that allows BDO to analyse clients’ payroll to pull balance and transaction data for further analysis. We used it to:</p> <ul style="list-style-type: none">• review payroll throughout the period and vouch journals and totals to be consistent and reasonable.

Discussion and conclusion

No issues to report.

Incomplete assessment of housing property Impairment indicators

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Risk detail

There is a risk due to the volatility of the current market conditions that management have not included all indicators of impairment in their assessment.

For Torus Housing Limited this assessment should be at property/house level.

The viability of the properties is impacted by:

- management/maintenance costs,
- rent caps,
- lower occupancy levels and
- changing resident requirements.
- Issues with contractors/construction

The impairment calculation for fixed asset housing properties should apply the specific SORP requirements (section 14).

Discussion & Conclusion

We have obtained from management their consideration of impairment for the year. We have checked that management have included all asset groups (including all tenure types) in their consideration of impairment. We have ensured that management have clearly documented the asset groups, the consideration of indicators and

the conclusion for each asset group as to whether a detailed review is required.

We have checked that the following as a minimum is include:

1. All schemes under construction on target to complete on time and in line with the original budget,
2. Any operating losses in any class or geographical area
3. Any changes in the use of assets
- 4.Physical damage to the properties
- 5.Decrease in market values of the properties
6. Significant increase in the level of voids

We have noted £6.5m of impairments. We have also noted that the net book value exceeds the Savills Valuation report. (Summary below)

We have reviewed the impairment paper provided and are in principle satisfied that this appropriately covers impairment. No concerns has been noted from the work performed.

	Total Impairment
Burscough	816,103.00
The Vaults/Baltic/St James	4,825,748.00
Land at Mr Smith's	920,000.00
	6,561,851.00
	22-23
Valuation	Value
Total as per Savills report	1,741,590,333
Net book value per note 14	1,165,231,721

● Significant risk
Normal risk
Fraud risk
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Directors' responsibilities

It is the Directors' responsibility to make an assessment of the Association's and the Group's ability to continue as a Going Concern to support the basis of preparation for the financial statements. This is a requirement of both Companies Act 2006 and the accounting standards.

This assessment should be supported by detailed cash flow forecasts with clear details of the key underlying assumptions, consideration of available finance and covenant compliance throughout the forecast period, and a consideration of the forecast's sensitivity to reasonably possible variations in those assumptions along with any other relevant factors.

The going concern assessment should cover a minimum of 12 months from the date of the directors' approval of the financial statements. However, consideration should also be given to any major events or circumstances that may fall outside this period.

Going concern assessments should be prepared for the Group and each individual entity and should be separate from, albeit clearly linked to, general budget setting and forecasting.

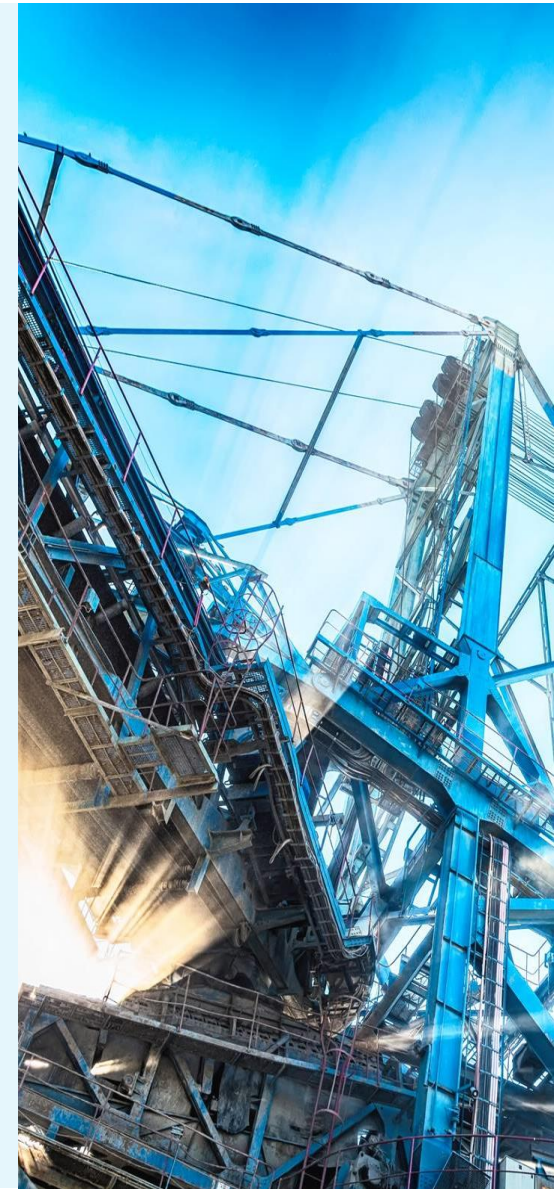
Audit responsibilities

Our responsibilities in respect of going concern are:

- a. To obtain sufficient appropriate audit evidence regarding, and conclude on, i) whether a material uncertainty related to going concern exists; and ii) the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements; and
- b. b. To report in accordance with ISA (UK) 570

We will obtain an understanding of the business model, objectives, strategies and related business risk, the measurement and review of the entity's financial performance including forecasting and budgeting processes and the entity's risk assessment process. We will evaluate:

- a. The Directors' method including the relevance and reliability of underlying data used to make the assessment, whether assumptions and changes to assumptions from prior years are appropriate and consistent with each other.
- b. b. The Directors' plans for future actions in relation to the going concern assessment including whether such plans are feasible in the circumstances.
- c. c. The adequacy and appropriateness of disclosures in the financial statements regarding the going concern assessment and any material uncertainties that may exist.



Matters requiring additional consideration

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Fraud

Whilst the directors have ultimate responsibility for prevention and detection of fraud, we are required to obtain reasonable assurance that the financial statements are free from material misstatement, including those arising as a result of fraud. Our audit procedures did not identify any fraud. We will seek confirmation from you whether you are aware of any known, suspected or alleged frauds since we last enquired when presenting the audit plan and no such issues were notified to us.

Laws and regulations

The most significant consideration(s) for your business are the Co-operative and Community Benefit Societies Act 2014, Companies Act 2006, Corporate and VAT legislation, Employment Taxes, Health and Safety and the Bribery Act 2010. We made enquiries of management and reviewed correspondence with the relevant authorities.

We did not identify any non-compliance with laws and regulations that could have a material impact on the financial statements

Internal audit

We reviewed the audit work of the Group's internal audit function to assist our risk scoping at the planning stage

Group matters

Following review of the component auditors' reporting we were satisfied with the quality of their work and can confirm:

- ▶ There were no limitations on the audit where information was restricted
- ▶ We did not identify any fraud at a component level.

Related parties

Whilst you are responsible for the completeness of the disclosure of related party transactions in the financial statements, we are also required to consider related party transactions in the context of fraud as they may present greater risk for management override or concealment or fraud.

Unadjusted audit differences

We are required to bring to your attention unadjusted differences, and we request that you correct them.

We have one adjustments through our audit testing.

Unadjusted audit differences: Detail

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We are required to bring to your attention unadjusted differences and we request that you correct them.

We have noted one adjustments through our audit testing that are required to bring to your attention.

Description of Proposed Audit Adjustment	Describe how the misstatement arose	Error Type	Tax Effect Yes/No	Assets Dr/(Cr)	Liabilities Dr/(Cr)	Equity Dr/(Cr)	Profit & Loss Dr/(Cr)
		Factual					
NRV of completed properties	This misstatement arose as result of sales post year end being below the respective cost of the shared ownership property		No	(579,010)			579,010

Control environment:

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Area	Observation & implication	Recommendation	BDO Update / Management response
IT Audit - CY	Application administrator / super user access - Privileged-level access (e.g., configuration, data and/or security administrators) to the IT application is authorized and appropriately restricted	Good practise is to ensure that administrative rights are not granted to business users as this increases the risk of right being exploited to performed unauthorised transactions. Also, assign the system/user administrator role to an independent individual with no business/transaction processing role. User access should enforce segregation so that no individual can input and approve a transaction on their own throughout a business process.	The sys admin access enables Business SME's to view all events in the scheduler and not just those raised by themselves (key for critical business processes). For users/business to have true 'sys admin' privilege they would need to have all menu items including parameters which they do not have access to.
IT Audit - CY	Access for terminated or transferred users is removed or modified in a timely manner	Access for terminated or transferred users is removed in a timely manner	N/A
IT Audit - CY	User access review is performed for all users along with the access rights on a half yearly basis by the department heads	We recommend that all user accounts and access rights are independently reviewed by the management at least half yearly and evidenced for audit purposes for the completeness and accuracy of the review.	There is a workgroup project in QL to assess and implement updated access for all users and as part of this, the access will be reviewed and updated to ensure staff have access only to menu items required for their role, taking account SOD, were the system allows. E.g currently we have POP workgroups for Requisition and Approval of Requisitions that have SOD rules built within. If we can identify rules e.g not more than one 1 Housing and 1 Finance Workgroup we can monitor via Task centre on a continual basis. This is also part of the scope of the project.

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Opinion on financial statements

We issued an unmodified opinion on the financial statements.

There are no matters disclosed in the financial statements that we wish to draw attention to by way of 'emphasis of matter'.

Going concern

Our report will:

- ▶ state our conclusion that management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate and that we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements;
- ▶ state that we have not identified a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue;

Irregularities, including fraud

Our report will contain an explanation to what extent the audit was considered capable of detecting irregularities, including fraud. Irregularities in this context means non-compliance with laws or regulations.

Comments on the strategic report and the directors 'report and statutory other information

Our report will:

- ▶ consider the comprehensiveness and balance of the strategic report, the KPIs used, omissions or misleading information which obscures a proper understanding
- ▶ consider compliance with legal requirements and consistency with the financial statements and our knowledge gained in the course of the audit
- ▶ We have identified no material misstatements in the statutory other information accompanying the financial statements.

Other information

Our report will contain an explanation:

We have reviewed the other information accompanying the financial statements in the Group's annual report. We have not identified any material misstatements that would need to be referred to in our report.

Independence & Fees

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Under ISAs (UK) and the FRC’s Ethical Standard, we are required as auditors to confirm our independence and discuss with you any independence issues including threats to our independence and the safeguards applied to mitigate them.

We have embedded the requirements of the Standards in our methodologies, tools and internal training programmes. Our internal procedures require that audit engagement partners are made aware of any matters which may reasonably be thought to bear on the integrity, objectivity or independence of the firm, the members of the engagement team or others who are in a position to influence the outcome of the engagement. This document considers such matters in the context of our audit for the year ended 31 March 2023.

Details of services, other than audit, provided by US to the Group during the period and up to the date of this report were provided in our planning report. We understand that the provision of these services was approved by the Audit Committee in advance in accordance with the Group’s policy on this matter.

Details of rotation arrangements for key members of the audit team and others involved in the engagement were provided in our planning report.

Details of other threats and safeguards applied are given in the appendices.

We have not identified any other relationships or threats that may reasonably be thought to bear on our objectivity and independence.

We confirm that the firm, the engagement team and other partners, directors, senior managers and managers and other BDO network firms conducting the audit comply with relevant ethical requirements including the FRC’s Ethical Standard or the IESBA Code of Ethics as appropriate and are independent of the Group.

We also confirm that we have obtained confirmation of independence from non BDO auditors and external audit experts involved in the audit comply with relevant ethical requirements including the FRC’s Ethical Standard and are independent of the Association and the Group.

Should you have any comments or queries regarding any independence

matters we would welcome their discussion in more detail.

Non Audit Services

- Rob Craven - Homes England SP Audit
- Fee of £12,000
- Hamid Ghafoor - Right to buy, vat shelter & loan covenant reporting
- Fee of £6,000

Fees summary £

Audit fee for period ending 31 March 2023	127,500
Total non-audit services	18,000
Total fees	145,500

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	Issue	Comments
1	Significant difficulties encountered during the audit.	No exceptions to note
2	Written representations which we seek.	We enclose a copy of our draft representation letter.
3	Any fraud or suspected fraud issues.	Other than those already communicated by you when presenting the audit plan April 2023, no exceptions to note.
4	Any suspected non-compliance with laws or regulations.	No exceptions to note
5	Significant matters in connection with related parties.	No exceptions to note
	Group matters	
6	Limitations on the audit where information was restricted.	No exceptions to note
7	Any issues with the quality of component auditors work.	N/A
8	Any fraud or suspected fraud at group or component level.	See point 3 above

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We have completed our audit work in respect of the financial statements for the year ended 31 March 2023



Entities within the scope of our audit

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The entities audited by the same team as the Group are set out in the table below together with their significant audit risks. Matters that we wish to draw to your attention are discussed within Group risks or other matters within our report; there are no further points to note.

RISK IDENTIFIED	GROUP	T62	HMS/DEVCO	FOUNDATION
Management override of controls or bias in accounting estimates and judgements leads to material misstatement	✓	✓	✓	✓
Fraud in revenue recognition leads to material misstatement	✓	✓	✓	✓

For more information:

Hamid Ghafoor

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m: 07989 240 702

The matters raised in our report prepared in connection with the audit are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the company and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

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