

Torus Foundation

England & Wales · Charity number 1152903

Details

Other names COMMUTUAL, TOXTETH FIREFIT HUB

Status Registered

Legal form Charitable company

Company number [08444912](#)

Registered 2013-07-17

Register [View on the Charity Commission register](#)

Contact

Address Torus 62 Limited
The Observatory
1 Old Haymarket
Liverpool
L1 6RA

Phone 01512352402

Email info@torusfoundation.org.uk

Website www.torusfoundation.org.uk

Activities

Objects: THE OBJECTS OF THE CHARITY WHICH ARE FOR THE PUBLIC BENEFIT AND ARE SPECIFICALLY RESTRICTED TO THE FOLLOWING:(1) TO FURTHER OR BENEFIT THE RESIDENTS OF MERSEYSIDE AND ITS SURROUNDING AREAS, WITHOUT DISTINCTION OF SEX, SEXUAL ORIENTATION, GENDER REASSIGNMENT PREGNANCY OR MATERNITY, RACE, DISABILITY, MARRIAGE OR CIVIL PARTNERSHIP STATUS OR OF POLITICAL, RELIGIOUS OR OTHER BELIEFS BY ASSOCIATING TOGETHER THE SAID RESIDENTS AND THE LOCAL AUTHORITIES, VOLUNTARY AND OTHER ORGANISATIONS IN A COMMON EFFORT TO ADVANCE EDUCATION AND TO PROVIDE FACILITIES IN THE INTERESTS OF SOCIAL WELFARE FOR RECREATION LEISURE TIME OCCUPATION WITH THE OBJECTIVE OF IMPROVING THE CONDITIONS OF LIFE FOR THE RESIDENTS; (2) THE PROMOTION OF PUBLIC HEALTH, INCLUDING (BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING) THROUGH THE PROVISION OF FACILITIES FOR HEALTHY EXERCISE AND SPORT FOR THE BENEFIT OF THE PUBLIC; (3) TO ACT AS A RESOURCE FOR THE RESIDENTS OF MERSEYSIDE AND ITS SURROUNDING AREAS BY PROVIDING OR FACILITATING THE PROVISION OF ADVICE AND ASSISTANCE AND ORGANISING PROGRAMMES OF PHYSICAL, EDUCATIONAL AND OTHER ACTIVITIES AS A MEANS OF: (A) ADVANCING IN LIFE AND HELPING YOUNG PEOPLE BY DEVELOPING THEIR SKILLS, CAPACITIES AND CAPABILITIES TO ENABLE THEM TO PARTICIPATE IN SOCIETY AS INDEPENDENT, MATURE AND RESPONSIBLE INDIVIDUALS; (B) ADVANCING EDUCATION; (C) RELIEVING UNEMPLOYMENT.(4) TO RELIEVE ELDERLY PEOPLE RESIDENT IN MERSEYSIDE AND ITS SURROUNDING AREAS WHO ARE IN NEED, BY PROVIDING SERVICES OR FACILITIES CALCULATED TO RELIEVE THE NEEDS OF SUCH PERSONS;(5) TO BUILD THE CAPACITY OF CHARITIES AND OTHER ORGANISATIONS CARRYING OUT CHARITABLE ACTIVITIES AND PROVIDE THEM WITH THE NECESSARY SUPPORT, INFORMATION AND SERVICES TO ENABLE THEM TO PURSUE OR CONTRIBUTE TO ANY CHARITABLE PURPOSE;(6) SUCH OTHER CHARITABLE PURPOSES ACCORDING TO THE LAW OF ENGLAND AND WALES THAT THE TRUSTEES IN THEIR ABSOLUTE DISCRETION SHALL DETERMINE FROM TIME TO TIME.

Activities: Torus Foundation's principal activity is to support communities within the Liverpool region addressing deprivation and promoting inclusion. Torus Foundation has four key impact areas:- Money Matters- Go Digital- Health and Wellbeing; and - EmploymentToxteth FireFit Hub is part of Torus Foundation and provides excellent youth facilities for young people and communities across Liverpool

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Recreation
- **Who:** Children/young People, The General Public/mankind

Geography

- **Area of benefit:** MERSEYSIDE AND ITS SURROUNDING AREAS
- Knowsley
- Liverpool City
- Sefton
- St Helens
- Wirral

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£7,827,000	£7,276,000	£5,767,000	57
2024-03-31	£6,631,000	£5,151,000	£5,253,000	60
2023-03-31	£7,538,000	£7,565,000	£3,785,000	107
2022-03-31	£8,634,000	£6,579,000	£3,322,000	105
2021-03-31	£3,417,000	£4,221,000	£944,000	80

Trustees

Name	Role	Appointed
Alasdair Jackson		2025-09-26
Andrew Gray		2025-09-25
Anthony Okotie		2022-06-06
Catherine Murray-Howard		2019-10-07
Clare Gosling		2022-06-06
Stephanie Donaldson		2022-06-06
Uzair Patel		2022-06-06
Zamila Skingsley		2025-09-25

Torus Foundation

England & Wales - Charity number 1152903

Accounts

Financial Statements

31 March 2025

24
—
25

Torus Foundation
Charity Number: 1152903
Company Registration Number: 08444912



CONTENTS

INFORMATION	1
TRUSTEES REPORT	2
TRUSTEES' RESPONSIBILITIES STATEMENT	7
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION	8
STATEMENT OF FINANCIAL ACTIVITIES	13
STATEMENT OF FINANCIAL POSITION	14
NOTES TO THE FINANCIAL STATEMENTS	15

INFORMATION

Charity registration number 1152903

Company registration number 08444912

Trustee	Category	Changes in the year
Sarah Jane Saunders	Chair, Director and Trustee	
Catherine Anne Murray-Howard	Director and Trustee	
Clare Gosling	Director and Trustee	
Holly Chan	Director and Trustee	(to 29 May 2024)
Uzair Patel	Director and Trustee	
Simon Bean	Director and Trustee	(to 24 April 2025)
Stephanie Donaldson	Director and Trustee	
Tony Okotie	Director and Trustee	
Catherine Fearon	Company Secretary	

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 2025 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 2022, 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 2024/25 Torus Foundation hosted a total of four volunteers. One person volunteered at FireFit Hub and supported with the delivery of activities for children and young people. In addition, three volunteers helped to train participants on the "IT Include Mersey" programme.

Torus Foundation works in partnership with a range of organisations and individuals who contribute to programmes at no financial cost to the organisation. 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. In order to capture their value Torus Foundation uses actual costs and proxies to calculate in kind funding. Example proxy values include room/venue hire £50/hour, volunteer hours £11.44/hour and tutor costs £25/hour. A combined value of £513,470 in-kind funding was generated for the benefit of Torus Foundation customers in 2024/25.

OBJECTIVES & 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 center 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 2024/25, the Charity received income of £7.8m (2023/24: £6.6m). This includes £3.2m received as Gift Aid from the Group (2023/24 £3.9m), £0.1m donation from the parent (2023/24: £0.3m), Social Value Levy from the Group £0.5m (2023/24 £0.5m) and £4.0m income from the other sources, including restricted funding for Energy Vouchers and Healthy Neighbours schemes (2023/24: £2.0m).

From 2023/24, suppliers awarded contracts for repairs and maintenance services to Group's housing properties are required to pay a tendered rate on contracted turnover, known as a Social Value levy (SVL). For HMS, the SVL has partially replaced Gift Aid as a mechanism of donating to the charity. In 2024/25, SVL was received from HMS and one other external supplier.

TRUSTEES' REPORT (continued)

EMPLOYMENT

Torus Foundation helped 290 people to find work:

- 43 work placements and volunteer placements were undertaken.
- 6 people were supported into an apprenticeship.
- 382 Individuals were supported to access employment related training courses.
- 95% of customers reported an increase in skills and confidence as a result of engaging with the Torus Foundation Employment and Skills Team.

FINANCIAL INCLUSION

- 35,516 interventions were provided through the financial inclusion service.
- A total of £3,566,099 in financial gains was obtained for Torus customers.

HEALTH & WELLBEING

- 1,507 adults attended health and wellbeing sessions.
- 480 adults were supported through the Social Prescribing service.
- 511 Households were supported through the Healthy Neighbours Programme.

YOUTH

- In line with the Firefit Hub Youth Impact Framework, 751 outcomes were achieved by FireFit Hub members.
- 5,594 free portions of food were served to FireFit Hub Youth members.

DIGITAL INCLUSION

- 18 people received a digital kit.
- 1 physical Digital Hub was provided during the year.
- 42 individuals engaged with the 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 £130k in restricted reserves (2024: £258k) and £5.6m in unrestricted reserves (2024: £5.0m).

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 new Board was formed. The current Board is made up of 6 Trustees which includes the Chair who is a Torus (Group) Board member, an Executive Board member who is Torus's Chief Operating Officer and 4 Trustees.

TRUSTEES' REPORT (continued)

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 Warrington.

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

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.

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 Foundation has consistently delivered services in line with budgets and maintained reserves at levels required to comply with Charity Commission requirements. 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 and Social Value Levy to the levels expected in the Torus Group amalgamation Business Plan. This is forecast to impact the Torus Foundation Gift Aid receipt in 2025/26. The Charity has mitigated this risk through sourcing funding through other sources and the Charity remains in a robust position to continue operations into the future with cash and cash equivalents £2.5m as at 31st March 2025.

TRUSTEES' REPORT (continued)

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.

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 continued challenging economic operating environment and the potential impact on Group Gift Aid generation is an ongoing 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 continuous review of projects and expenditure being undertaken along with a review of the reserves policy. Budgets and business plans are in place and have been stress-tested against risks. Cash and finances are monitored on a monthly basis to support management decision making.

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

TRUSTEES' REPORT (continued)

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 19th August 2025 and signed on its behalf by:



Sarah Jane Saunders

Trustee

Date: 19th August 2025

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: 19th August 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION (continued)**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 2025 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 2025 which comprise the statement of financial activities, the 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 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION (continued)

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 by the Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charitable Company 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION (continued)

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 the applicable accounting framework, FRS 102, UK GAAP, the Companies Act 2006, Charity SORP and UK tax legislation.

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 and & 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;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Review of serious incidents register and reports.

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;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION (continued)

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and revenue recognition in relation to grant income and material error through journals to revenue.

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;
- Setting expectation of common revenue journal posting and investigate any journal outside of our expectations, tracing journal entry to appropriate supporting documents.
- Assessing completeness of grant income with reference to supporting documentation;
- Assessing significant estimates made by management for bias; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations;

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.

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:



829727ECC12041D...

Hamid Ghafoor (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Manchester, UK
Date: 22 August 2025

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION (continued)

STATEMENT OF FINANCIAL ACTIVITIES

(including income and expenditure account)

For the year ended 31 March 2025

	Note	2025			2024		
		Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Income:							
Donations and legacies	3	3,762	-	3,762	4,663	-	4,663
Income from charitable activities	4	105	3,627	3,732	156	1,540	1,696
Commercial trading activities	5	259	-	259	233	-	233
Investment income	6	74	-	74	38	-	38
Total Income		4,200	3,627	7,827	5,090	1,540	6,630
Expenditure on:							
Charitable activities	7,8	(3,521)	(3,755)	(7,276)	(3,664)	(1,487)	(5,151)
Total Expenditure		(3,521)	(3,755)	(7,276)	(3,664)	(1,487)	(5,151)
Net income/(deficit) and net movement in funds for the year		679	(128)	551	1,426	53	1,479
Actuarial (loss)/gain on pension scheme	16	(37)	-	(37)	(11)	-	(11)
Total funds at beginning of year		4,995	258	5,253	3,580	205	3,785
Total funds at end of year		5,637	130	5,767	4,995	258	5,253

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

	Note	2025 £'000	2024 £'000
Fixed assets			
Tangible assets	13	193	218
Current assets			
Debtors	14	3,491	761
Cash and cash equivalents		2,492	5,363
Total current assets		<u>5,983</u>	<u>6,124</u>
Creditors: amounts falling due within one year	15	(409)	(1,089)
Net current assets		<u>5,574</u>	<u>5,035</u>
Total assets less current liabilities		<u>5,767</u>	<u>5,253</u>
Pension provision	16	-	-
Total net assets		<u><u>5,767</u></u>	<u><u>5,253</u></u>
The funds of the charity:			
Restricted funds	17	130	258
Unrestricted funds	17	5,637	4,995
Total charity funds		<u><u>5,767</u></u>	<u><u>5,253</u></u>

The financial statements were approved by the Board on 19th August 2025 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
-------------------	--

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 2025. 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 and Social Value Levy to the levels expected in the Torus Group amalgamation Business Plan. This is forecast to impact the Torus Foundation Gift Aid and Social Value Levy receipt in 2025/26. However, the Charity remains in a robust position to continue operations into the future with cash and cash equivalents £2.5m as at 31st March 2025 (31st March 2024: £5.4m).

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 (continued)

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 (continued)

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	- 3 to 10 years 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 (continued)

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 financial assumptions, which are in line with those provided by Pensions Funds.

3. Incoming resources from donations and legacies

	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	2024-25	2024-25	2024-25	2023-24	2023-24	2023- 24
	£'000	£'000	£'000	£'000	£'000	£'000
Donations						
Torus	545	-	545	927	-	927
HMS	2,714	-	2,714	3,188	-	3,188
Torus Developments	500	-	500	541	-	541
Sovini	3	-	3	7	-	7
	3,762	-	3,762	4,663	-	4,663

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Income from Charitable Activities

	Unrestricted Funds	Restricted funds	Total Funds	Unrestricted Funds	Restricted funds	Total Funds
	2024-25	2024-25	2024-25	2023-24	2023-24	2023-24
	£'000	£'000	£'000	£'000	£'000	£'000
Memberships, activities and hire	105	-	105	156	122	278
New Leaf and social inclusion	-	-	-	-	100	100
Fusion 21	-	29	29	-	27	27
Warrington UKSPF	-	178	178	-	166	166
Greener Volunteering	-	-	-	-	92	92
Wargrave Working	-	5	5	-	4	4
Energy Vouchers 23-24	-	1,298	1,298	-	311	311
Energy Saving Trust	-	-	-	-	-	-
Supportive Duke of Edinburgh	-	98	98	-	79	79
IT Include (Mersey UK SPF)	-	-	-	-	2	2
Springboard	-	39	39	-	37	37
NHS Charities Together	-	-	-	-	178	178
Healthy Neighbours Project	-	-	-	-	152	152
Look Ahead Lifestyles	-	277	277	-	217	217
Refugee Project St Helens	-	-	-	-	20	20
Parent Champions Project	-	-	-	-	5	5
Mersey UKSPF	-	-	-	-	28	28
Hong Kong Pathways	-	97	97	-	-	-
Energy Vouchers 24-25	-	98	98	-	-	-
Supportive Energy Phase 3	-	1,343	1,343	-	-	-
Energy Vouchers 25-26	-	51	51	-	-	-
Glasspool Grants	-	53	53	-	-	-
	-	61	61	-	-	-
	105	3,627	3,732	156	1,540	1,696

5. Commercial Trading Activities

	Unrestricted Funds 2025		Unrestricted Funds 2024	
	£'000	£'000	£'000	£'000
Rent received	259	259	233	233
	259	259	233	233

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Investment Income

	Unrestricted Funds 2025		Unrestricted Funds 2024	
	£'000	£'000	£'000	£'000
Bank interest receivable	73	73	36	36
Defined benefit pension interest	1	1	2	2
	74	74	38	38

7. Costs of Charitable activities by fund type

	Unrestricted Funds	Restricted Funds	2025 Total Funds	Unrestricted Funds	Restricted Funds	2024 Total Funds
	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	1,717	727	2,444	1,857	653	2,510
Events and activities project	1,722	3,028	4,750	1,752	834	2,586
Establishment expenses	1	-	1	1	-	1
Depreciation	38	-	38	29	-	29
Support costs	43	-	43	25	-	25
	3,521	3,755	7,276	3,664	1,487	5,151

8. Costs of Charitable activities by activity type

	Activities Undertaken Directly	Support Costs	2025 Total Funds	2024 Total Funds
	£'000	£'000	£'000	£'000
Staff costs	2,444	-	2,444	2,510
Events and activities project	4,750	-	4,750	2,586
Establishment expenses	1	43	44	26
Depreciation	38	-	38	29
	7,233	43	7,276	5,151

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Governance costs

Auditor's remuneration for the Charity is included within the fees to Torus62 Limited and charged to the Charity via a service level agreement. The estimated recharge is detailed below:

	2025	2024
	£'000	£'000
Fees payable to the company's auditor for the audit of the financial statements	14	15

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

	2025	2024
	£'000	£'000
This is stated after charging:		
Depreciation	38	29

11. Staff Costs and Emoluments**Employee costs**

Total staff costs were as follows:	2025	2024
	£'000	£'000
Wages and salaries	2,008	2,014
Social security costs	186	185
Other pension costs	215	219
	2,409	2,418

Particulars of employees:

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

	2025	2024
	Average	Average
	Number	Number
Management staff	3	2
Regeneration staff	-	3
Youth team and support staff	54	55
	57	60

NOTES TO THE FINANCIAL STATEMENTS (continued)

The full-time equivalent number of staff who received remuneration (excluding Executive directors):	2025	2024
	£'000	£'000
£60,001 to £70,000	1	2
£70,001 to £80,000	-	-
£80,001 to £90,000	1	1
£90,001 to £100,000	-	1
£100,001 to £110,000	1	-

None of the Trustees received any remuneration during the period (2024: £Nil). Reimbursed expenses amounted to £Nil (2024: £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 2024	320
Additions	13
At 31st March 2025	<u>333</u>
Depreciation	
At 1st April 2024	102
Charge for the year	38
At 31st March 2025	<u>140</u>
Net book value at 31st March 2025	<u>193</u>
Net book value at 31st March 2024	<u>218</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Debtors

	2025 £'000	2024 £'000
Due within one year		
Trade debtors	20	29
Prepayments and accrued income	236	558
Amounts owed by group undertakings	3,235	174
	<u><u>3,491</u></u>	<u><u>761</u></u>

15. Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Trade creditors	70	112
Amounts owed to Group undertakings	1	145
Other tax and social security	56	48
Accruals and deferred income	282	784
	<u><u>409</u></u>	<u><u>1,089</u></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).

Principal actuarial assumptions: Financial assumptions	2025	2025	2024	2024
	CPF	MPF	CPF	MPF
	%	%	%	%
Discount rate	5.9	5.9	5.0	5.0
Future salary increases	3.8	3.8	3.8	3.8
Future pension increases	2.8	2.8	2.8	2.8
Inflation assumption	3.0	2.8	2.8	2.8

NOTES TO THE FINANCIAL STATEMENTS (continued)

Mortality assumptions	2025	2025	2024	2024
	CPF	MPF	CPF	MPF
	No of years	No of years	No of years	No of years
Retiring today:				
Males	20.9	20.8	20.8	20.7
Females	23.9	23.5	23.7	23.2
Retiring in 20 years:				
Males	19.8	22.1	19.4	21.7
Females	25.2	25.2	24.8	24.7
Analysis of amounts recognised in operating costs	2025	2025	2025	2024
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Current service cost	(62)	(32)	(94)	(105)
Administration costs	-	(1)	(1)	(1)
Curtailments	-	-	-	(6)
Net operating loss	(62)	(33)	(95)	(112)
Analysis of amounts recognised in other financing costs	2025	2025	2025	2024
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Expected return on pension scheme assets	118	109	227	205
Interest effect of net asset ceiling	(51)	(2)	(53)	(44)
Interest on pension scheme liabilities	(66)	(107)	(173)	(159)
Net financing costs	1	-	1	2
Reconciliation of defined benefit obligation	2025	2025	2025	2024
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Opening defined benefit obligation	(1,285)	(2,150)	(3,435)	(3,389)
Current service cost	(62)	(32)	(94)	(105)
Interest cost	(66)	(107)	(173)	(159)
Contributions by members	(21)	(11)	(32)	(34)
Benefits paid	2	56	58	203
Actuarial gains	239	280	519	55
Curtailments	-	-	-	(6)
Closing defined benefit obligation	(1,193)	(1,964)	(3,157)	(3,435)

NOTES TO THE FINANCIAL STATEMENTS (continued)

Reconciliation of the fair value of plan assets	2025	2025	2025	2024
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Opening fair value of plan assets	2,307	2,191	4,498	4,291
Interest income on plan assets	118	109	227	205
Administration cost	-	(1)	(1)	(1)
Contributions by members	21	11	32	34
Contributions by employer	94	37	131	144
Benefits paid	(2)	(56)	(58)	(203)
Actuarial gains	(61)	(56)	(117)	28
Closing fair value of plan assets	<u>2,477</u>	<u>2,235</u>	<u>4,712</u>	<u>4,498</u>

Net pension liability	2025	2025	2025	2024
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Defined benefit obligation net of plan assets	1,284	271	1,555	1,063
Effect of asset ceiling	<u>(1,284)</u>	<u>(271)</u>	<u>(1,555)</u>	<u>(1,063)</u>
	-	-	-	-

Reconciliation of the impact of the asset ceiling	2025	2025	2025	2024
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Impact of asset ceiling at start of period	(1,022)	(41)	(1,063)	(925)
Effect of the asset ceiling included in net interest cost	(51)	(2)	(53)	(44)
Actuarial losses on asset ceiling	<u>(211)</u>	<u>(228)</u>	<u>(439)</u>	<u>(94)</u>
Impact of asset ceiling at end of period	<u>(1,284)</u>	<u>(271)</u>	<u>(1,555)</u>	<u>(1,063)</u>

Analysis of amounts Recognised in Actuarial Loss Relating to Pension Schemes	2025	2025	2025	2024
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Actuarial (loss)/gains on assets	(61)	(56)	(117)	28
Actuarial gains arising on the scheme liabilities	239	280	519	55
Effect of movement of asset ceiling	<u>(211)</u>	<u>(228)</u>	<u>(439)</u>	<u>(94)</u>
Net actuarial loss	<u>(33)</u>	<u>(4)</u>	<u>(37)</u>	<u>(11)</u>

Major categories of plan assets as a percentage of total plan assets	2025	2025	2024	2024
--	------	------	------	------

NOTES TO THE FINANCIAL STATEMENTS (continued)

	CPF	MPF	CPF	MPF
	%	%	%	%
Equities	42	41	45	40
Gilts/bonds	43	22	41	26
Properties	14	9	14	9
Cash	1	46	-	4
Other	-	21	-	21

17. Funds

Unrestricted funds	£'000
Balance at 31 March 2023	3,580
Transfer of reserves	-
Surplus for the year	1,415
Balance at 31 March 2024	4,995
Transfer of reserves	-
Surplus for the year	642
Balance at 31 March 2025	5,637

Restricted Funds	£'000
Balance at 31 March 2023	205
Transfer of reserves	-
Surplus for the year	53
Balance at 31 March 2024	258
Transfer of reserves	-
Deficit for the year	(128)
Balance at 31 March 2025	130

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 (continued)

Balance at 31st March 24 £	Income 24-25 £	Expenditure 24-25 £	Balance at 31st March 25 £	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.
(40)	-	30	(10)	KickStart	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.
(6)	-	-	(6)	NHS Charities Together	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)	-	-	(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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Balance at 31st March 24 £	Income 24-25 £	Expenditure 24-25 £	Balance at 31st March 25 £	Fund Name	Details
(13)	(98)	111	-	EST Supportive Energy Phase 2	Providing energy advice, advocacy and practical solutions for vulnerable social housing residents living in areas of high deprivation across the Northwest, impacted by Covid-19, cost-of-living crisis and changes to the energy price cap.
-	(51)	46	(5)	Supportive Energy Phase 3	Providing energy advice, advocacy and practical solutions for vulnerable social housing residents living in areas of high deprivation across the Northwest, impacted by Covid-19, cost-of-living crisis and changes to the energy price cap.
(26)	(178)	136	(68)	Warrington UKSPF	Funded through Warrington Borough Council UK Shared Prosperity Fund to support Warrington residents to gain skills, training and employment 2023 – 2025.
(5)	(29)	35	1	Fusion 21	Employability Project part funded by Fusion 21, 2023-2025, supporting ethnic minorities in Liverpool.
(1)	(5)	5	(1)	Wargrave Working	Job Club project Funded by Wargrave Big Local.
(5)	(1,298)	1,303	-	Energy Vouchers 23-24	Energy Saving Trust funded project to provide vouchers for gas and electricity for those tenants with prepayment meters who are at risk of disconnection.
-	(1,343)	1,343	-	Energy Vouchers 24-25	Energy Saving Trust funded project to provide vouchers for gas and electricity for those tenants with prepayment meters who are at risk of disconnection.
-	(53)	53	-	Energy Vouchers 25-26	Energy Saving Trust funded project to provide vouchers for gas and electricity for those tenants with prepayment meters who are at risk of disconnection.
(1)	(39)	38	(2)	IT Include (Mersey UK SPF)	Funding for a basic entry level IT skills course for residents of St Helens. Part of an LCR wide programme to overcome digital exclusion.
-	(97)	84	(13)	Mersey UKSPF	Employment Programme focussed on supporting people living in St Helens and Halton into work.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Balance at 31st March 24 £	Income 24-25 £	Expenditure 24-25 £	Balance at 31st March 25 £	Fund Name	Details
(71)	(277)	348	-	Healthy Neighbours Project	The Healthy Neighbours project is delivered across 6 Torus Neighbourhoods, 2 in Liverpool, 2 in St Helens and 2 in Warrington. A team of volunteers from 4 locally commissioned organisations engage with the local community to identify what is important to them and help deliver targeted activities that meet their needs and tackle local health issues and improve health outcomes.
(2)	-	2	-	Refugee Project St Helens	Working in partnership with St Helens Council this 6 month project was to engage with Refugees and Asylum Seekers in the area by providing activities for them to attend and improve community cohesion.
(83)	-	82	(1)	Greener Volunteering	12 month UKSPF funding received from LCC to fund projects which increase volunteering opportunities for families and young people which contribute to the improved green environment in Liverpool.
-	(98)	91	(7)	Hong Kong Pathways	Targeted employment programme helping Hong Kong Nationals into employment.
-	(61)	48	(13)	Glasspool Grants	Grant programme for Torus Tenants which provides white good and carpets for customers in need.
(258)	(3,627)	3,755	(130)	TOTAL	

NOTES TO THE FINANCIAL STATEMENTS (continued)**18. Related party transactions**

Catherine Murray Howard a trustee of the charity, is a representative of Torus62 Limited. Torus Foundation has entered into 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 £771,629 (2024: £804,240).

Simon Bean a trustee of the charity, is an employee of Career Connect. Career Connect subcontract to Torus Foundation in relation to the New Leaf and Springboard programmes. The value of services during the period for New Leaf was £nil (2024: £21,625) and Springboard was £nil (2024: £34,255).

19. 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.

Torus Foundation

England & Wales - Charity number 1152903

Accounts

Financial Statements

31 March 2024

23

24

Torus Foundation
Charity Number: 1152903
Company Registration Number: 08444912



CONTENTS

TORUS FOUNDATION TRUSTEES, ADVISORS AND BANKERS	1
TRUSTEES REPORT	2
TRUSTEES' RESPONSIBILITIES STATEMENT	8
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION	9
STATEMENT OF FINANCIAL ACTIVITIES	14
STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2024	15
NOTES TO THE FINANCIAL STATEMENTS	16

TRUSTEES' REPORT (continued)**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	
Catherine Anne Murray-Howard	Director and Trustee	
Clare Gosling	Director and Trustee	
Holly Chan	Director and Trustee	(To 29 May 2024)
Uzair Patel	Director and Trustee	
Simon Bean	Director and Trustee	
Stephanie Donaldson	Director and Trustee	
Tony Okotie	Director and Trustee	
Catherine Fearon	Company Secretary	

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 2024 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 2023/24 Torus Foundation hosted a total of six volunteers. One person 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 £613,208 in-kind funding was generated for the benefit of Torus Foundation customers in 2023/24.

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 2023/24, the Charity received income of £6.6m (2022/23: £7.5m). This includes £3.9m received as Gift Aid from the Group (2022/23 £3.6m), £0.3m donation from the parent (2022/23: £0.1m), Social Value Levy from the Group £0.5m (2022/23 £nil) and £2.0m income from Torus for commissioned services, energy vouchers, New Leaf, Springboard, TFFH membership fees, hire charges, and grant income received from Restricted Funds (2022/23: £3.6m).

In 2023/24 new income was received by the Charity through a Social Value Levy (SVL). Suppliers awarded contracts for repairs and maintenance services to Group's housing properties pay a tendered rate on contracted turnover. In 2023/24 SVL was received from HMS and one external supplier. SVL has partially replaced Gift Aid for HMS as a mechanism of donating to the Charity.

TRUSTEES' REPORT

EMPLOYMENT

Torus Foundation helped 322 people to find work:

- 34 work placements and volunteer placements were undertaken.
- 37 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.

FINANCIAL INCLUSION

- 10,229 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 £4,393,566 in financial gains was obtained for Torus customers.

HEALTH & WELLBEING

- 1,809 people attended health and wellbeing sessions.

YOUTH

- In line with the Firefit Hub Youth Impact Framework, 724 outcomes were achieved by FireFit Hub members.

DIGITAL INCLUSION

- 5 people received digital kit.
- 2 physical Digital Hubs were provided during the year prior to delivery moving to online provision.
- 44 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 £258k in restricted reserves (2023: £205k) and £4,995k in unrestricted reserves (2023: £3,580k).

TRUSTEES' REPORT

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 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.

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

TRUSTEES' REPORT (continued)

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 and Social Value Levy to the levels expected in the Torus Group amalgamation Business Plan. This is forecast to impact the Torus Foundation Gift Aid receipt in 2024/25. However, the Charity remains in a robust position to continue operations into the future with cash and cash equivalents £5.4m as at 31st March 2024.

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.

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.

TRUSTEES' REPORT (continued)

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.

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.

TRUSTEES' REPORT (continued)

APPROVAL

The Trustees' report was approved by the Board on 22nd August 2024 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'SJS', followed by a horizontal line and a small flourish.

Sarah Jane Saunders

Trustee

Date: 22nd August 2024

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: 22nd August 2024

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 2024 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 2024 which comprise the statement of financial activities, the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION

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 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 by the Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charitable Company 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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 the applicable accounting framework, FRS 102, UK GAAP, the Companies Act 2006, Charity SORP and UK tax legislation.

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 and & employment equity act.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION

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;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Review of serious incidents register and reports.

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 completeness of grant income.

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 completeness of grant income with reference to supporting documentation;
- Assessing significant estimates made by management for bias; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations;

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:



829727ECC12041D...

Hamid Ghafoor (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Manchester, UK

28 August 2024

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 2024

	Note	2024			2023		
		Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Income:							
Donations and legacies	3	4,663	-	4,663	3,676	-	3,676
Income from charitable activities	4	156	1,540	1,696	944	2,633	3,577
Commercial trading activities	5	233	-	233	271	-	271
Investment income	6	39	-	39	14	-	14
Total Income		5,091	1,540	6,630	4,906	2,633	7,538
Expenditure on:							
Interest payable and financing costs		-	-	-	(12)	-	(12)
Charitable activities	7,8	(3,664)	(1,487)	(5,151)	(4,813)	(2,740)	(7,553)
Total Expenditure		(3,664)	(1,487)	(5,151)	(4,825)	(2,740)	(7,565)
Net income/(deficit) and net movement in funds for the year		1,426	53	1,479	80	(107)	(27)
Actuarial (loss)/gain on pension scheme	16	(11)	-	(11)	490	-	490
Transfer of reserves		-	-	-	-	-	-
Total funds at beginning of year		3,580	205	3,785	3,010	312	3,322
Total funds at end of year		4,995	258	5,253	3,580	205	3,785

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

	Note	2024 £'000	2023 £'000
Fixed assets			
Tangible assets	13	218	225
Current assets			
Debtors	14	761	445
Cash and cash equivalents		5,363	4,221
Total current assets		<u>6,124</u>	<u>4,666</u>
Creditors: amounts falling due within one year	15	(1,089)	(1,083)
Net current assets		<u>5,035</u>	<u>3,583</u>
Total assets less current liabilities		<u>5,253</u>	<u>3,808</u>
Pension provision	16	-	(23)
Total net assets		<u><u>5,253</u></u>	<u><u>3,785</u></u>
The funds of the charity:			
Restricted funds	17	258	205
Unrestricted funds	17	4,995	3,580
Total charity funds		<u><u>5,253</u></u>	<u><u>3,785</u></u>

The financial statements were approved by the Board on 22nd August 2024 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

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 2024. 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 and Social Value Levy receipt in 2024/25. However, the Charity remains in a robust position to continue operations into the future with cash and cash equivalents £5.4m as at 31st March 2024 (31st March 2023: £4.2m).

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 (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

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	- 3 to 10 years 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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.

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 (continued)

3. Incoming resources from donations and legacies

	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	2023-24	2023-24	2023- 24	2022-23	2022-23	2022- 23
	£'000	£'000	£'000	£'000	£'000	£'000
Donations						
Torus	927	-	927	3,676	-	3,676
HMS	3,188	-	3,188	-	-	-
Torus Developments	541	-	541	-	-	-
Sovini	7	-	7	-	-	-
	4,663	-	4,663	3,676	-	3,676

4. Income from Charitable Activities

	Unrestricted Funds	Restricted funds	Total Funds	Unrestricted Funds	Restricted funds	Total Funds
	2023-24	2023-24	2023- 24	2022-23	2022-23	2022- 23
	£'000	£'000	£'000	£'000	£'000	£'000
Memberships, activities and hire	156	122	278	944	150	1,094
New Leaf and social inclusion	-	100	100	-	1,134	1,134
Fusion 21	-	27	27	-	-	-
Warrington UKSPF	-	166	166	-	-	-
Greener Volunteering	-	92	92	-	-	-
Wargrave Working	-	4	4	-	-	-
Energy Vouchers 23-24	-	311	311	-	-	-
Energy Saving Trust						
Supportive	-	79	79	-	-	-
Duke of Edinburgh	-	2	2	-	3	3
Energy Redress	-	-	-	-	49	49
IT Include (Mersey UK SPF)	-	37	37	-	-	-
Springboard	-	178	178	-	766	766
Community Champions	-	-	-	-	32	32
Children in Need	-	-	-	-	39	39
NHS	-	152	152	-	220	220
Kickstart	-	-	-	-	138	138
Healthy Neighbours Project	-	217	217	-	-	-
Look Ahead Lifestyles	-	20	20	-	79	79
Refugee Project St Helens	-	5	5	-	-	-
Parent Champions Project	-	28	28	-	8	8
MVRP Basketball Project	-	-	-	-	14	14
	156	1,540	1,696	944	2,633	3,577

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Commercial Trading Activities

	2024	2024	2023	2023
	Unrestricted	Total	Unrestricted	Total
	Funds	Funds	Funds	Funds
	£'000	£'000	£'000	£'000
Rent received	233	233	271	271
	233	233	271	271

6. Investment Income

	2024	2024	2023	2023
	Unrestricted	Total	Unrestricted	Total
	Funds	Funds	Funds	Funds
	£'000	£'000	£'000	£'000
Bank interest receivable	37	37	14	14
Defined benefit pension interest	2	2	-	-
	39	39	14	14

7. Costs of Charitable activities by fund type

	Unrestricted	Restricted	2024	Unrestricted	Restricted	2023
	Funds	Funds	Total	Funds	Funds	Total
	£'000	£'000	Funds	£'000	£'000	Funds
	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	1,857	653	2,510	2,455	1,444	3,899
Events and activities project	1,752	834	2,586	2,306	1,296	3,602
Establishment expenses	1	-	1	6	-	6
Depreciation	29	-	29	22	-	22
Support costs	25	-	25	24	-	24
	3,664	1,487	5,151	4,813	2,740	7,553

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Costs of Charitable activities by activity type

	Activities Undertaken Directly	Support Costs	2024 Total Funds	2023 Total Funds
	£'000	£'000	£'000	£'000
Staff costs	2,510	-	2,510	3,899
Events and activities project	2,586	-	2,586	3,602
Establishment expenses	1	25	26	30
Depreciation	29	-	29	22
	5,126	25	5,151	7,553

9. Governance costs

Auditor's remuneration for the Charity is included within the fees to Torus62 Limited and charged to the Charity via a service level agreement. The estimated recharge is detailed below:

	2024 £'000	2023 £'000
Fees payable to the company's auditor for the audit of the financial statements	15	8

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

	2024 £'000	2023 £'000
This is stated after charging:		
Depreciation	29	22

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Staff Costs and Emoluments

Employee costs

Total staff costs were as follows:	2024	2023
	£'000	£'000
Wages and salaries	2,014	3,169
Social security costs	185	304
Other pension costs	219	296
	<u>2,418</u>	<u>3,769</u>

Particulars of employees:

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

	2024	2023
	Average	Average
	Number	Number
Management staff	2	2
Regeneration staff	3	11
Youth team and support staff	55	93
	<u>60</u>	<u>107</u>

The full-time equivalent number of staff who received remuneration (excluding directors):

	2024	2023
	£'000	£'000
£60,001 to £70,000	2	1
£70,001 to £80,000	0	0
£80,001 to £90,000	1	1
£90,001 to £100,000	1	1

None of the Trustees received any remuneration during the period (2023: £Nil). Reimbursed expenses amounted to £Nil (2023: £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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Tangible fixed assets

	Fixtures & Fittings £'000
Cost	
At 1st April 2023	298
Additions	22
At 31st March 2024	<u>320</u>
Depreciation	
At 1st April 2023	73
Charge for the year	29
At 31st March 2024	<u>102</u>
Net book value at 31st March 2024	<u>218</u>
Net book value at 31st March 2023	<u>225</u>

14. Debtors

	2024 £'000	2023 £'000
Due within one year		
Trade debtors	29	71
Prepayments and accrued income	558	374
Amounts owed by group undertakings	174	-
	<u>761</u>	<u>445</u>

15. Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Trade creditors	111	25
Amounts owed to Group undertakings	145	278
Other tax and social security	48	79
Accruals and deferred income	784	701
	<u>1,089</u>	<u>1,083</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

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).

Principal actuarial assumptions: Financial assumptions	2024	2024	2023	2023
	CPF	MPF	CPF	MPF
	%	%	%	%
Discount rate	5	5.0	4.8	4.8
Future salary increases	3.8	3.8	3.9	3.7
Future pension increases	2.8	2.8	2.6	2.7
Inflation assumption	2.8	2.8	2.6	2.7

Mortality assumptions	2024	2024	2023	2023
	CPF	MPF	CPF	MPF
	No of years	No of years	No of years	No of years
Retiring today:				
Males	20.8	20.7	20.9	21.1
Females	23.7	23.2	23.9	23.5
Retiring in 20 years:				
Males	19.4	21.7	19.6	21.1
Females	24.8	24.7	25.0	23.5

Analysis of amounts recognised in operating costs	2024	2024	2024	2023
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Current service cost	(62)	(43)	(105)	(196)
Administration costs	-	(1)	(1)	(1)
Curtailments	-	(6)	(6)	-
Net operating loss	(62)	(50)	(112)	(197)

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Pensions (continued)

Analysis of amounts recognised in other financing costs	2024	2024	2024	2023
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Expected return on pension scheme assets	102	103	205	101
Interest effect of net asset ceiling	(44)	-	(44)	-
Interest on pension scheme liabilities	(57)	(102)	(159)	(113)
Net financing costs	<u>1</u>	<u>1</u>	<u>2</u>	<u>(12)</u>

Reconciliation of defined benefit obligation	2024	2024	2024	2023
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Opening defined benefit obligation	(1,153)	(2,236)	(3,389)	(4,002)
Current service cost	(62)	(43)	(105)	(196)
Interest cost	(57)	(102)	(159)	(113)
Contributions by members	(20)	(14)	(34)	(35)
Benefits paid	1	202	203	27
Actuarial gains	6	49	55	930
Curtailments	-	(6)	(6)	-
Closing defined benefit obligation	<u>(1,285)</u>	<u>(2,150)</u>	<u>(3,435)</u>	<u>(3,389)</u>

Reconciliation of the fair value of plan assets	2024	2024	2024	2023
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Opening fair value of plan assets	2,078	2,213	4,291	3,549
Interest income on plan assets	102	103	205	101
Administration cost	-	(1)	(1)	(1)
Contributions by members	20	14	34	35
Contributions by employer	90	54	144	149
Benefits paid	(1)	(202)	(203)	(27)
Actuarial gains	18	10	28	485
Closing fair value of plan assets	<u>2,307</u>	<u>2,191</u>	<u>4,498</u>	<u>4,291</u>

Net pension liability	2024	2024	2024	2023
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Defined benefit obligation net of plan assets	<u>1,022</u>	<u>41</u>	<u>1,063</u>	<u>902</u>
Effect of asset ceiling	<u>(1,022)</u>	<u>(41)</u>	<u>(1,063)</u>	<u>(925)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Pensions (continued)

Reconciliation of the impact of the asset ceiling	2024	2024	2024	2023
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Impact of asset ceiling at start of period	(925)	-	(925)	-
Effect of the asset ceiling included in net interest cost	(44)	-	(44)	-
Actuarial losses on asset ceiling	(53)	(41)	(94)	(925)
Impact of asset ceiling at end of period	(1,022)	(41)	(1,063)	(925)

Analysis of amounts Recognised In Actuarial (Loss)/Gain Relating to Pension Schemes	2024	2024	2024	2023
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Actuarial gains on assets	18	10	28	485
Actuarial gains arising on the scheme liabilities	6	49	55	930
Effect of movement of asset ceiling	(53)	(41)	(94)	(925)
Net actuarial (loss) / gain	(29)	18	(11)	490

Major categories of plan assets as a percentage of total plan assets	2024	2024	2023	2023
	CPF	MPF	CPF	MPF
	%	%	%	%
Equities	45	40	43	37
Gilts/bonds	41	26	39	31
Properties	14	9	16	8
Cash	0	4	2	4
Other	-	21	-	20

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. Funds

Unrestricted funds	£'000
Balance at 31 March 2022	3,010
Transfer of reserves	-
Surplus for the year	570
Balance at 31 March 2023	3,580
Transfer of reserves	-
Surplus for the year	1,415
Balance at 31 March 2024	4,995

Restricted Funds	£'000
Balance at 31 March 2022	312
Transfer of reserves	-
Deficit for the year	(107)
Balance at 31 March 2023	205
Transfer of reserves	-
Surplus for the year	53
Balance at 31 March 2024	258

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 (continued)

Balance at 31st March 23 £	Income 23-24 £	Expenditure 23-24 £	Balance at 31st March 24 £	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.
(148)	(100)	248	(0)	New Leaf	New Leaf was part of the Building Better Opportunities Programme and funded by the European Social Fund and the National Lottery Community Fund . It helped people get into work or training through 1-2-1 mentoring, money advice, access to volunteering and mental help support. The programme was open to anyone living in Warrington or Cheshire who is currently out of work. It provided 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.
(9)	(178)	187	(0)	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'.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Balance at 31st March 23 £	Income 23-24 £	Expenditure 23-24 £	Balance at 31st March 24 £	Fund Name	Details
(40)	-	-	(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.
-	(148)	142	(6)	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.
2	(2)	-	0	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.
(5)	(119)	124	0	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.
(3)	-	-	(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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Balance at 31st March 23 £	Income 23-24 £	Expenditure 23-24 £	Balance at 31st March 24 £	Fund Name	Details
(0)	(79)	66	(13)	EST Supportive Energy phase 2	Providing energy advice, advocacy and practical solutions for vulnerable social housing residents living in areas of high deprivation across the Northwest, impacted by Covid-19, cost-of-living crisis and changes to the energy price cap.
-	(3)	3	0	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.
-	(20)	20	-	Look Ahead Lifelines	Funding to support family resilience and wellbeing through providing training and regular opportunities for facilitated peer support.
-	(4)	4	0	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.
-	(28)	28	0	Parent Champion	Funding to train a cohort of Healthy Neighbours volunteers as Parent Champions in Warrington to be peer educators around child respiratory health.
-	(166)	140	(26)	Warrington UKSPF	Funded through Warrington Borough Council UK Shared Prosperity Fund to support Warrington residents to gain skills, training and employment 2023 - 2025
-	(27)	22	(5)	Fusion 21	Employability Project part funded by Fusion 21, 2023-2025 to target ethnic minorities in Liverpool
-	(4)	3	(1)	Wargrave Working	Job Club project Funded by Wargrave Big Local.
-	(311)	306	(5)	Energy Vouchers 23-24	Energy Savings Trust funded project to provide vouchers for gas and electricity for those tenants with prepayment meters who are at risk of disconnection.
-	(37)	36	(1)	IT Include (Mersey UK SPF)	Funding for a basic entry level IT skills course for residents of St Helens. Part of an LCR wide programme to overcome digital exclusion.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Balance at 31st March 23 £	Income 23-24 £	Expenditure 23-24 £	Balance at 31st March 24 £	Fund Name	Details
-	(217)	146	(71)	Healthy Neighbours Project	The Healthy Neighbours project is delivered across 6 Torus Neighbourhoods, 2 in Liverpool, 2 in St Helens and 2 in Warrington. A team of volunteers from 4 locally commissioned organisations engage with the local community to identify what is important to them and help deliver targeted activities that meet their needs and tackle local health issues and improve health outcomes.
-	(5)	3	(2)	Refugee Project St Helens	Working in partnership with St Helens Council this 6 month project was to engage with Refugees and Asylum Seekers in the area by providing activities for them to attend and improve community cohesion.
-	(92)	9	(83)	Greener Volunteering	12 month UKSPF funding received from LCC to fund projects which increase volunteering opportunities for families and young people which contribute to the improved green environment in Liverpool.
(205)	(1,540)	1,487	(258)	TOTAL	

NOTES TO THE FINANCIAL STATEMENTS (continued)**18 . Financial assets and liabilities**

	2024	2023
	£'000	£'000
Categories of financial assets and financial liabilities		
Financial assets that are measured at amortised cost	5,392	4,292
Other liabilities measured at amortised cost	(159)	(104)
Financial assets		
Cash at bank	5,363	4,221
Financial assets on which no interest is earned	29	71
	<u>5,392</u>	<u>4,292</u>

19. Related party transactions

C Murray Howard a trustee of the charity, is a representative of Torus62 Limited. Torus Foundation has 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 £804,240 (2023- £885,031.)

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 £nil (2023 -£42,234).

Simon Bean a trustee of the charity, is an employee of Career Connect. Career Connect subcontract to Torus Foundation in relation to the New Leaf and Springboard programmes. The value of services during the period for New Leaf was £21,625 (2023: £nil) and Springboard was £34,255 (2023: £39,945).

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 2024

23

24

Torus Foundation
Charity Number: 1152903
Company Registration Number: 08444912



CONTENTS

TORUS FOUNDATION TRUSTEES, ADVISORS AND BANKERS	1
TRUSTEES REPORT	2
TRUSTEES' RESPONSIBILITIES STATEMENT	8
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION	9
STATEMENT OF FINANCIAL ACTIVITIES	14
STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2024	15
NOTES TO THE FINANCIAL STATEMENTS	16

TRUSTEES' REPORT (continued)**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	
Catherine Anne Murray-Howard	Director and Trustee	
Clare Gosling	Director and Trustee	
Holly Chan	Director and Trustee	(To 29 May 2024)
Uzair Patel	Director and Trustee	
Simon Bean	Director and Trustee	
Stephanie Donaldson	Director and Trustee	
Tony Okotie	Director and Trustee	
Catherine Fearon	Company Secretary	

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 2024 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 2023/24 Torus Foundation hosted a total of six volunteers. One person 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 £613,208 in-kind funding was generated for the benefit of Torus Foundation customers in 2023/24.

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 2023/24, the Charity received income of £6.6m (2022/23: £7.5m). This includes £3.9m received as Gift Aid from the Group (2022/23 £3.6m), £0.3m donation from the parent (2022/23: £0.1m), Social Value Levy from the Group £0.5m (2022/23 £nil) and £2.0m income from Torus for commissioned services, energy vouchers, New Leaf, Springboard, TFFH membership fees, hire charges, and grant income received from Restricted Funds (2022/23: £3.6m).

In 2023/24 new income was received by the Charity through a Social Value Levy (SVL). Suppliers awarded contracts for repairs and maintenance services to Group's housing properties pay a tendered rate on contracted turnover. In 2023/24 SVL was received from HMS and one external supplier. SVL has partially replaced Gift Aid for HMS as a mechanism of donating to the Charity.

TRUSTEES' REPORT

EMPLOYMENT

Torus Foundation helped 322 people to find work:

- 34 work placements and volunteer placements were undertaken.
- 37 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.

FINANCIAL INCLUSION

- 10,229 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 £4,393,566 in financial gains was obtained for Torus customers.

HEALTH & WELLBEING

- 1,809 people attended health and wellbeing sessions.

YOUTH

- In line with the Firefit Hub Youth Impact Framework, 724 outcomes were achieved by FireFit Hub members.

DIGITAL INCLUSION

- 5 people received digital kit.
- 2 physical Digital Hubs were provided during the year prior to delivery moving to online provision.
- 44 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 £258k in restricted reserves (2023: £205k) and £4,995k in unrestricted reserves (2023: £3,580k).

TRUSTEES' REPORT

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 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.

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

TRUSTEES' REPORT (continued)

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 and Social Value Levy to the levels expected in the Torus Group amalgamation Business Plan. This is forecast to impact the Torus Foundation Gift Aid receipt in 2024/25. However, the Charity remains in a robust position to continue operations into the future with cash and cash equivalents £5.4m as at 31st March 2024.

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.

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.

TRUSTEES' REPORT (continued)

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.

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.

TRUSTEES' REPORT (continued)

APPROVAL

The Trustees' report was approved by the Board on 22nd August 2024 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'SJS', with a horizontal line extending to the right and a small flourish at the end.

Sarah Jane Saunders

Trustee

Date: 22nd August 2024

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: 22nd August 2024

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 2024 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 2024 which comprise the statement of financial activities, the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION

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 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 by the Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charitable Company 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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 the applicable accounting framework, FRS 102, UK GAAP, the Companies Act 2006, Charity SORP and UK tax legislation.

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 and & employment equity act.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION

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;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Review of serious incidents register and reports.

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 completeness of grant income.

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 completeness of grant income with reference to supporting documentation;
- Assessing significant estimates made by management for bias; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations;

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:



829727ECC12041D...

Hamid Ghafoor (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Manchester, UK

28 August 2024

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 2024

	Note	2024			2023		
		Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Income:							
Donations and legacies	3	4,663	-	4,663	3,676	-	3,676
Income from charitable activities	4	156	1,540	1,696	944	2,633	3,577
Commercial trading activities	5	233	-	233	271	-	271
Investment income	6	39	-	39	14	-	14
Total Income		5,091	1,540	6,630	4,906	2,633	7,538
Expenditure on:							
Interest payable and financing costs		-	-	-	(12)	-	(12)
Charitable activities	7,8	(3,664)	(1,487)	(5,151)	(4,813)	(2,740)	(7,553)
Total Expenditure		(3,664)	(1,487)	(5,151)	(4,825)	(2,740)	(7,565)
Net income/(deficit) and net movement in funds for the year		1,426	53	1,479	80	(107)	(27)
Actuarial (loss)/gain on pension scheme	16	(11)	-	(11)	490	-	490
Transfer of reserves		-	-	-	-	-	-
Total funds at beginning of year		3,580	205	3,785	3,010	312	3,322
Total funds at end of year		4,995	258	5,253	3,580	205	3,785

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

	Note	2024 £'000	2023 £'000
Fixed assets			
Tangible assets	13	218	225
Current assets			
Debtors	14	761	445
Cash and cash equivalents		5,363	4,221
Total current assets		<u>6,124</u>	<u>4,666</u>
Creditors: amounts falling due within one year	15	(1,089)	(1,083)
Net current assets		<u>5,035</u>	<u>3,583</u>
Total assets less current liabilities		<u>5,253</u>	<u>3,808</u>
Pension provision	16	-	(23)
Total net assets		<u><u>5,253</u></u>	<u><u>3,785</u></u>
The funds of the charity:			
Restricted funds	17	258	205
Unrestricted funds	17	4,995	3,580
Total charity funds		<u><u>5,253</u></u>	<u><u>3,785</u></u>

The financial statements were approved by the Board on 22nd August 2024 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
-------------------	--

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 2024. 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 and Social Value Levy receipt in 2024/25. However, the Charity remains in a robust position to continue operations into the future with cash and cash equivalents £5.4m as at 31st March 2024 (31st March 2023: £4.2m).

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 (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

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	- 3 to 10 years 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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.

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 (continued)

3. Incoming resources from donations and legacies

	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	2023-24	2023-24	2023- 24	2022-23	2022-23	2022- 23
	£'000	£'000	£'000	£'000	£'000	£'000
Donations						
Torus	927	-	927	3,676	-	3,676
HMS	3,188	-	3,188	-	-	-
Torus Developments	541	-	541	-	-	-
Sovini	7	-	7	-	-	-
	4,663	-	4,663	3,676	-	3,676

4. Income from Charitable Activities

	Unrestricted Funds	Restricted funds	Total Funds	Unrestricted Funds	Restricted funds	Total Funds
	2023-24	2023-24	2023- 24	2022-23	2022-23	2022- 23
	£'000	£'000	£'000	£'000	£'000	£'000
Memberships, activities and hire	156	122	278	944	150	1,094
New Leaf and social inclusion	-	100	100	-	1,134	1,134
Fusion 21	-	27	27	-	-	-
Warrington UKSPF	-	166	166	-	-	-
Greener Volunteering	-	92	92	-	-	-
Wargrave Working	-	4	4	-	-	-
Energy Vouchers 23-24	-	311	311	-	-	-
Energy Saving Trust						
Supportive	-	79	79	-	-	-
Duke of Edinburgh	-	2	2	-	3	3
Energy Redress	-	-	-	-	49	49
IT Include (Mersey UK SPF)	-	37	37	-	-	-
Springboard	-	178	178	-	766	766
Community Champions	-	-	-	-	32	32
Children in Need	-	-	-	-	39	39
NHS	-	152	152	-	220	220
Kickstart	-	-	-	-	138	138
Healthy Neighbours Project	-	217	217	-	-	-
Look Ahead Lifestyles	-	20	20	-	79	79
Refugee Project St Helens	-	5	5	-	-	-
Parent Champions Project	-	28	28	-	8	8
MVRP Basketball Project	-	-	-	-	14	14
	156	1,540	1,696	944	2,633	3,577

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Commercial Trading Activities

	2024	2024	2023	2023
	Unrestricted	Total	Unrestricted	Total
	Funds	Funds	Funds	Funds
	£'000	£'000	£'000	£'000
Rent received	233	233	271	271
	233	233	271	271

6. Investment Income

	2024	2024	2023	2023
	Unrestricted	Total	Unrestricted	Total
	Funds	Funds	Funds	Funds
	£'000	£'000	£'000	£'000
Bank interest receivable	37	37	14	14
Defined benefit pension interest	2	2	-	-
	39	39	14	14

7. Costs of Charitable activities by fund type

	Unrestricted	Restricted	2024	Unrestricted	Restricted	2023
	Funds	Funds	Total	Funds	Funds	Total
	£'000	£'000	Funds	£'000	£'000	Funds
	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	1,857	653	2,510	2,455	1,444	3,899
Events and activities project	1,752	834	2,586	2,306	1,296	3,602
Establishment expenses	1	-	1	6	-	6
Depreciation	29	-	29	22	-	22
Support costs	25	-	25	24	-	24
	3,664	1,487	5,151	4,813	2,740	7,553

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Costs of Charitable activities by activity type

	Activities Undertaken Directly	Support Costs	2024 Total Funds	2023 Total Funds
	£'000	£'000	£'000	£'000
Staff costs	2,510	-	2,510	3,899
Events and activities project	2,586	-	2,586	3,602
Establishment expenses	1	25	26	30
Depreciation	29	-	29	22
	5,126	25	5,151	7,553

9. Governance costs

Auditor's remuneration for the Charity is included within the fees to Torus62 Limited and charged to the Charity via a service level agreement. The estimated recharge is detailed below:

	2024 £'000	2023 £'000
Fees payable to the company's auditor for the audit of the financial statements	15	8

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

	2024 £'000	2023 £'000
This is stated after charging:		
Depreciation	29	22

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Staff Costs and Emoluments

Employee costs

Total staff costs were as follows:	2024	2023
	£'000	£'000
Wages and salaries	2,014	3,169
Social security costs	185	304
Other pension costs	219	296
	<u>2,418</u>	<u>3,769</u>

Particulars of employees:

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

	2024	2023
	Average	Average
	Number	Number
Management staff	2	2
Regeneration staff	3	11
Youth team and support staff	55	93
	<u>60</u>	<u>107</u>

The full-time equivalent number of staff who received remuneration (excluding directors):

	2024	2023
	£'000	£'000
£60,001 to £70,000	2	1
£70,001 to £80,000	0	0
£80,001 to £90,000	1	1
£90,001 to £100,000	1	1

None of the Trustees received any remuneration during the period (2023: £Nil). Reimbursed expenses amounted to £Nil (2023: £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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Tangible fixed assets

	Fixtures & Fittings £'000
Cost	
At 1st April 2023	298
Additions	22
At 31st March 2024	<u>320</u>
Depreciation	
At 1st April 2023	73
Charge for the year	29
At 31st March 2024	<u>102</u>
Net book value at 31st March 2024	<u>218</u>
Net book value at 31st March 2023	<u>225</u>

14. Debtors

	2024 £'000	2023 £'000
Due within one year		
Trade debtors	29	71
Prepayments and accrued income	558	374
Amounts owed by group undertakings	174	-
	<u>761</u>	<u>445</u>

15. Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Trade creditors	111	25
Amounts owed to Group undertakings	145	278
Other tax and social security	48	79
Accruals and deferred income	784	701
	<u>1,089</u>	<u>1,083</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

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).

Principal actuarial assumptions: Financial assumptions	2024	2024	2023	2023
	CPF	MPF	CPF	MPF
	%	%	%	%
Discount rate	5	5.0	4.8	4.8
Future salary increases	3.8	3.8	3.9	3.7
Future pension increases	2.8	2.8	2.6	2.7
Inflation assumption	2.8	2.8	2.6	2.7
Mortality assumptions	2024	2024	2023	2023
	CPF	MPF	CPF	MPF
	No of years	No of years	No of years	No of years
Retiring today:				
Males	20.8	20.7	20.9	21.1
Females	23.7	23.2	23.9	23.5
Retiring in 20 years:				
Males	19.4	21.7	19.6	21.1
Females	24.8	24.7	25.0	23.5
Analysis of amounts recognised in operating costs	2024	2024	2024	2023
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Current service cost	(62)	(43)	(105)	(196)
Administration costs	-	(1)	(1)	(1)
Curtailments	-	(6)	(6)	-
Net operating loss	(62)	(50)	(112)	(197)

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Pensions (continued)

Analysis of amounts recognised in other financing costs	2024	2024	2024	2023
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Expected return on pension scheme assets	102	103	205	101
Interest effect of net asset ceiling	(44)	-	(44)	-
Interest on pension scheme liabilities	(57)	(102)	(159)	(113)
Net financing costs	<u>1</u>	<u>1</u>	<u>2</u>	<u>(12)</u>

Reconciliation of defined benefit obligation	2024	2024	2024	2023
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Opening defined benefit obligation	(1,153)	(2,236)	(3,389)	(4,002)
Current service cost	(62)	(43)	(105)	(196)
Interest cost	(57)	(102)	(159)	(113)
Contributions by members	(20)	(14)	(34)	(35)
Benefits paid	1	202	203	27
Actuarial gains	6	49	55	930
Curtailments	-	(6)	(6)	-
Closing defined benefit obligation	<u>(1,285)</u>	<u>(2,150)</u>	<u>(3,435)</u>	<u>(3,389)</u>

Reconciliation of the fair value of plan assets	2024	2024	2024	2023
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Opening fair value of plan assets	2,078	2,213	4,291	3,549
Interest income on plan assets	102	103	205	101
Administration cost	-	(1)	(1)	(1)
Contributions by members	20	14	34	35
Contributions by employer	90	54	144	149
Benefits paid	(1)	(202)	(203)	(27)
Actuarial gains	18	10	28	485
Closing fair value of plan assets	<u>2,307</u>	<u>2,191</u>	<u>4,498</u>	<u>4,291</u>

Net pension liability	2024	2024	2024	2023
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Defined benefit obligation net of plan assets	<u>1,022</u>	<u>41</u>	<u>1,063</u>	<u>902</u>
Effect of asset ceiling	<u>(1,022)</u>	<u>(41)</u>	<u>(1,063)</u>	<u>(925)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Pensions (continued)

Reconciliation of the impact of the asset ceiling	2024	2024	2024	2023
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Impact of asset ceiling at start of period	(925)	-	(925)	-
Effect of the asset ceiling included in net interest cost	(44)	-	(44)	-
Actuarial losses on asset ceiling	(53)	(41)	(94)	(925)
Impact of asset ceiling at end of period	(1,022)	(41)	(1,063)	(925)

Analysis of amounts Recognised In Actuarial (Loss)/Gain Relating to Pension Schemes	2024	2024	2024	2023
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Actuarial gains on assets	18	10	28	485
Actuarial gains arising on the scheme liabilities	6	49	55	930
Effect of movement of asset ceiling	(53)	(41)	(94)	(925)
Net actuarial (loss) / gain	(29)	18	(11)	490

Major categories of plan assets as a percentage of total plan assets	2024	2024	2023	2023
	CPF	MPF	CPF	MPF
	%	%	%	%
Equities	45	40	43	37
Gilts/bonds	41	26	39	31
Properties	14	9	16	8
Cash	0	4	2	4
Other	-	21	-	20

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. Funds

Unrestricted funds	£'000
Balance at 31 March 2022	3,010
Transfer of reserves	-
Surplus for the year	570
Balance at 31 March 2023	3,580
Transfer of reserves	-
Surplus for the year	1,415
Balance at 31 March 2024	4,995

Restricted Funds	£'000
Balance at 31 March 2022	312
Transfer of reserves	-
Deficit for the year	(107)
Balance at 31 March 2023	205
Transfer of reserves	-
Surplus for the year	53
Balance at 31 March 2024	258

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 (continued)

Balance at 31st March 23 £	Income 23-24 £	Expenditure 23-24 £	Balance at 31st March 24 £	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.
(148)	(100)	248	(0)	New Leaf	New Leaf was part of the Building Better Opportunities Programme and funded by the European Social Fund and the National Lottery Community Fund . It helped people get into work or training through 1-2-1 mentoring, money advice, access to volunteering and mental help support. The programme was open to anyone living in Warrington or Cheshire who is currently out of work. It provided 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.
(9)	(178)	187	(0)	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'.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Balance at 31st March 23 £	Income 23-24 £	Expenditure 23-24 £	Balance at 31st March 24 £	Fund Name	Details
(40)	-	-	(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.
-	(148)	142	(6)	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.
2	(2)	-	0	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.
(5)	(119)	124	0	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.
(3)	-	-	(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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Balance at 31st March 23 £	Income 23-24 £	Expenditure 23-24 £	Balance at 31st March 24 £	Fund Name	Details
(0)	(79)	66	(13)	EST Supportive Energy phase 2	Providing energy advice, advocacy and practical solutions for vulnerable social housing residents living in areas of high deprivation across the Northwest, impacted by Covid-19, cost-of-living crisis and changes to the energy price cap.
-	(3)	3	0	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.
-	(20)	20	-	Look Ahead Lifelines	Funding to support family resilience and wellbeing through providing training and regular opportunities for facilitated peer support.
-	(4)	4	0	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.
-	(28)	28	0	Parent Champion	Funding to train a cohort of Healthy Neighbours volunteers as Parent Champions in Warrington to be peer educators around child respiratory health.
-	(166)	140	(26)	Warrington UKSPF	Funded through Warrington Borough Council UK Shared Prosperity Fund to support Warrington residents to gain skills, training and employment 2023 - 2025
-	(27)	22	(5)	Fusion 21	Employability Project part funded by Fusion 21, 2023-2025 to target ethnic minorities in Liverpool
-	(4)	3	(1)	Wargrave Working	Job Club project Funded by Wargrave Big Local.
-	(311)	306	(5)	Energy Vouchers 23-24	Energy Savings Trust funded project to provide vouchers for gas and electricity for those tenants with prepayment meters who are at risk of disconnection.
-	(37)	36	(1)	IT Include (Mersey UK SPF)	Funding for a basic entry level IT skills course for residents of St Helens. Part of an LCR wide programme to overcome digital exclusion.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Balance at 31st March 23 £	Income 23-24 £	Expenditure 23-24 £	Balance at 31st March 24 £	Fund Name	Details
-	(217)	146	(71)	Healthy Neighbours Project	The Healthy Neighbours project is delivered across 6 Torus Neighbourhoods, 2 in Liverpool, 2 in St Helens and 2 in Warrington. A team of volunteers from 4 locally commissioned organisations engage with the local community to identify what is important to them and help deliver targeted activities that meet their needs and tackle local health issues and improve health outcomes.
-	(5)	3	(2)	Refugee Project St Helens	Working in partnership with St Helens Council this 6 month project was to engage with Refugees and Asylum Seekers in the area by providing activities for them to attend and improve community cohesion.
-	(92)	9	(83)	Greener Volunteering	12 month UKSPF funding received from LCC to fund projects which increase volunteering opportunities for families and young people which contribute to the improved green environment in Liverpool.
(205)	(1,540)	1,487	(258)	TOTAL	

NOTES TO THE FINANCIAL STATEMENTS (continued)**18 . Financial assets and liabilities**

	2024	2023
	£'000	£'000
Categories of financial assets and financial liabilities		
Financial assets that are measured at amortised cost	5,392	4,292
Other liabilities measured at amortised cost	(159)	(104)
Financial assets		
Cash at bank	5,363	4,221
Financial assets on which no interest is earned	29	71
	<u>5,392</u>	<u>4,292</u>

19. Related party transactions

C Murray Howard a trustee of the charity, is a representative of Torus62 Limited. Torus Foundation has 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 £804,240 (2023- £885,031.)

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 £nil (2023 -£42,234).

Simon Bean a trustee of the charity, is an employee of Career Connect. Career Connect subcontract to Torus Foundation in relation to the New Leaf and Springboard programmes. The value of services during the period for New Leaf was £21,625 (2023: £nil) and Springboard was £34,255 (2023: £39,945).

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 (Group) Limited

Audit Completion: Year ending 31 March 2024
Report to the Group Audit and Risk Committee



Contents

Table of contents	2	Audit quality	33
Introduction	3	ISA (UK) 600 (Revised)	34
Executive summary	4	High Performing Teams	35
Audit Scope and Materiality	5		
Key matters	6		
Summary	7		
Overview of risks	8		
Risk 1	9		
Risk 2	10		
Subsidiary risks	11		
Going Concern	12		
Additional consideration	13		
Additional consideration	14		
Unadjusted errors	15		
Unadjusted disclosures	16		
Adjusted errors	17		
Adjusted disclosures	18		
Control deficiencies	19		
IT Audit Approach	20		
IT Audit Approach	21		
IT Audit Approach	22		
Control deficiencies: ITGCs	23		
Control deficiencies: ITGCs	24		
Control deficiencies: ITGCs	25		
Audit report overview	26		
Additional matter req.	27		
Communication with you	28		
Appendices contents	29		
FRC Ethical Standard	30		
FRC for Audit Committees	32		

Group Entity	Abbreviation
Torus62 Limited	Group & Association
Torus62 Development Limited	TD
Housing Maintenance Solutions Limited	HMS
Torus Foundation	TF



Welcome

Introduction

- ▶ Table of contents
- ▶ **Introduction**
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ Appendices contents


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 2024, 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.

We discussed this report with the Audit and Risk Committee at the meeting on 8th August 2024. We look forward to the report being presented to the board on 22 August 2024. In the meantime, if you would like to discuss any aspects in advance of the meeting, we would be happy to do so.

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.

DocuSigned by:

 829727ECC12041D...
 Partner

28 August 2024



Hamid Ghafoor
Partner

e: hamid.ghafoor@bdo.co.uk
m: +44 (0) 7816 227021



Benjamin Oyela
Audit Manager

e: benjamin.oyela@bdo.co.uk
m: +44 (0) 7812 463209

Overview

Executive summary

- ▶ Table of contents
- ▶ Introduction
- ▶ **Executive summary**
 - Audit Scope and Materiality
 - Key matters
 - Summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ Appendices contents

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 2024.

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.

Board responsibilities

The Board are responsible for preparing and filing an Annual Report and financial statements which show a true and fair view, comply with the Cooperative and Community Benefit Societies Act 2014 and the Accounting, prepared in accordance with UK GAAP.

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.

We recognise that you may wish to publish your annual report and financial statements and our audit report on your website or distribute them by means such as e-mail. If you choose to do so, it is your responsibility to ensure that such publication properly presents the financial information and any auditors' report.

It is also your responsibility to advise us prior to publication of the annual report, financial statements and/or our audit report of any proposed changes and/or differences from the version approved and signed, no matter how minor, to determine whether they are acceptable or not and so we can ensure that the Firm is not misrepresented.

Further information regarding these responsibilities is provided in the engagement letter which was issued on 22 January 2024.

Overview

Our audit work is complete and we anticipate issuing an unmodified audit opinion on the Group's financial statements for the year ended 31 March 2024 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 anticipate issuing 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 Group in accordance with the FRC's Ethical Standard.



Audit Scope and Materiality

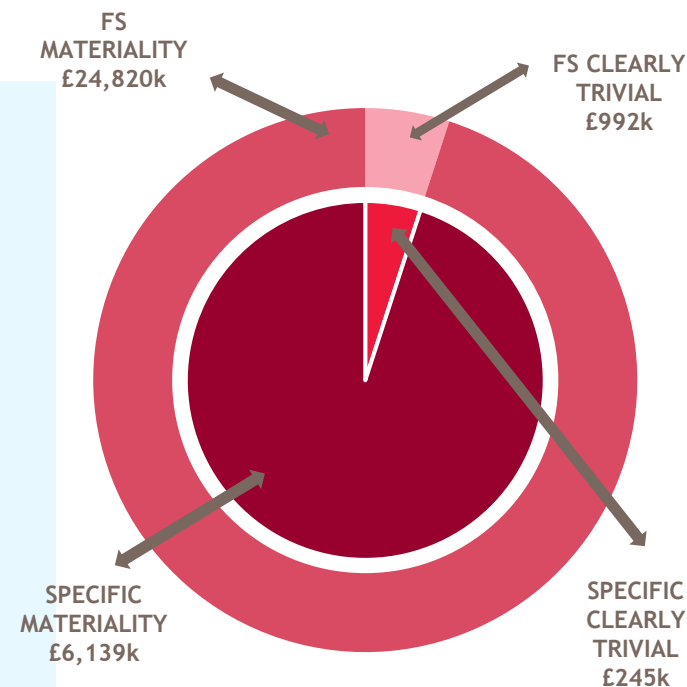
Executive summary

- ▶ Table of contents
- ▶ Introduction
- ▶ **Executive summary**
 - **Audit Scope and Materiality**
 - Key matters
 - Summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ Appendices contents

Final Materiality

Group materiality for the financial statements as a whole (FS materiality) is calculated based on 1% of total assets. Group specific materiality is calculated based on 1% of turnover. The use of specific materiality reflects that in certain financial statement areas misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

There were no changes to final materiality and triviality from that reported in our planning report. Figures were updated for actuals.



Key matters

Executive summary

- ▶ Table of contents
- ▶ Introduction
- ▶ **Executive summary**
 - Audit Scope and Materiality
 - **Key matters**
 - Summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ Appendices contents

Financial reporting

- ▶ We have not identified any non-compliance with Association's/group's 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

- ▶ Control deficiency identified in relation to IT application. Refer to pages 22-25
- ▶ Confirmation on fraud, contingent liabilities and subsequent events.
- ▶ Letter of representation

Independence

As outlined in detail in our Audit Planning Report, 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.

Fees summary

	£'000
Audit fee	142
Non-audit services:	
Loan covenant, Right to buy & VAT shelter reporting.	7.2
Rob Craven - Homes England SP Audit	15
Other	-
Total non audit services	22.2
Total fees	164.2



Summary

Our methodology

- ▶ Table of contents
- ▶ Introduction
- ▶ **Executive summary**
 - Audit Scope and Materiality
 - Key matters
 - **Summary**
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ Appendices contents

We obtain our audit evidence through substantive testing

As part of our risk assessment procedures we documented the systems and controls relevant to the preparation of the financial statements. As a result, we determined that substantive testing to directly verify items in the statement of comprehensive income and the statement of financial position would be the most effective approach for our audit. This is consistent with the approach we took in the prior year.

We set out here how we have obtained our audit assurance for the year ended 31 March 2024 for categories of the statement of financial position. We also include a comparative to the approach undertaken in the prior year.

Statement of financial position category	2024	2023
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
Social Housing Grant	Substantive	Substantive
Pensions / Provisions	Substantive	Substantive
Share Capital & Reserves	Substantive	Substantive

Overview of risks

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ **Overview of risks**
 - Risk 1
 - Risk 2
 - Subsidiary risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ Appendices contents

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
G1	Management override	Yes	No	No	No	No	No
G2	Revenue recognition (Property Sales)	No	No	No	No	No	Yes

Risk G1

Management override of controls

Group entities impacted: All

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
 - Risk 1
 - Risk 2
 - Subsidiary risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ Appendices contents

	C	E	A	V	P	2024	2023
Financial Statements preparation	✓	✓	✓	✓	✓	N/A	N/A

Risk Detail

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.

Results

Our audit procedures included the following:

- ▶ Review and verification of large and unusual journal combinations and entries made in the year, agreeing the journals to supporting documentation;
- ▶ A critical review of the consolidation and, in particular, manual or late journals posted at consolidated level;
- ▶ Review of estimates and judgements applied by Management in the financial statements to assess their appropriateness and the existence of any systematic bias; and
- ▶ Review of unadjusted audit differences for indications of bias or deliberate misstatement.

Significant Estimates and judgements

The following are the significant accounting estimates and judgements:

- ▶ The assumptions used in the consideration of the impairment of housing properties
- ▶ The assumptions used in the calculation of, and the disclosures in relation to the Social Housing Pension Scheme
- ▶ The Useful Economic Life (UEL) of tangible assets and components
- ▶ Rent arrears provisions
- ▶ Classification of loan
- ▶ The assumptions used in the valuation of investment properties.

Discussion and conclusion

- ▶ 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.
- ▶ Our testing in this area has identified no issues at the date of this report.

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



Risk G2

Revenue recognition- Property Sales

Group entities impacted: Group and Association

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
 - Risk 1
 - Risk 2
 - Subsidiary risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ Appendices contents

	C	E	A	V	P	2024	2023
Property sales income		✓	✓			£22.7m	£20.1m

Risk Detail

- ▶ ISA (UK) 240 notes that there is a presumed significant risk resulting from the intentional misstatement of revenue.
- ▶ 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.
- ▶ Assessed the fraud risk to be the existence of property sales. All the other revenue streams are high volume , low value and therefore no heightened risk of fraud at transactional level.

- ▶ we performed sales cut off testing at year end for sales pre and post year end to check that all sales transaction close to the year end had been recorded in the correct accounting period.
- ▶ Reviewed the disclosures in relation to your accounting policies and key judgments and estimates in this area.

Discussion and conclusion

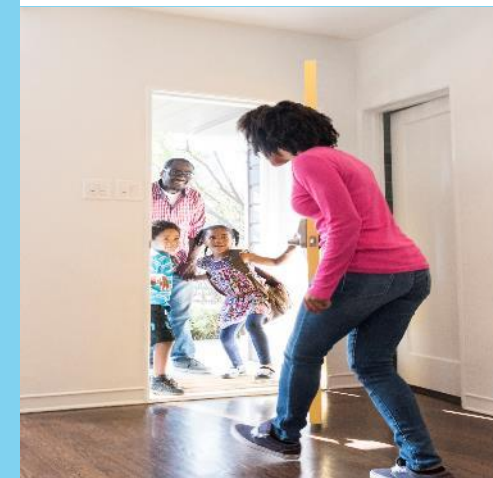
No issues have been identified to draw to the attention of the Committee.

Results

Our audit procedures included the following:

- ▶ property sales (Existence) (first tranche and outright property sales) - we tested sample of property sales and agreed the sales to completion statement, ensuring that completion statement supports the period in which the properties were sold.
- ▶ we agreed proceeds to bank receipts for existence of sales.
- ▶ we ensured the key inputs to revenue recognition assessment and calculation are drawn from appropriate sources.

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



- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- Risk 1
- Risk 2
- Subsidiary risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ Appendices contents

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 judgment	Use of reports required	Unadjusted error reported	Adjusted error reported	Significant control findings reported	Specific letter of representation sent
G1	Management override	Yes	No	No	No	No	No
G2	Revenue recognition (Property Sales)	No	No	No	No	No	Yes

Risk	Risk details	Entity	Results	Discussion and conclusion
Revenue recognition- Grant Income Completeness	<p>There is a presumption of fraud risk related to revenue recognition. In relation to grant income, there is a risk that income may be recognised before the entity becomes entitled to receive such income.</p> <p>Management may be incentivised to recognise grant income before any restrictions or conditions of the grant have been met for grant applications around the year end to inflate income.</p>	TF	<ul style="list-style-type: none"> ▶ Obtained a listing of all open/active grant and reviewed a sample of grants, including all grants over materiality; ▶ We reviewed the grant agreements to determine if performance conditions exist and what income is entitled to be recognised based on evidence available of activities undertaken or milestones met as at the balance sheet date; ▶ We reviewed minutes of meetings to identify possible grants which have not been recorded 	Audit work is complete. No issues have been identified
Existence of maintenance income	<p>Based on our assessment of Internal and assessment contracts at planning, there is a risk that revenue has been recognised before maintenance income jobs have been completed and corresponding cost of sales had not been accrued for.</p>	HMS	<ul style="list-style-type: none"> ▶ We have reviewed the basis of management’s assessment is in line with our understanding of each contract. ▶ Detailed review to challenge management on the assumptions used and the support available for each sample tested; ▶ For external contract, we performed a reconciliation of report from Colbalt Orchid to HMS version of Orchid. 	No issues to note

Going Concern

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ **Going Concern**
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ Appendices contents

Board's assessment of going concern

The Board have performed a review of going concern and have concluded that they believe the Group and all of its subsidiaries remain a going concern.

Key Assumptions noted

- ▶ Base rent inflation has been set at 7.7% for 2024/25, and 3.5% for 2025/26 based on Government policy, currently CPI +1%.
- ▶ Cost inflation assumed at 2.5% (CPI + 0.5%) for the long term for pay and prices (with 4.0% for price inflation and 5.0% for pay in 2024/25).
- ▶ Assets spend increased by 6.7% (3.2% real for 2024/25)
- ▶ Development inflation at 5% total all years in 2024/25.
- ▶ SONIA has been assumed at 4%
- ▶ Void loss estimates set at 1.41% in 2024/25 reducing to 1.28% from 2025/26

Discussion and conclusion

- ▶ Based on our review of Board's assessment we are comfortable that the sensitivities and Stress are prudent and test the key volatile assumptions.
- ▶ We note on the majority of results we can see covenant headroom is available.
- ▶ The highlighted support measures and actions to take appear realistically achievable and proportionate should the worst case events occur.
- ▶ Given the above findings we have gained sufficient assurance to concur with management's assessment of going concern.



Matters requiring additional consideration

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ **Additional consideration**
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ Appendices contents

Fraud

Whilst the Board 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 on 25 April 2024.

Laws and regulations

The most significant considerations for your business are the Cooperative and Community Benefit Societies Act 2014, Companies Act 2006 (in relation to commercial subsidiaries), 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.

Prior year adjustments

During the year, Management of HMS identified certain potential prior period errors in its financial statements for the year ended 31 March 2024. These errors are related to the overstatement of revenue and understatement of expenses. The audit team have obtained management papers and also consulted with our technical team to assess the impact of the error in the current year.

Also, FRS 102 requires material prior year errors to be corrected retrospectively, by restating comparative periods in the first financial statements authorised for issue after the errors were identified.

The total of this error was £1.7m before adjustment for intercompany and £1.27m after adjusting for intercompany transactions. This error was below Group materiality and HMS materiality, management have put the error through in FY23/24. However, as the adjustment does relates to prior years, an error has been raised on page 15.

Internal audit

As communicated in the audit plan on 25 April 2024, we do not plan to place reliance on the work of the Group's internal audit function.

However, we reviewed the audit report of the Group's internal audit function at the planning stage.

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.

We did not identify and significant matters in connection with related parties.

Matters requiring additional consideration(contd)

Elevated Risk

	C	E	A	V	P	2024	2023
Impairment of scheme under construction			✓	✓		£10.06m	£6.5m

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ **Additional consideration**
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ Appendices contents

Impairment of Schemes Impairment of schemes under development

Property developed for sale, including shared ownership first tranches and properties developed for outright sale, must be held at the lower of cost and net realisable value (sales proceeds less costs to complete and sell).

An elevated risk has been raised over the development programme of some of the schemes in the group due to some of the schemes having a negative NPV and the fact that the contracted property developers for some of the development schemes have gone into administration as a result of the challenging economic conditions. There is a risk that the development costs paid to the developers may not be recoverable and also the Group may be charged higher costs to complete the scheme should they get into new development contracts. This would reduce the NPV of the schemes and lead to further potential impairment.

We have also reviewed the minutes of Development Committee meeting from which increases in budgeted costs were noted. £7.6m overspend has been made year to date. The overspend relates to development schemes below:

Somerset Street, St. Helens, Rutland Street, St Helens, The Vaults Liverpool, Plank Lane, Brookside Close, Corporation Street, Foundry Lane, Glisk Phase 2, Lancots Lane, Becconsall Lane and Aspinall Street

Results

Management carried out an assessment of the recoverable amount of properties developed for sale as part of the year end procedures. This included expected sales proceeds and expected costs to complete the properties.

For a sample of properties held for sale we have reviewed the forecast sales price and also reviewed:

- ▶ Completed units sold after the year end - we agreed proceeds to completion statement
- ▶ Completed units not sold after date and work in progress - we obtained one or more of; evidence of sales reservations on the property; third party formal valuation of the property; sales prices achieved for similar units in the year; valuation of properties for marketing purposes. We enquired and assessed what management plans are for unsold properties. We considered the length of time the properties have remained unsold. We considered whether the work in progress has been marketed 'off plan' and whether this suggests any issues with demand.
- ▶ 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.
- ▶ Obtained details of the expected costs to complete from the scheme budget and agreed the budgeted contract costs of the development to the latest contract documentation and considered the appropriateness of any estimates used.
- ▶ We obtained an understanding of the reason for an item that has an NRV less than cost and consider the need for a provision on any such items.

Discussion and conclusion

Impairment in line with management assessment

Unadjusted audit differences: Detail

Details for the current year

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ **Unadjusted errors**
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ Appendices contents

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

Unadjusted audit differences	Income and expenditure			Balance sheet	
	£'000	£'000	£'000	£'000	£'000
Surplus for the year before adjustments	19,477				
Adjustment 1: Difference in HMS expenses samples extrapolated(HMS)					
DR Expenses		£297			
CR Other creditors					£297
Adjustment 2: Reclassification of Intercompany balances netted off within intercompany debtors(HMS)					
DR Amount owed by Group undertakings				£125.9	
CR Amount owed to Group undertakings					£125.9
Adjustment 3: HMS- Prior period errors on overstatement of income (HMS)					
DR Reserves				1,271	
CR Income			£1,271		
Adjustment 4: Grant funds refundable to the funder incorrectly classified as Deferred income(TF)					
DR Deferred Income				£20.4	
CR Other creditors					£20.4
Total Unadjusted audit differences		£297	£1,271	£1,417.3	£146.3
Unadjusted surplus for the year	£20,451				

Unadjusted disclosure omissions and improvements

Disclosure omissions and improvements

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ **Unadjusted disclosures**
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ Appendices contents

We are required to bring to your attention other financial reporting matters that the Group Audit and Risk Committee is required to consider.

There are no unadjusted disclosure matters that have come to our attention in the course of the audit which we need to report to you.



Adjusted audit differences: Detail

Details for the current year

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ **Adjusted errors**
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ Appendices contents

Adjusted audit differences	Income and expenditure			Balance sheet	
	£'000	£'000	£'000	£'000	£'000
Surplus/(deficit) for the year before adjustments	19,477				
Adjustment 1: Advance payment received incorrectly recognised as prepayments					
DR Other debtors & prepayment				£1,015	
CR Other creditors					£1,015
Adjustment 2: Recognition of Interest earned on liquidity reserve not recognised					
DR Receivables				£332	
CR Interest income			£332		
Total Adjusted audit differences			£332	£1,347	£1,015
Adjusted surplus for the year	£19,809				

Adjusted disclosure omissions and improvements

Disclosure omissions and improvements

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ **Adjusted disclosures**
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ Appendices contents

We are required to bring to your attention other financial reporting matters that the Group Audit and Risk Committee is required to consider.

There was an adjusted disclosure omissions and improvements identified by our audit work that was adjusted by Management. This has been noted below:

Torus Foundation: Property, plant and equipment depreciation rate was incorrectly disclosed in the draft accounts. Per the Fixed Assets register and discussion with management, the Furniture and Fixtures depreciation should be calculated at 30% whereas the accounting policy in the financial statements disclosed that depreciation on these assets should be at 15%.

Following challenge and discussion with management, this was adjusted and amended in draft accounts in line with FAR and Group policy.



Control environment: Deficiencies

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ **Control deficiencies**
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ Appendices contents

We are required to report to you, in writing, deficiencies in internal control that we have identified during the audit. These matters are limited to those which we have concluded are of sufficient importance to merit being reported to the Group Audit and Risk Committee.

As the purpose of the audit is for us to express an opinion on the Group's financial statements, you will appreciate that our audit cannot necessarily be expected to disclose all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist.

As part of our work, we considered internal control relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

Area	Observation & implication	Recommendation	Management response															
Interim Going concern assessment at planning	<p>Management has not prepared an interim going concern assessment at planning.</p> <p>International Standard on Auditing (UK and Ireland) 570 requires management to make an assessment of going concern at planning. We requested this assessment from management during the audit planning but was not provided.</p>	We recommend that management make an assessment of the Group and individual entity's ability to continue as a going concern at planning stage of the audit.	We were slightly later with business planning this year, and therefore the going concern assessments were not submitted to GARC until April. We are looking at the timing of business planning to ensure that these assessments are made on a timely basis in future, although given the ongoing monitoring and strong financial position of the group, the risk is low.															
Creditors balances at year end.	<p>We noted management has not been able to provide the invoices making up the creditors' balances at year end for some selected samples. The implication of this is that the creditors balances at year end may be misstated where no invoices have been provided.</p> <table border="1"> <thead> <tr> <th>GL Code</th> <th>Value</th> <th>Supplier Name</th> <th>Reference</th> <th>Tran Date</th> </tr> </thead> <tbody> <tr> <td>HM.IHELT.6000.9999</td> <td>153,689</td> <td>Sure Safe Electrics Ltd</td> <td>INV-28474</td> <td>31/03/2023</td> </tr> <tr> <td>HM.IDABD.6000.9999</td> <td>111,650</td> <td>Timbertight Ltd</td> <td>TT-3319</td> <td>23/03/2023</td> </tr> </tbody> </table>	GL Code	Value	Supplier Name	Reference	Tran Date	HM.IHELT.6000.9999	153,689	Sure Safe Electrics Ltd	INV-28474	31/03/2023	HM.IDABD.6000.9999	111,650	Timbertight Ltd	TT-3319	23/03/2023	We recommend that creditors reconciliations should be performed to have records of the invoices making up the balances at year end.	A system error meant that we were unable to drill down into the individual invoices making up each creditor's balance as we have in previous years. If we are unable to resolve the system error prior to next year end, we will ensure that we download a list of open invoices at year end for audit purposes.
GL Code	Value	Supplier Name	Reference	Tran Date														
HM.IHELT.6000.9999	153,689	Sure Safe Electrics Ltd	INV-28474	31/03/2023														
HM.IDABD.6000.9999	111,650	Timbertight Ltd	TT-3319	23/03/2023														
Expenses recognised in incorrect period	We noted some invoices relating expenses incurred in FY23 were not accrued for in FY23 but were recognised and posted in current year FY24. See example below.	Though not material, we recommend that management put adequate controls and procedures in place to ensure transactions are accounted for in the period to which it relates.	These invoices relate to historic transactions where the proper purchase order process was not followed. We are working to ensure that all purchases follow the correct procedures, including a "no PO, no pay" policy to be introduced from September following communications within the business and with suppliers. This will allow us to accrue for all goods and services provided before the year end.															

IT Audit Approach

1. Overview of ITGCs

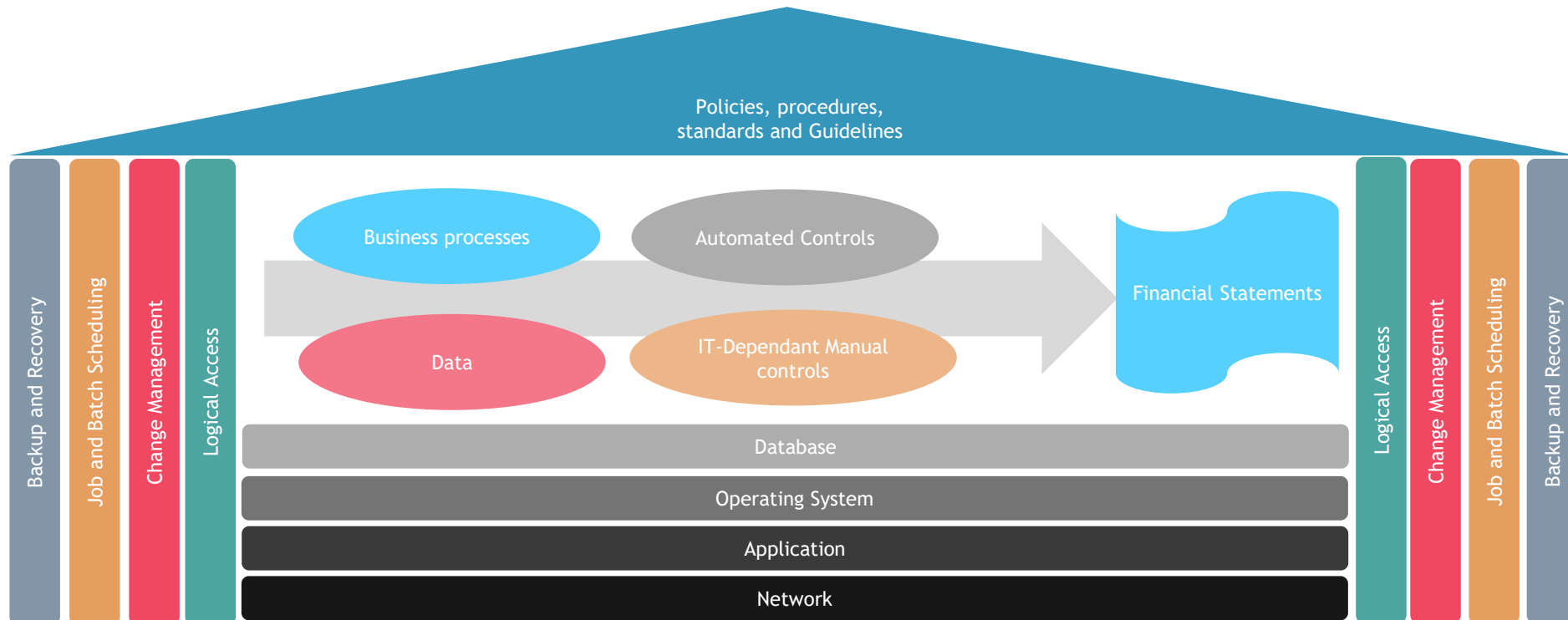
- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ **IT Audit Approach**
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ Appendices contents

IT General Controls (ITGCs) underpin the integrity of the systems and data used by management in the preparation of financial statements.

We assess ITGCs to understand the extent we can rely on automated controls and system-generated reports as part of our audit approach, as well as understand if any specific audit risks arise from the IT environment that we need to focus on during our year end testing.

ITGCs include logical access and change management controls which can be put in place at various layers of the technology stack (e.g. network, application, operating system and database) and may be partially or fully performed by third party services providers (e.g. cloud service). Controls in these categories are to manage the key risks of unauthorised access to financially significant data or unauthorised changes to systems that may impact the integrity of the data. Other ITGCs that can be in scope are Job and Batch Scheduling and Backup and Recovery controls depending on the impact they have on data used by the organisation and going concern risk.

The diagram below provides an overview of the ITGC categories; applicable technology layers; and how they relate to business process controls and data involved in the preparation of the financial statements.



IT Audit Approach

1. Overview of ITGCs

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ **IT Audit Approach**
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ Appendices contents

ITGC Category	Objective(s)
Logical Access	<ul style="list-style-type: none"> • User access is authorised and appropriately setup according to business requirements and removed in a timely manner when no longer required. • Users are assigned unique usernames to systems to provide accountability of user actions. • Access to privileged accounts should be restricted and activity reviewed periodically. • Password authentication controls are put in place to restrict user access. • Periodic user access reviews are performed to identify user access is still appropriate and does not allow segregation of duties conflicts. • Audit logs for key system activity are maintained, reviewed periodically to identify potential unauthorised access and remediate exceptions.
Change Management	<ul style="list-style-type: none"> • Changes are documented with sufficient assessment and approval before initiation. • Changes are tested before being deployed in production (e.g. unit testing, integration, UAT etc.). • Change are approved prior to deployment into production. • Separate non-production environments exist to support the change management development and testing process.
Job and Batch Scheduling	<ul style="list-style-type: none"> • Operational procedures and controls are established to ensure that automated batch processes and/or interface configurations are scheduled, executed and monitored effectively.
Backup and Recovery	<ul style="list-style-type: none"> • Backup (full or incremental) is performed to ensure availability of data for business continuity purposes. • Recovery tests are performed periodically to validate that data can be restored in a timely manner.

IT Audit Approach

2. Scope of Work - FY23-24

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ **IT Audit Approach**
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ Appendices contents

Our audit approach was based on substantive testing, which means we have not relied on automated controls and system-generated reports/IPE. Therefore, we have only assessed the Design & Implementation (D&I) of ITGCs, whereby we audit for point-in-time evidence only and have not performed testing of samples throughout the year (Operating Effectiveness).

We have also assessed cyber risk management procedures as part of our response to audit standard ISA315 revised. We have not performed a detailed technical cyber audit but have assessed the high-level procedures and processes used to govern cyber risk.

All our detailed ITGC findings have been reported to Torus62 Limited management who have provided us with their management comments in response along with details of remedial activities planned for FY23-24 and beyond. In the following pages of this report and for the purpose of our reporting to the Audit Committee, we have summarised the system in scope and the findings reported to local management to produce 5 findings, risks and recommendations for improvement.

Entity	In-scope application	Business cycle	Approach
Torus62 Limited	QL	FRCP, Revenue, Purchases, Operating Expenditure, Fixed Assets	D&I only

Control environment: ITGCs

4. IT General Controls - Detailed Findings

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ **Control deficiencies: ITGCs**
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ Appendices contents

Area	Rating	Observation & implication	Recommendation	Management response
1. Segregation of duties conflict between application and database admins	High	<p>Appropriate segregation of duties has not been enforced between application administrators and database back-end administrators for the in-scope application.</p> <p>Three QL front-end admins have privileged database back-end access where they perform master data changes and delete or edit audit logs. These accounts belong to:</p> <ol style="list-style-type: none"> a) Chris Graham (DBA Assistant) b) Ivan Prescott (Data Lead) c) Mark Karpusheff (DBA). <p><u>Risk</u> There is an inherent segregation of duties risk when individuals have both front-end application and database administrator rights impacting integrity of data.</p>	Management should implement segregation of duties between applications administrators and database administrators.	<p>We have since agreed to remove QL front-end system admin access from our 3x colleagues in the Data Team who also have back-end database access</p> <p><u>Responsible Person</u> Sean Derbyshire (ICT Security Lead)</p>
2. Weak password controls (QL database)	Medium	<p>BDO identified 16 enabled database administrative accounts with weak password security requirements</p> <p><u>Risk</u> Weak password controls increase the risk of unauthorised access to data</p>	The UK National Cyber Security Centre (NCSC) describes the use of Multifactor Authentication as one of the most effective ways of providing additional protection to a password protected account. We recommend that Management reviews and consider the application of NCSC principles of password administration and strategies across the system environment including databases.	<p>The accounts provided here are not user (AD) accounts and instead relate to SQL accounts, like service accounts, which are used for day-to-day processes. If a password policy was enabled on these, this was inevitably led to service outages and system issues. We are in the process of reviewing these accounts to identify if this number can be reduced.</p> <p><u>Responsible Person</u> Sean Derbyshire (ICT Security Lead)</p>

Control environment: ITGC Follow up of prior year deficiencies

5. IT General Controls - Follow up on prior year findings

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ **Control deficiencies: ITGCs**
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ Appendices contents

Area	Rating	Observation & implication	Recommendation	Management response
1. Business users with administrative privileges	High	<p>Appropriate segregation of duties has not been enforced as there are business users (non-IT personnel) granted administrator access on in-scope applications.</p> <p>During user access administration testing BDO noted 62 user accounts (both IT and non-IT) with administrative privileges which is excessive.</p> <p>9 out of the 62 accounts belong to finance users which gives them unrestricted access to the system including the ability to create new user accounts and assign system privileges resulting to segregation of duties conflict.</p> <p>Risk</p> <p>There is an inherent segregation of duties risk when individuals have administrator access on a system, as well as a transaction processing or monitoring role for data in that system which undermines data integrity.</p>	Assign administrative privileges to an independent individual (usually IT personnel) with no transaction processing or monitoring role.	<p>We have undertaken a further review of our QL Front-end System Admins and have been able to further reduce this count down further to a total of 27. Breakdown: 1x Aareon Support account, 19x IT Colleagues, 7x Finance Colleagues</p> <p>We are continuing our engagement with the Finance department to understand why this level of access is required, such as specific processes in Finance which require this access to work, linking Finance codes to workgroups & fixed asset setup within QL.</p> <p>All historic (leaver) accounts which previously had system admin access have since been locked.</p> <p>The remaining IT colleagues require system admin access in order to complete day-to-day system admin activity such as account administration for user onboarding and offboarding and other day-to-day admin activities.</p> <p>Responsible Person Sean Derbyshire (ICT Security Lead)</p>

Control environment: ITGC Follow up of prior year deficiencies

5. IT General Controls - Follow up on prior year findings

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ **Control deficiencies: ITGCs**
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ Appendices contents

Area	Rating	Observation & implication	Recommendation	Management response
2. No independent monitoring of admin activity	Medium	<p>No audit logging and independent monitoring of activities performed by administrative accounts on QL application. There is logging enabled for SQL database where users update the QL database directly from SSMS but not updates made by database administrators.</p> <p>Risk</p> <p>There is an inherent risk that without independent monitoring, the appropriateness of admin user activity is dependent on the motivation of the individual, unauthorised transaction activity is performed and may not be detected in a timely manner.</p>	<p>Management should implement audit logging that records activity performed by administrative accounts. Activity should be independently monitored, investigated as appropriate and formally signed off by an independent reviewer.</p>	<p>We are looking to also include a category logged in the same way, which includes QL updates but only for specific tables associated to QL user details. We have also been trialling logging update changes directly via SQL with a view to applying soon against the live QL application.</p> <p>Responsible Person Sean Derbyshire (ICT Security Lead)</p>
3. No periodic user access permission reviews performed	Medium	<p>Management has not designed controls to periodically review user access permissions on the QL application.</p> <p>Risk</p> <p>There is a greater risk that access rights are not commensurate with user responsibilities; segregation of duties are undermined; and redundant accounts are not revoked in a timely manner.</p>	<p>All user accounts and access rights, including standard user and generic accounts, should be independently reviewed along with appropriate documentation and sign-off of the review. The review should take place at a minimum of annually and more frequently during a period of high user administration activity.</p>	<p>We are planning to perform spot checks on accounts every 6 months to ensure that accounts are reviewed. We can also look to generate lists for each business area to review to identify any user accounts / rights are reviewed.</p> <p>Responsible Person Sean Derbyshire (ICT Security Lead)</p>

Audit report overview

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ **Audit report overview**
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ Appendices contents

Opinion on financial statements

We anticipate issuing 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;
- ▶ 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 of the extent to which 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 directors report and statutory other information

- ▶ 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

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.

Additional matters we are required to report

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ **Additional matter req.**
- ▶ Communication with you
- ▶ Appendices contents

	Issue	Comments
1	Significant difficulties encountered during the audit	No exceptions to note
2	Written representations which we seek	We shall provide a copy of our representation letter in a separate document.
3	Any fraud or suspected fraud issues	Details and when communicated to you or '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 fraud or suspected fraud at group or component level	No exceptions to note

Communication with you

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ **Communication with you**
- ▶ Appendices contents

Those Charged with Governance (TCWG)

References in this report to Those Charged With Governance are to the Board as a whole. For the purposes of our communication with those charged with governance you have agreed we will communicate primarily with the Audit and Risk Committee.

In communicating with TCWG of the parent and the group, we consider TCWG of subsidiary entities to be informed about matters relevant to their subsidiary. Please let us know if this is not appropriate.

Communication, meetings and feedback

We request feedback from you on our planning and completion report to promote two-way communication throughout the audit process and to ensure that all risks are identified and considered; and at completion that the results of the audit are appropriately considered.

We have met with management throughout the audit process. We have issued regular updates driving the audit process with clear and timely communication, bringing in the right resource and experience to ensure efficient and timely resolution of issues.

Communication required	Date (to be) communicated	To whom	Communication method
Audit planning strategy	25 th April 2024	TCWG	Presentation at Audit & Risk Committee
Audit Completion report	8 th August 2024	TCWG	Presentation at Audit & Risk Committee
Approval and signing of Financial Statements by the Board	22 nd August 2024	TCWG	Board

Appendices contents

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ **Appendices contents**
 - FRC Ethical Standard
 - FRC for Audit Committees
 - Audit quality
 - ISA (UK) 600 (Revised)
 - High Performing Teams





FRC Ethical Standard

Issued in December 2019

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ **Appendices contents**
 - FRC Ethical Standard
 - FRC for Audit Committees
 - Audit quality
 - ISA (UK) 600 (Revised)
 - High Performing Teams

It is now around four years since the FRC's Revised Ethical Standard 2019 ('ES') came into force. It aimed to further strengthen auditor independence and enhance confidence in the profession and was, in many ways, a precursor to the Corporate Governance and Audit Reform debate

that is still ongoing. Although the ES is now well-established it is worth taking time to reconsider some of its most important changes and ensure your internal policies and procedures are effective.

Key headlines	Impact
The objective, reasonable & informed third party test	Reinforcement that ethical principles take priority over rules. A need to take care where particular facts and circumstances are either not addressed directly by the rules or might appear to 'work around' the rules, or result in an outcome that is inconsistent with the general principles and the public interest.
Extra-territorial impact	For group audits where the audited entity has overseas operations, the ES will require all BDO Member firms to be independent of the UK audited entity and its UK and overseas affiliates in accordance with the ES, irrespective of if their audit work is relied upon.
Contingent fees	Non-audit services with contingent or success-based fee arrangements will be prohibited for audited entities.
Secondments	All secondments/loan staff to audited entities are prohibited with the exception of secondments to public sector entities.
Recruitment and remuneration services	Prohibition on providing remuneration services to audited entities such as advising on the quantum of the remuneration package or the measurement criteria for calculation of the package. In addition, the prohibition on providing recruitment services to an audited entity that would involve the firm taking responsibility for, or advising on the appointment of, any director or employee of the entity.



FRC Ethical Standard

Continued

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ **Appendices contents**
 - FRC Ethical Standard
 - FRC for Audit Committees
 - Audit quality
 - ISA (UK) 600 (Revised)
 - High Performing Teams

Key headlines	Impact
<p>Non-audit services to a public interest entity (PIE)</p>	<p>Moving to a “white-list” of permitted non-audit services for PIEs. The white-list largely consists of services which are either audit-related or required by law and/or regulation. The provision of services not on the white-list are prohibited. The ES separates those permitted services which are exempt from the 70% fee cap and those services which are subject to the fee cap.</p>
<p>Other entities of public interest ('OEPI')</p>	<p>OEPI is a new term in the ES. The FRC have imposed the ‘white-list’ applicable to PIE audited entities to also apply to OEPIs. OEPIs are entities which, according to the FRC, do not meet the definition of a PIE but nevertheless are of significant public interest to stakeholders. They include AIM listed entities which exceed the threshold to be an <i>SME listed entity</i> - generally those with a market cap of more than €200m; Lloyd’s syndicates; Private sector pension schemes with more than 10,000 members and more than £1billion of assets; Entities that are subject to the governance requirements of The Companies (Miscellaneous Reporting) Regulations 2018 (SI/2018/860), excluding fund management entities which are included within a private equity or venture capital limited partnership fund structure. These would be entities which:</p> <ul style="list-style-type: none"> - Have more than 2,000 employees; and / or - Have a turnover of more than £200 million and a balance sheet total of more than £2 billion. <p>The FRC have noted that the rules applicable to OEPIs will apply from periods commencing on or after 15 December 2020.</p>

FRC Practice Aid for Audit and Risk Committees

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ **Appendices contents**
 - FRC Ethical Standard
 - **FRC for Audit Committees**
 - Audit quality
 - ISA (UK) 600 (Revised)
 - High Performing Teams

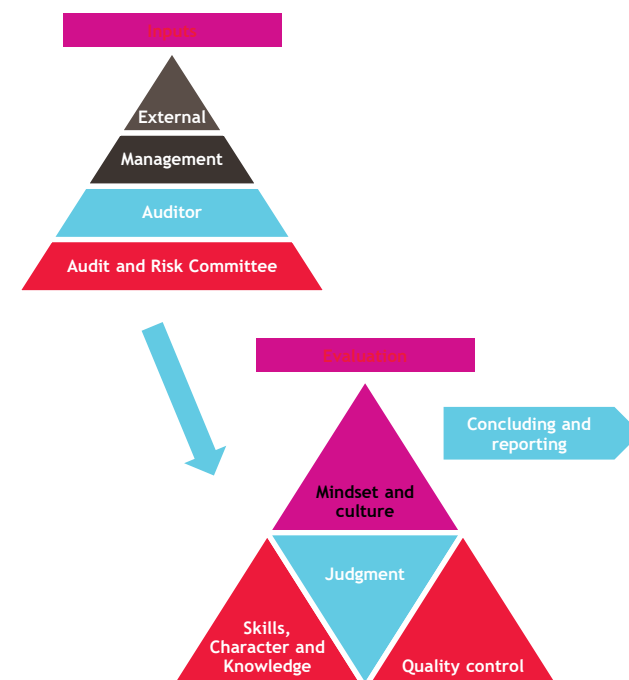
The Financial Reporting Council (FRC) issued an updated practice aid for Audit and Risk Committees in December 2019 and a full copy can be found on the [FRC website](#). In their practice aid the FRC note: ‘The directors of a company (the Board as a whole) are responsible for ensuring its financial statements are prepared in accordance with the applicable financial reporting framework and for overseeing the company’s internal control framework. A high-quality audit provides investors and other stakeholders with a high level of assurance that the financial statements of an entity give a true and fair view and provide a reliable and trustworthy basis for taking decisions.’

The practice aid then discusses how the role of Audit and Risk Committees in serving the interests of investors and other stakeholders is through their independent oversight of the annual corporate reporting process including the audit. The FRC highlight that the responsibility for appointing the external auditor, approving their remuneration and any non-audit services work, ensuring their independence and challenging them over the quality of their work falls to the Audit and Risk Committee and can play a key role in facilitating a high quality audit (see note below).

It gives guidance for Audit and Risk Committees in the following areas:

- ▶ Audit tenders and the tender process including audit fee negotiations and auditor independence
- ▶ A model for use by Audit and Risk Committees in making an overall assessment of an external auditor including inputs, evaluations and concluding
- ▶ Transparency - reporting to the Board on how the Audit and Risk Committee has discharged these responsibilities
- ▶ Some guidance on key areas of audit judgement

The provision of high quality audits are a key focus of FRC and they sent a letter to all audit firms in November 2019 explaining the factors he would expect to see in place in order to facilitate the delivery of high quality audits. A copy of the letter can be found on the FRC website.



Audit quality

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ **Appendices contents**
 - FRC Ethical Standard
 - FRC for Audit Committees
 - **Audit quality**
 - ISA (UK) 600 (Revised)
 - High Performing Teams

BDO is totally committed to audit quality

It is a standing item on the agenda of BDO's Leadership Team who, in conjunction with the Audit Stream Executive (which works to implement strategy and deliver on the audit stream's objectives), monitor the actions required to maintain a high level of audit quality within the audit stream and address findings from external and internal inspections.

BDO welcomes feedback from external bodies and is committed to implementing a necessary actions to address their findings.

We recognise the importance of continually seeking to improve audit quality and enhancing certain areas. Alongside reviews from a number of external reviewers, the AQR (the Financial Reporting Council's Audit Quality Review team), QAD (the ICAEW Quality Assurance Department) and the PCAOB (Public Company Accounting Oversight Board who oversee the audits of US companies), the firm undertakes a thorough annual internal Audit Quality Assurance Review and as member firm of the BDO International network we are also subject to a quality review visit every three years.

We have also implemented additional quality control review processes for all listed and public interest audits.

More details can be found in our Transparency Report at www.bdo.co.uk



ISA (UK) 600 (Revised) September 2022: Special considerations - Audits of group financial statements (including the work of component auditors)

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ **Appendices contents**
 - FRC Ethical Standard
 - FRC for Audit Committees
 - Audit quality
 - **ISA (UK) 600 (Revised)**
 - High Performing Teams

Introduction

The revised standard introduces significant changes to planning and performing group audits including the work of component auditors. The aim of the revised standard is to drive a more risk focused group audit approach. There will be a number of implications for the way we carry out group audits:

- ▶ Our risk assessment procedures may require greater involvement from component auditors at an early stage of the audit to provide an appropriate basis to identify and assess risks of material misstatement. Approaching risk assessment procedures in this way will facilitate targeted test design, focusing on the areas that really matter.
- ▶ New definitions result in a revised scope of the standard bringing in shared service centres, branches and divisions, and non-controlled entities.
- ▶ Greater two-way communication between group auditor and component auditor to facilitate this risk based approach.

Two of the key benefits to these changes are:

- ▶ An ability to scale and flex our group audit approach to the specific risks of the group
- ▶ Clearer link between the risks and the resulting work performed to ensure we target audit effort where it is needed.

Effective Date

- ▶ ISA (UK) 600 Revised is effective for audits of financial statements for periods beginning on or after 15 December 2023.

How does this impact your audit?

- ▶ We expect to spend more time at the planning stage understanding components, including shared service centres, branches, divisions, group wide controls and the consolidation process to identify and assess potential risk of material misstatement.
- ▶ Due to the change in definitions, the scope of our group audit may change across various parts of the group.
- ▶ The combination of additional focus at planning and potential changes to audit approach may result in new or additional information requests and/or different phasing of audit procedures.
- ▶ [Audit fees will reflect our increased investment in complying with these new requirements.]
- ▶ As a product of this additional focus, we expect to deliver greater insight into your group wide control environment and have a better understanding of the risks in your group financial reporting processes.



Our Culture of Challenge

High Performing Teams

- ▶ Table of contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Going Concern
- ▶ Additional consideration
- ▶ Additional consideration
- ▶ Unadjusted errors
- ▶ Unadjusted disclosures
- ▶ Adjusted errors
- ▶ Adjusted disclosures
- ▶ Control deficiencies
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ IT Audit Approach
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Control deficiencies: ITGCs
- ▶ Audit report overview
- ▶ Additional matter req.
- ▶ Communication with you
- ▶ **Appendices contents**
 - FRC Ethical Standard
 - FRC for Audit Committees
 - Audit quality
 - ISA (UK) 600 (Revised)
 - **High Performing Teams**

“The Right people, supported to do the Right Work, in the Right place at the Right time. In short doing the Right thing. Always.”

A distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in the public interest. While the ICAEW Code of Ethics provides guidance on how a professional accountant fulfils their duty, the focus of our firm, and auditors individually is to discharge our obligation to serve the public interest by consistently performing quality audit engagements.

Our work as auditors is fundamental to the success of the business world, enabling decisions based on transparent financial reporting that is trusted. The purpose of an audit is to help establish and maintain deserved confidence in a company, in its directors and in the information which they have responsibility to report, including the financial statements.

Quality is represented in our strategic framework in two important and distinct ways:

- The first is that we are committed to serving the public interest by consistently performing quality engagements - this is particularly important for two reasons: firstly, that it is the right thing to do and secondly, that it's required of by the international standards on quality management.
- The second commitment is to high quality, independence and ethics, which is broader than just our performance on individual audit and non-audit engagements and recognises the importance of high quality in everything we do.

Our Audit Specific Behaviours provide guidance and set consistent expectations for our auditor teams to ensure our day-to-day interactions and decision making come together to create High Performing Teams, that do the right thing. Always.

Read our latest Transparency Report on the BDO website.



For more information:

Hamid Ghafoor

e: hamid.ghafoor@bdo.co.uk

m: +44 (0) 7816 227021

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.

BDO is an award winning UK member firm of BDO International, the world's fifth largest accountancy network, with more than 1,500 offices in over 160 countries.

BDO LLP is a corporate establishment under the Limited Liability Partnership Act 2000 and a UK Member Firm of BDO International. BDO Northern Ireland, a separate partnership, operates under a licence agreement. BDO LLP and BDO Northern Ireland are both separately authorised and regulated by the Financial Conduct Authority to conduct investment business.

© 2024 BDO LLP. All rights reserved.

www.bdo.co.uk



Torus Foundation

England & Wales - Charity number 1152903

Accounts

Financial Statements

31 March 2023

22
—
23

Torus Foundation
Charity Number: 1152903
Company Registration Number: 08444912



CONTENTS

TORUS FOUNDATION TRUSTEES, ADVISORS AND BANKERS	1
TRUSTEES' REPORT	2
TRUSTEES' RESPONSIBILITIES STATEMENT	7
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION	8
STATEMENT OF FINANCIAL ACTIVITIES	13
STATEMENT OF FINANCIAL POSITION	14
NOTES TO THE FINANCIAL STATEMENTS	15

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
Clr 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		<u>4,666</u>	<u>5,631</u>
Creditors: amounts falling due within one year	15	(1,083)	(2,104)
Net current assets		<u>3,583</u>	<u>3,527</u>
Total assets less current liabilities		<u>3,808</u>	<u>3,775</u>
Pension provision	16	(23)	(453)
Total net assets		<u><u>3,785</u></u>	<u><u>3,322</u></u>
The funds of the charity:			
Restricted funds	17	205	312
Unrestricted funds	17	3,580	3,010
Total charity funds		<u><u>3,785</u></u>	<u><u>3,322</u></u>

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
-------------------	--

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

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 2022-23 £'000	Restricted Funds 2022-23 £'000	Total Funds 2022-23 £'000	Unrestricted Funds 2021-22 £'000	Restricted Funds 2021-22 £'000	Total Funds 2021-22 £'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 2022-23 £'000	Restricted funds 2022-23 £'000	Total Funds 2022-23 £'000	Unrestricted Funds 2021-22 £'000	Restricted funds 2021-22 £'000	Total Funds 2021-22 £'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
	<u>271</u>	<u>271</u>	<u>182</u>	<u>50</u>

6. Investment Income

	2023	2023	2022	2022
	Unrestricted	Total	Unrestricted	Total
	Funds	Funds	Funds	Funds
	£'000	£'000	£'000	£'000
Bank interest receivable	14	14	-	-
	<u>14</u>	<u>14</u>	<u>-</u>	<u>-</u>

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
	<u>4,813</u>	<u>2,740</u>	<u>7,553</u>	<u>4,837</u>	<u>1,728</u>	<u>6,565</u>

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
	<u>107</u>	<u>105</u>

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	<u>298</u>
Depreciation	
At 1st April 2022	50
Charge for the year	23
At 31st March 2023	<u>73</u>
Net book value at 31st March 2023	<u>225</u>
Net book value at 31st March 2022	<u>248</u>

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
	<u>445</u>	<u>677</u>

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
	<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)	(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	<u>(8)</u>	<u>(4)</u>	<u>(12)</u>	<u>(7)</u>
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	<u>(1,153)</u>	<u>(2,236)</u>	<u>(3,389)</u>	<u>(2,219)</u>
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	<u>2,078</u>	<u>2,213</u>	<u>4,291</u>	<u>2,016</u>
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	<u>(925)</u>	<u>-</u>	<u>(925)</u>	<u>-</u>
	<u>-</u>	<u>(23)</u>	<u>(23)</u>	<u>(203)</u>

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	<u>278</u>	<u>212</u>	<u>490</u>	<u>191</u>

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
—
23

Torus Foundation
Charity Number: 1152903
Company Registration Number: 08444912



CONTENTS

TORUS FOUNDATION TRUSTEES, ADVISORS AND BANKERS	1
TRUSTEES' REPORT	2
TRUSTEES' RESPONSIBILITIES STATEMENT	7
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION	8
STATEMENT OF FINANCIAL ACTIVITIES	13
STATEMENT OF FINANCIAL POSITION	14
NOTES TO THE FINANCIAL STATEMENTS	15

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
Clr 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	Restricted	Total Funds	Unrestricted	Restricted	Total Funds
		Funds	Funds		Funds	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		<u>4,666</u>	<u>5,631</u>
Creditors: amounts falling due within one year	15	(1,083)	(2,104)
Net current assets		<u>3,583</u>	<u>3,527</u>
Total assets less current liabilities		<u>3,808</u>	<u>3,775</u>
Pension provision	16	(23)	(453)
Total net assets		<u><u>3,785</u></u>	<u><u>3,322</u></u>
The funds of the charity:			
Restricted funds	17	205	312
Unrestricted funds	17	3,580	3,010
Total charity funds		<u><u>3,785</u></u>	<u><u>3,322</u></u>

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
-------------------	--

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
	<u>271</u>	<u>271</u>	<u>182</u>	<u>50</u>

6. Investment Income

	2023	2023	2022	2022
	Unrestricted	Total	Unrestricted	Total
	Funds	Funds	Funds	Funds
	£'000	£'000	£'000	£'000
Bank interest receivable	14	14	-	-
	<u>14</u>	<u>14</u>	<u>-</u>	<u>-</u>

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
	<u>4,813</u>	<u>2,740</u>	<u>7,553</u>	<u>4,837</u>	<u>1,728</u>	<u>6,565</u>

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
	<u>107</u>	<u>105</u>

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	<u>298</u>
Depreciation	
At 1st April 2022	50
Charge for the year	23
At 31st March 2023	<u>73</u>
Net book value at 31st March 2023	<u>225</u>
Net book value at 31st March 2022	<u>248</u>

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
	<u>445</u>	<u>677</u>

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
	<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)	(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	<u>(8)</u>	<u>(4)</u>	<u>(12)</u>	<u>(7)</u>
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	<u>(1,153)</u>	<u>(2,236)</u>	<u>(3,389)</u>	<u>(2,219)</u>
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	<u>2,078</u>	<u>2,213</u>	<u>4,291</u>	<u>2,016</u>
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)	-
	<u>-</u>	<u>(23)</u>	<u>(23)</u>	<u>(203)</u>

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 £'000	MPF £'000	Total £'000	Total £'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	<u>278</u>	<u>212</u>	<u>490</u>	<u>191</u>

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

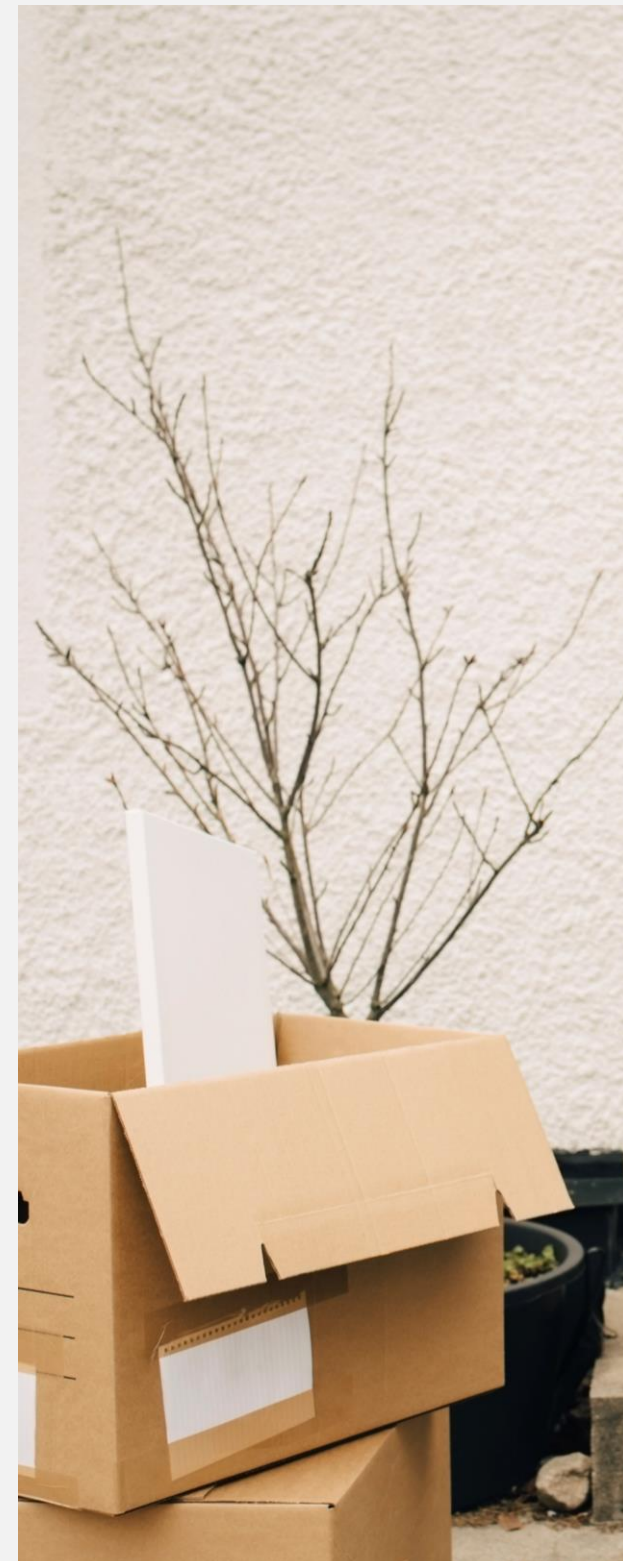
An Intra Group Agreement is in place between Torus62 and its subsidiaries, whereby subsidiaries agree that their immediate and ultimate shareholder/member is Torus62 Limited (Community Benefit Society 7973). As Torus62 controls the appointment of the Board it is considered to be the beneficial owner.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

Torus62 Limited



Contents

Table Of Contents	2
Introduction	3
Executive summary	4
The numbers	5
Key matters	6
Summary	7
Overview of risks	8
Overview of risks	9
Risk 1	10
Risk 2	11
Risk 3	12
Elevated risks	13
IT Audit and Other Matters	14
Going Concern	16
Additional consideration	17
Unadjusted errors	18
Significant control deficiencies	19
Audit report overview	20
Audit report overview	21
Additional matter req.	22
Outstanding matters	23
Additional matter req.	24



Welcome

Introduction

- ▶ Table Of Contents
- ▶ **Introduction**
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Overview of risks
- ▶ Elevated risks
- ▶ IT Audit and Other Matters
- ▶ Going Concern
- ▶ Audit report overview
- ▶ Audit report overview

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



Hamid Ghafoor
Partner

e: hamid.ghafoor@bdo.co.uk
m: +44(0)7816 227021



Stephanie Kirman
Audit Manager

e:stephanie.kirman@bdo.co.uk
m: +44(0)161 817 7665

Overview

Executive summary

- ▶ Table Of Contents
- ▶ Introduction
- ▶ **Executive summary**
 - The numbers
 - Key matters
 - Summary
- ▶ Overview of risks
- ▶ Overview of risks
- ▶ Elevated risks
- ▶ IT Audit and Other Matters
- ▶ Going Concern
- ▶ Audit report overview
- ▶ Audit report overview

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

Executive summary

- ▶ Table Of Contents
- ▶ Introduction
- ▶ **Executive summary**
 - **The numbers**
 - Key matters
 - Summary
- ▶ Overview of risks
- ▶ Overview of risks
- ▶ Elevated risks
- ▶ IT Audit and Other Matters
- ▶ Going Concern
- ▶ Audit report overview
- ▶ Audit report overview

Final Materiality

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

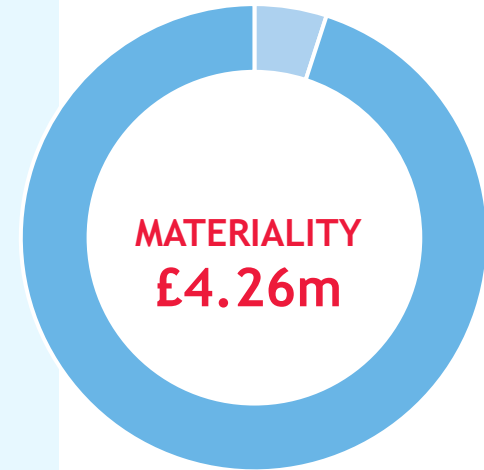
There were no changes to the basis of calculation of final materiality or clearly trivial levels from that reported in our planning report. Figures were updated for actuals.

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.



**CLEARLY
TRIVIAL
£128k**

Key matters

Executive summary

- ▶ Table Of Contents
- ▶ Introduction
- ▶ **Executive summary**
 - The numbers
 - **Key matters**
 - Summary
- ▶ Overview of risks
- ▶ Overview of risks
- ▶ Elevated risks
- ▶ IT Audit and Other Matters
- ▶ Going Concern
- ▶ Audit report overview
- ▶ Audit report overview

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

Our methodology

- ▶ Table Of Contents
- ▶ Introduction
- ▶ **Executive summary**
 - The numbers
 - Key matters
 - **Summary**
- ▶ Overview of risks
- ▶ Overview of risks
- ▶ Elevated risks
- ▶ IT Audit and Other Matters
- ▶ Going Concern
- ▶ Audit report overview
- ▶ Audit report overview

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

Overview of risks

- ▶ Table Of Contents
- ▶ Introduction
- ▶ Executive summary
- ▶ **Overview of risks**
- ▶ Overview of risks
- ▶ Elevated risks
- ▶ IT Audit and Other Matters
- ▶ Going Concern
- ▶ Audit report overview
- ▶ Audit report overview

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

Audited Entities

- ▶ Table Of Contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ **Overview of risks**
 - Risk 1
 - Risk 2
 - Risk 3
- ▶ Elevated risks
- ▶ IT Audit and Other Matters
- ▶ Going Concern
- ▶ Audit report overview
- ▶ Audit report overview

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

Risk 1

- ▶ Table Of Contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ **Overview of risks**
 - Risk 1
 - Risk 2
 - Risk 3
- ▶ Elevated risks
- ▶ IT Audit and Other Matters
- ▶ Going Concern
- ▶ Audit report overview
- ▶ Audit report overview

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

Risk 2

- ▶ Table Of Contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ **Overview of risks**
 - Risk 1
 - **Risk 2**
 - Risk 3
- ▶ Elevated risks
- ▶ IT Audit and Other Matters
- ▶ Going Concern
- ▶ Audit report overview
- ▶ Audit report overview

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

Risk 3

- ▶ Table Of Contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ **Overview of risks**
 - Risk 1
 - Risk 2
 - **Risk 3**
- ▶ Elevated risks
- ▶ IT Audit and Other Matters
- ▶ Going Concern
- ▶ Audit report overview
- ▶ Audit report overview

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



Elevated risks

- ▶ Table Of Contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Overview of risks
- ▶ **Elevated risks**
- ▶ IT Audit and Other Matters
- ▶ Going Concern
- ▶ Audit report overview
- ▶ Audit report overview

Risk		
<p>Inappropriate pension scheme assumptions leads to material misstatement</p>	<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

- ▶ Table Of Contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Overview of risks
- ▶ Elevated risks
- ▶ **IT Audit and Other Matters**
- ▶ Going Concern
- ▶ Audit report overview
- ▶ Audit report overview

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

Other Matters - Impairment

- ▶ Table Of Contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Overview of risks
- ▶ Elevated risks
- ▶ IT Audit and Other Matters
- ▶ Going Concern
- ▶ Audit report overview
- ▶ Audit report overview

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



Going Concern

- ▶ Table Of Contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Overview of risks
- ▶ Elevated risks
- ▶ IT Audit and Other Matters
- ▶ **Going Concern**
 - Additional consideration
 - Unadjusted errors
 - Significant control deficiencies
- ▶ Audit report overview
- ▶ Audit report overview

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

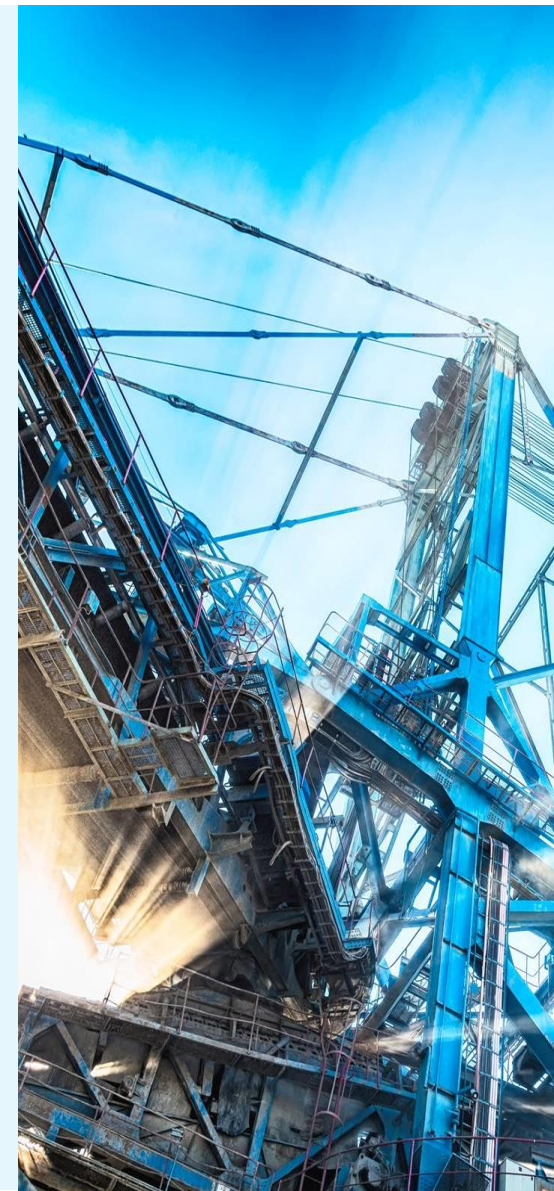
Our responsibilities in respect of going concern are:

- 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. 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. The Directors' plans for future actions in relation to the going concern assessment including whether such plans are feasible in the circumstances.
- 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

- ▶ Table Of Contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Overview of risks
- ▶ Elevated risks
- ▶ IT Audit and Other Matters
- ▶ **Going Concern**
 - Additional consideration
 - Unadjusted errors
 - Significant control deficiencies
- ▶ Audit report overview
- ▶ Audit report overview

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

Details for the current Year

- ▶ Table Of Contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Overview of risks
- ▶ Elevated risks
- ▶ IT Audit and Other Matters
- ▶ **Going Concern**
 - Additional consideration
 - **Unadjusted errors**
 - Significant control deficiencies
- ▶ Audit report overview
- ▶ Audit report overview

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)
NRV of completed properties	This misstatement arose as result of sales post year end being below the respective cost of the shared ownership property	Factual	No	(579,010)			579,010

Control environment:

- ▶ Table Of Contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Overview of risks
- ▶ Elevated risks
- ▶ IT Audit and Other Matters
- ▶ **Going Concern**
 - Additional consideration
 - Unadjusted errors
 - **Significant control deficiencies**
- ▶ Audit report overview
- ▶ Audit report overview

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	<p>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.</p> <p>User access should enforce segregation so that no individual can input and approve a transaction on their own throughout a business process.</p>	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.

Audit report overview

- ▶ Table Of Contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Overview of risks
- ▶ Elevated risks
- ▶ IT Audit and Other Matters
- ▶ Going Concern
- ▶ **Audit report overview**
- ▶ Audit report overview

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

- ▶ Table Of Contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Overview of risks
- ▶ Elevated risks
- ▶ IT Audit and Other Matters
- ▶ Going Concern
- ▶ Audit report overview
- ▶ **Audit report overview**
 - Additional matter req.
 - Outstanding matters
 - Additional matter req.

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

Communication with you

- ▶ Table Of Contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Overview of risks
- ▶ Elevated risks
- ▶ IT Audit and Other Matters
- ▶ Going Concern
- ▶ Audit report overview
- ▶ **Audit report overview**
 - Additional matter req.
 - Outstanding matters
 - Additional matter req.

	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

Outstanding matters

- ▶ Table Of Contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Overview of risks
- ▶ Elevated risks
- ▶ IT Audit and Other Matters
- ▶ Going Concern
- ▶ Audit report overview
- ▶ **Audit report overview**
 - Additional matter req.
 - **Outstanding matters**
 - Additional matter req.

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

- ▶ Table Of Contents
- ▶ Introduction
- ▶ Executive summary
- ▶ Overview of risks
- ▶ Overview of risks
- ▶ Elevated risks
- ▶ IT Audit and Other Matters
- ▶ Going Concern
- ▶ Audit report overview
- ▶ **Audit report overview**
 - Additional matter req.
 - Outstanding matters
 - **Additional matter req.**

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

e: hamid.ghafoor@bdo.co.uk

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.

BDO is an award winning UK member firm of BDO International, the world's fifth largest accountancy network, with more than 1,500 offices in over 160 countries.

BDO LLP is a corporate establishment under the Limited Liability Partnership Act 2000 and a UK Member Firm of BDO International. BDO Northern Ireland, a separate partnership, operates under a licence agreement. BDO LLP and BDO Northern Ireland are both separately authorised and regulated by the Financial Conduct Authority to conduct investment business.

© 2023 BDO LLP. All rights reserved.

www.bdo.co.uk



Torus Foundation

England & Wales - Charity number 1152903

Accounts

Financial Statements

31 March 2022

21
—
22

Torus Foundation
Charity Number: 1152903
Company Registration Number: 08444912



CONTENTS

TORUS FOUNDATION TRUSTEES, ADVISORS AND BANKERS	3
TRUSTEES' REPORT	4
TRUSTEES' RESPONSIBILITIES STATEMENT	9
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION	10
STATEMENT OF FINANCIAL ACTIVITIES	14
STATEMENT OF FINANCIAL POSITION	15
NOTES TO THE FINANCIAL STATEMENTS	17

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	Resigned 26/04/2022
CLlr Jeanie Bell	Director and Trustee	
Catherine Anne Murray-Howard	Director and Trustee	
Philip John Charles Garrigan	Director and Trustee	
Colleen Deanne Martin	Director and Trustee	Resigned 26/04/2022
Elaine Marie Stewart	Director and Trustee	Resigned 22/10/2021
Tom Jennings	Director and Trustee	Resigned 22/10/2021
Clare Gosling	Director and Trustee	Appointed 06/06/2022
Holly Chan	Director and Trustee	Appointed 06/06/2022
Uzair Patel	Director and Trustee	Appointed 06/06/2022
Simon Bean	Director and Trustee	Appointed 06/06/2022
Stephanie Donaldson	Director and Trustee	Appointed 06/06/2022
Tony Okotie	Director and Trustee	Appointed 06/06/2022
Ronnie Clawson	Secretary	

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 2022 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

The Foundation was unable to host volunteers during 2021/22 due to the Coronavirus Pandemic and the national restrictions imposed by the UK Government.

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 £407,989 in-kind funding was generated for the benefit of Torus Foundation customers in 2021/22.

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 2021/22, the charity received income of £8.6m (2020/21: £3.4m). This includes £1.4m received as Gift Aid from the Group (2020/21 £1.2m), £3.6m 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 (2020/21: £1.2m).

ACHIEVEMENTS AND PERFORMANCE

Torus Foundation is producing an externally validated Social Impact Report for 2021/22, full details of which will be found at www.torusfoundation.org.uk.

EMPLOYMENT

Torus Foundation helped 1,004 people to find work:

- 44 work placements and volunteer placements were undertaken.
- 41 people were supported into an apprenticeship.
- 88% of customers reported an increase in skills and confidence as a result of engaging with the Torus Foundation Employment and Skills Team.

FINANCIAL INCLUSION

- 3,983 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 £4,335,233 in financial gains was obtained for Torus customers.

HEALTH & WELLBEING

- 2,968 people attended health and wellbeing sessions.
- 100% of customers reported an increase in their health and wellbeing as a result of engaging with the Torus Foundation Health and Wellbeing Service.

YOUTH

- In line with the Firefit Hub Youth Impact Framework, 650 outcomes were achieved by FireFit Hub members.
- The Charity became a licensed Duke of Edinburgh Award Centre.

DIGITAL INCLUSION

- 658 people received digital kit.
- 8 physical Digital Hubs were provided during the year prior to delivery moving to online provision.
- 889 online digital sessions were delivered.
- 97% 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 £312k in restricted reserves (2021: £10k) and £3,010k in unrestricted reserves (2021: £934k).

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 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 21-22 six new trustees were appointed.

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 and key investors such as Merseyside Fire and Rescue Authority, Liverpool City Council 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.
- 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 Charity continued to be impacted by the Coronavirus pandemic in 2021/22 due to the reduction in the delivery of charitable activities. This was due to the public health restrictions on leisure and health activities and other social distancing measures. Income has been impacted, although costs have also reduced.

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 2022/23. However, the Charity remains in a robust position to continue operations into the future with cash and cash equivalents £5.0m as at 31st March 2022.

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.

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 2022/23 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.

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 16th August 2022 and signed on its behalf by:



Sarah Jane Saunders

Trustee

Date: 16th August 2022

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: 16th August 2022

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 2022 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 2022 which comprise the statement of financial activities, the statement of financial position 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.

Independent auditor's report (cont)

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

We have nothing to report in this regard.

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 is 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 Trustee's 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 take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Independent auditor's report (cont)

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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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:

Based on our understanding and accumulated knowledge of the Charitable Company, and the sector in which it operates we considered the risk of acts by the Charitable Company which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. We considered the significant laws and regulations to be United Kingdom Generally Accepted Accounting Practice (including FRS102 and the Charities Statement of Recommended Practice) and the UK Companies Act 2006. All audit team members were briefed to ensure they were aware of any relevant regulations in relation to their work, areas of potential non-compliance and fraud risks.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of an override of controls), and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and improper incoming resources recognition.

Independent auditor's report (cont)

Our audit procedures in response to the above included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the recoverability of debtors and in relation to the estimates relating to the defined benefit pension schemes;
- Procedures to test incoming resources including agreement of incoming resources recognised to supporting documentation on a sample basis and testing incoming resources recorded around the year end to check the appropriate year end cut-off;
- Identifying and testing journal entries identified as potentially unusual. This testing included, but was not limited to, any journal entries posted with specific keywords, journals posted by unexpected users, and journals posted to least used accounts;
- Discussions with management, and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Discussions with management, and those charged with governance to understand if there has been any Serious Incident Reports made to the Charity Commission either during the period or post year end;
- A review of trustees' meeting minutes both during the period, and post year end, for any known or suspected instances of non-compliance with laws and regulation, Serious Incident Reports made to the Charity Commission or fraud;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

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.

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.

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:

829727ECC12041D
Hamid Ghafoor

(Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor, Liverpool

Date: 09 September 2022

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 2022

	Note	2022			2021		
		Unrestricted	Restricted	Total Funds	Unrestricted	Restricted	Total Funds
		Funds	Funds		Funds	Funds	
		£'000	£'000	£'000	£'000	£'000	£'000
Income:							
Donations and legacies	3	5,002	-	5,002	1,982	-	1,982
Income from charitable activities	4	1,420	2,030	3,450	211	1,007	1,218
Commercial trading activities	5	182	-	182	50	-	50
Investment income	6	-	-	-	-	-	-
Other income	7	-	-	-	167	-	167
Total Income		6,604	2,030	8,634	2,410	1,007	3,417
Expenditure on:							
Interest payable and financing costs		(14)	-	(14)	(11)	-	(11)
Charitable activities	8, 9	(4,837)	(1,728)	(6,565)	(3,189)	(1,032)	(4,221)
Total Expenditure		(4,851)	(1,728)	(6,579)	(3,200)	(1,032)	(4,232)
Net income/(deficit) and net movement in funds for the year		1,753	302	2,055	(790)	(25)	(815)
Actuarial gain/(loss) on pension scheme	17	323	-	323	(236)	-	(236)
Transfer of reserves		-	-	-	-	-	-
Total funds at beginning of year		934	10	944	1,960	35	1,995
Total funds at end of year		3,010	312	3,322	934	10	944

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 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Tangible assets	14	248	79
Current assets			
Debtors	15	677	269
Cash and cash equivalents		4,954	2,983
Total current assets		5,631	3,252
Creditors: amounts falling due within one year	16	(2,104)	(1,648)
Net current assets		3,527	1,604
Total assets less current liabilities		3,775	1,683
Pension provision	17	(453)	(739)
Total net assets		3,322	944
The funds of the charity:			
Restricted funds	18	312	10
Unrestricted funds	18	3,010	934
Total charity funds		3,322	944

The financial statements were approved by the Board on 16th August 2022 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

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 2022. These financial statements may be obtained from its registered office: 4 Corporation Street, St Helens, Merseyside, WA9 1LD.

The Charity continued to be impacted by the Coronavirus pandemic in 2021/22 due to the reduction in the delivery of charitable activities. This was due to the public health restrictions on leisure and health activities and other social distancing measures. Income has been impacted, although costs have also reduced.

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 2022/23. However, the Charity remains in a robust position to continue operations into the future with cash and cash equivalents £5.0m as at 31st March 2022.

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.

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.

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.

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
	2021-22	2021-22	2021-22	2020-21	2020-21	2020-21
	£'000	£'000	£'000	£'000	£'000	£'000
Donations						
Torus	5,002	-	5,002	1,982	-	1,982
	5,002	-	5,002	1,982	-	1,982

4. Income from Charitable Activities

	Unrestricted Funds	Restricted funds	Total Funds	Unrestricted Funds	Restricted funds	Total Funds
	2021-22	2021-22	2021- 22	2020-21	2020-21	2020-21
	£'000	£'000	£'000	£'000	£'000	£'000
Memberships, activities and hire	1,420	-	1,420	211	-	211
New Leaf and social inclusion	-	937	937	-	771	771
Medicash	-	-	-	-	8	8
Street Games	-	3	3	-	4	4
St Helens Council	-	-	-	-	20	20
Steve Morgan Fund	-	-	-	-	23	23
Duke of Edinburgh	-	6	6	-	-	-
Energy Redress	-	347	347	-	80	80
Winter Energy	-	10	10	-	-	-
Springboard	-	350	350	-	-	-
Community Champions	-	22	22	-	-	-
Children in Need	-	41	41	-	21	21
NHS	-	7	7	-	-	-
Kickstart	-	266	266	-	-	-
Liverpool City Council	-	41	41	-	16	16
ESC Lottery	-	-	-	-	-	-
Lottery	-	-	-	-	64	64
	1,420	2,030	3,450	211	1,007	1,218

NOTES TO THE FINANCIAL STATEMENTS

5. Commercial Trading Activities

	2022 Unrestricted Funds £'000	2022 Total Funds £'000	2021 Unrestricted Funds £'000	2021 Total Funds £'000
Vending income	-	-	9	9
Rent received	182	182	38	38
Other income	-	-	3	3
	<u>182</u>	<u>182</u>	<u>50</u>	<u>50</u>

6. Investment Income

	2022 Unrestricted Funds £'000	2022 Total Funds £'000	2021 Unrestricted Funds £'000	2021 Total Funds £'000
Bank interest receivable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

7. Other Income

	2022 Unrestricted Funds £'000	2022 Total Funds £'000	2021 Unrestricted Funds £'000	2021 Total Funds £'000
Other incoming resources	-	-	167	167
	<u>-</u>	<u>-</u>	<u>167</u>	<u>167</u>

Other income relates to income from the Governments job retention scheme.

NOTES TO THE FINANCIAL STATEMENTS

8. Costs of Charitable activities by fund type

	Unrestricted Funds	Restricted Funds	2022 Total Funds	Unrestricted Funds	Restricted Funds	2021 Total Funds
	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	2,801	1,011	3,812	1,662	708	2,370
Events and activities project	1,974	717	2,691	1,473	324	1,797
Establishment expenses	(6)	-	(6)	7	-	7
Depreciation	18	-	18	12	-	12
Support costs	50	-	50	35	-	35
	4,837	1,728	6,565	3,189	1,032	4,221

9. Costs of Charitable activities by activity type

	Activities Undertaken Directly	Support Costs	2022 Total Funds	2021 Total Funds
	£'000	£'000	£'000	£'000
Staff costs	3,811	-	3,811	2,370
Events and activities project	2,692	-	2,692	1,797
Establishment expenses	(6)	50	44	42
Depreciation	18	-	18	12
Governance costs	-	-	-	-
	6,515	50	6,565	4,221

10. Governance costs

Governance costs are met by Torus62 Limited.

NOTES TO THE FINANCIAL STATEMENTS

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

	2022	2021
	£'000	£'000
This is stated after charging:		
Depreciation	<u>19</u>	<u>12</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.

12. Staff Costs and Emoluments**Employee costs**

Total staff costs were as follows:	2022	2021
	£'000	£'000
Wages and salaries	3,141	1,975
Social security costs	288	165
Other pension costs	301	207
	<u>3,730</u>	<u>2,347</u>

Particulars of employees:

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

	2022	2021
	Average	Average
	Number	Number
Management staff	3	3
Regeneration staff	9	9
Youth team and support staff	<u>93</u>	<u>68</u>
	<u>105</u>	<u>80</u>

One employee received remuneration between £80,000 and £90,000, and one employee received remuneration between £90,000 and £100,000 during the year (2021: one employee between £70,000 and £80,000 and one employee between £80,000 and £90,000). None of the Trustees received any remuneration during the period (2021: £Nil). Reimbursed expenses amounted to £Nil (2021: £Nil).

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

NOTES TO THE FINANCIAL STATEMENTS

13. Taxation

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

14. Tangible fixed assets

	Fixtures & Fittings £'000
Cost	
At 1st April 2021	111
Additions	187
At 31st March 2022	<u>298</u>
Depreciation	
At 1st April 2021	32
Charge for the year	18
At 31st March 2022	<u>50</u>
Net book value at 31st March 2022	<u>248</u>
Net book value at 31st March 2021	<u>79</u>

15. Debtors

	2022 £'000	2021 £'000
Due within one year		
Trade debtors	53	4
Other debtors	-	-
Prepayments and accrued income	624	265
	<u>677</u>	<u>269</u>

16. Creditors: amounts falling due within one year

	2022	2021
	£'000	£'000
Trade creditors	80	23
Amounts owed to Group undertakings	50	126
Other tax and social security	96	60
Other creditors	-	1
Accruals and deferred income	1,878	1,438
	2,104	1,648

NOTES TO THE FINANCIAL STATEMENTS

17. 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).

Principal actuarial assumptions: Financial assumptions	2022	2022	2021	2021
	CPF	MPF	CPF	MPF
	%	%	%	%
Discount rate	2.8	2.8	2.1	2.1
Future salary increases	3.8	3.8	3.1	3.1
Future pension increases	2.8	3.1	2.6	2.6
Inflation assumption	3.1	3.1	2.6	2.6
Mortality assumptions	2022	2022	2021	2021
	CPF	MPF	CPF	MPF
	No of years	No of years	No of years	No of years
Retiring today:				
Males	20.6	20.3	20.3	20.3
Females	23.8	23.5	23.5	23.5
Retiring in 20 years:				
Males	22.0	21.2	21.7	21.2
Females	25.3	24.8	25.1	24.8

Analysis of amounts recognised in operating costs	2022	2022	2022	2021
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Current service cost	(119)	(88)	(207)	(131)
Past service costs/(gains)	-	-	-	-
Administration costs	-	(1)	(1)	(1)
Contributions by employer	-	-	-	-
Curtailments	-	-	-	-
Net operating (loss)	(119)	(89)	(208)	(132)

NOTES TO THE FINANCIAL STATEMENTS

17. Pensions (continued)

Analysis of amounts recognised in other financing costs	2022	2022	2022	2021
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Expected return on pension scheme assets	29	38	67	65
Administration costs	-	-	-	-
Interest on pension scheme liabilities	(36)	(45)	(81)	(76)
Net financing costs	(7)	(7)	(14)	(11)

Reconciliation of defined benefit obligation	2022	2022	2022	2021
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Opening defined benefit obligation	(1,670)	(2,181)	(3,851)	(3,090)
Current service cost	(119)	(88)	(207)	(131)
Past service cost	-	-	-	-
Interest cost	(36)	(45)	(81)	(76)
Contributions by members	(20)	(15)	(35)	(27)
Benefits paid	1	49	50	23
Actuarial gains / (losses)	61	61	122	(550)
Closing defined benefit obligation	(1,783)	(2,219)	(4,002)	(3,851)

Reconciliation of the fair value of plan assets	2022	2022	2022	2021
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Opening fair value of plan assets	1,320	1,792	3,112	2,611
Interest income on plan assets	29	38	67	65
Administration cost	-	(1)	(1)	(1)
Contributions by members	20	15	35	27
Contributions by employer	94	91	185	119

Benefits paid	(1)	(49)	(50)	(23)
Actuarial gains / (losses)	71	130	201	314
Transfer of members to Torus Foundation	-	-	-	-
Closing fair value of plan assets	<u>1,533</u>	<u>2,016</u>	<u>3,549</u>	<u>3,112</u>

Net pension liability	2022	2022	2022	2021
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Defined benefit obligation net of plan assets	<u>(250)</u>	<u>(203)</u>	<u>(453)</u>	<u>(739)</u>

NOTES TO THE FINANCIAL STATEMENTS

17. Pensions (continued)

Analysis of amounts Recognised In Actuarial (Loss)/Gain Relating to Pension Schemes	2022	2022	2022	2021
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Actuarial (losses) / gains on assets	71	130	201	314
Actuarial gains / (losses) arising on the scheme liabilities	<u>61</u>	<u>61</u>	<u>122</u>	<u>(550)</u>
Net actuarial loss	<u>132</u>	<u>191</u>	<u>323</u>	<u>(236)</u>

Major categories of plan assets as a percentage of total plan assets	2022	2022	2021	2021
	CPF	MPF	CPF	MPF
	%	%	%	%
Equities	37	38	39	40
Gilts/bonds	45	31	44	30
Properties	12	7	12	7
Cash	6	4	5	5
Other	-	20	-	18

18. Funds

Restricted Funds	£'000
Balance at 31 March 2020	35
Transfer of reserves	-
Deficit for the year	(25)
Balance at 31 March 2021	10
Transfer of reserves	-
Surplus for the year	302
Balance at 31 March 2022	312

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.

NOTES TO THE FINANCIAL STATEMENTS

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

Balance at 31st March 21, £	Income 21-22, £	Expenditure 21-22, £	Balance at 31st March 22, £	Fund Name	Details
1,250	-	-	1,250	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.
4,444	-	(4,440)	4	Medicash	Funding to provide nutritious hot meals for families who may be struggling because of the effects of the Coronavirus Pandemic.
-	1,111	(1,200)	(89)	This Girl Can	Funding to provide access and support for woman to participate in physical activities, improving their physical and emotional health and wellbeing. Funding primarily targets women who have low levels of engagement in physical activity, encouraging them to not only take up such activities but also sustain their involvement.
1,363	2,500	(2,775)	1,088	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.
3,262	41,398	(40,941)	3,719	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.
-	80,422	(73,111)	7,311	Energy Redress Supported Energy	Energy Savings Trust Project which provides in-depth one-to-one advice to people who are experiencing complex problems with their fuel bills, meters and debts.

Balance at 31st March 21, £	Income 21-22, £	Expenditure 21-22, £	Balance at 31st March 22, £	Fund Name	Details
-	935,386	(935,386)	-	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.
-	350,388	(350,388)	-	Springboard	Springboard is an ESF funded project generated to tackle the impact on the economy and labour market of COVID-19. The project directly assists participants who have recently lost their job or whose 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'.
-	21,735	(21,735)	-	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.
-	266,476	(214,743)	51,733	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.

Balance at 31st March 21, £	Income 21-22, £	Expenditure 21-22, £	Balance at 31st March 22, £	Fund Name	Details
-	7,221	(7,221)	-	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.
-	5,605	(2,474)	3,131	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.
-	267,012	(22,886)	244,126	Winter Energy Fund	The Winter Energy fund is to provide charities to support vulnerable energy customers by providing energy vouchers.
-	20,140	(20,140)	-	Liverpool City Council -HAF	This is to provide nutritious meals and activities for disadvantaged young people aged 6 to 16 during school holidays.
-	20,000	(20,000)	-	Liverpool City Council - Pantries	Funding to support the set-up of community food pantries which offer local communities access to a variety of healthy food options for a small weekly fee, in order to combat chronic food insecurity.
-	10,000	(10,000)	-	Cheshire Community Fund	Funding to provide essential white goods and furniture and support to those in need. These items might include a cooker, fridge, washing machine, sofa or table and chairs, depending on the damage caused by the Warrington Floods.
10,319	2,029,394	(1,727,439)	312,274	TOTAL	

NOTES TO THE FINANCIAL STATEMENTS

Unrestricted funds	£'000
Balance at 31 March 2020	1,960
Transfer of reserves	-
Deficit for the year	<u>(1,026)</u>
Balance at 31 March 2021	934
Transfer of reserves	-
Surplus for the year	<u>2,076</u>
Balance at 31 March 2022	<u>3,010</u>

19. Financial assets and liabilities

	2022 £'000	2021 £'000
Categories of financial assets and financial liabilities		
Financial assets that are measured at amortised cost	5,007	2,987
Other liabilities measured at amortised cost	<u>(177)</u>	<u>(84)</u>
Financial assets		
Cash at bank	4,954	2,983
Financial assets on which no interest is earned	<u>53</u>	<u>4</u>
	<u>5,007</u>	<u>2,987</u>

20. Related party transactions

C Murray Howard, a trustee of the charity, is a representative of Torus62 Limited. Torus Foundation has entered into 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 £369k (2021-£569k).


C Martin, a trustee of the charity, is a representative of Liverpool City Council. Liverpool City Council provided funding for a project delivered by Torus Foundation with a value of £61,875 (2021- £2,880).

P Garrigan, a trustee of the charity, is a representative of Merseyside Fire and Rescue. Merseyside Fire and Rescue donated £1,500 during 20-21. Torus Foundation also paid £82k to Merseyside Fire and Rescue for the lease and associated utility costs for the Toxteth Fire Fit Hub.

J Bell, a trustee of the charity, is a representative of St Helens Borough Council. St Helens Borough Council donated £20,000 during 20-21.

21. 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. 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.



Audit Completion: year ended 31 March 2022
Torus62 Limited
Draft Report to the Audit Committee

IDEAS | PEOPLE | TRUST

BDO



CONTENTS

1	Introduction	3	5	Appendices contents	20
	Welcome	3			
2	Executive summary	4			
	Overview	4			
	Risk overview	5			
	Other matters	6			
	Audited entities	7			
	1. Fraud in revenue recognition leads to material misstatement - Income from contracts and projects	8			
	2. Management override of controls or bias in accounting estimates and judgements leads to material misstatement	9			
	3. Data Migration - transfer of financial and standing data between systems could lead to a material misstatement	10			
	4. DEVELOPMENT PROGRAMME	11			
	Going Concern	12			
3	Accounting practices	13			
	Policies	13			
	Key judgements	14			
	Estimates	15			
	Matters requiring additional consideration	16			
	Unadjusted audit differences: Detail	17			
	Control environment	18			
4	Independence	19			
	Independence	19			

WELCOME

- Contents
- Introduction**
- Welcome
- Executive summary
- Accounting practices
- Independence
- Appendices contents

In accordance with International Standards on Auditing (UK) we submit our Additional Report to the Audit Committee setting out certain matters relating to the audit for the year ended 31 March 2022 that we are required to bring to your attention.

It summarises the results of completing the planned audit approach, specific audit findings and areas requiring further discussion and/or the attention of the Audit Committee. At the completion stage of the audit it is essential that we engage with the Audit 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.

We look forward to discussing these matters with you at the Audit Committee meeting on 04 August 2022, and to receiving your input.

In the meantime if you would like to discuss any aspects in advance of the meeting we would be happy to do so.

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
July 2022



Hamid Ghafoor
Partner

m: +44(0)7816 227021
e: hamid.ghafoor@bdo.co.uk



Owen Skillander
Manager

m: +44(0)7779 566520
e: owen.skillander@bdo.co.uk



Matthew Mills
Assistant Manager

m: +44(0)161 83 8357
e: matthew.mills@bdo.co.uk

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements. This report has been prepared solely for the use of the Board and should not be shown to any other person without our express permission in writing. In preparing this report we do not accept or assume responsibility for any other purpose or to any other person. For more information on our respective responsibilities please see the appendices.

OVERVIEW

Executive summary

- Contents
- Introduction
- Executive summary**
- Overview
- Risk overview
- Other matters
- Audited entities
 - 1. Fraud in revenue recognition leads to material misstatement - Income from contracts and projects
 - 2. Management override of controls or bias in accounting estimates and judgements leads to material misstatement
 - 3. Data Migration - transfer of financial and standing data between systems could lead to a material misstatement
 - 4. DEVELOPMENT PROGRAMME
- Going Concern
- Accounting practices
- Independence
- Appendices contents

This summary provides an overview of the audit matters that we believe are important to the Audit Committee in reviewing the results of the audit of the financial statements for the Group for the year ended 31 March 2022.

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.

Our audit work is substantially complete and subject to the to the successful resolution of outstanding matters we anticipate issuing an unmodified audit opinion on the Group’s financial statements for the year ended 31 March 2022 in line with the agreed timetable.

Outstanding matters are set out in detail on page 23.

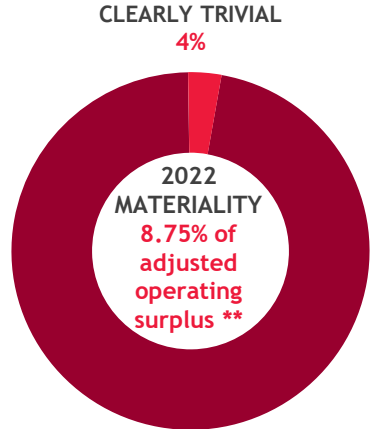
Other than downgrading the going concern risk from a significant risk to a normal risk, there were no significant changes to the planned audit approach and no additional significant audit risks have been identified.

No restrictions were placed on our work.

Final Materiality

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

There was no change to basis of calculating materiality and triviality from that reported in our planning report.



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.



RISK OVERVIEW

Executive summary

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. Risks that are only significant in subsidiaries are considered in the appendices.

Significant Audit Risks	Significant Management Judgement Involved	Use of Experts Required	Error Identified	Control deficiencies identified	Specific Letter of Representation Point	Work complete at time of drafting
Identified at planning						
Fraud in revenue recognition leads to material misstatement - Income from contracts and projects	Yes	No	No	No	Yes	Yes
Management override of controls or bias in accounting estimates and judgements leads to material misstatement	Yes	Yes	No	No	Yes	Yes
Data Migration- transfer of financial and standing data between systems could lead to material misstatements	No	No	No	Yes	Yes	Yes
Development Programme- due to a large number of developments undertaken by the group, this poses a significant risk of material misstatements due to the estimates involves	Yes	No	No	No	No	Yes

 Areas requiring your attention

Contents

Introduction

Executive summary

Overview

Risk overview

Other matters

Audited entities

1. Fraud in revenue recognition leads to material misstatement - Income from contracts and projects

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

3. Data Migration - transfer of financial and standing data between systems could lead to a material misstatement

4. DEVELOPMENT PROGRAMME

Going Concern

Accounting practices

Independence

Appendices contents

OTHER MATTERS

Executive summary

Contents

Introduction

Executive summary

Overview

Risk overview

Other matters

Audited entities

1. Fraud in revenue recognition leads to material misstatement - Income from contracts and projects

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

3. Data Migration - transfer of financial and standing data between systems could lead to a material misstatement

4. DEVELOPMENT PROGRAMME

Going Concern

Accounting practices

Independence

Appendices contents

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.
- Going Concern disclosures are in line with best practice and reflect the current Going Concern Status of the Group & each individual subsidiary.

Other matters that require discussion or confirmation

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

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.

Fees summary

	£'000
Audit fee	122
Total non audit services	13
Total fees	135



AUDITED ENTITIES

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, 4	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, 2	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				

Contents
Introduction
Executive summary
Overview
Risk overview
Other matters
Audited entities
1. Fraud in revenue recognition leads to material misstatement - Income from contracts and projects
2. Management override of controls or bias in accounting estimates and judgements leads to material misstatement
3. Data Migration - transfer of financial and standing data between systems could lead to a material misstatement
4. DEVELOPMENT PROGRAMME
Going Concern
Accounting practices
Independence
Appendices contents

1. FRAUD IN REVENUE RECOGNITION LEADS TO MATERIAL MISSTATEMENT - INCOME FROM CONTRACTS AND PROJECTS

Contents
Introduction
Executive summary
Overview
Risk overview
Other matters
Audited entities
1. Fraud in revenue recognition leads to material misstatement - Income from contracts and projects
2. Management override of controls or bias in accounting estimates and judgements leads to material misstatement
3. Data Migration - transfer of financial and standing data between systems could lead to a material misstatement
4. DEVELOPMENT PROGRAMME
Going Concern
Accounting practices
Independence
Appendices contents

ISA (UK) 240 notes that there is a presumed significant risk resulting from the intentional misstatement of revenue

- Significant risk
- Normal risk
- Fraud risk
- Assess design & implementation of controls to mitigate
- Significant Management estimates & judgements
- Controls testing approach
- Substantive testing approach
- Risk highlighted by Association

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
- First Tranche Shared Ownership, agreed a sample to completion document, confirming amount disposed

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

Developments - Material streams consist of:

- Development works for TORUS62, performed a recalculation based on cost & markup to within immaterial differences

HMS - Material streams consist of:

- Housing maintenance, whereby we’ve agreed a sample to supporting documentation and bank receipt.

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.

2. MANAGEMENT OVERRIDE OF CONTROLS OR BIAS IN ACCOUNTING ESTIMATES AND JUDGEMENTS LEADS TO MATERIAL MISSTATEMENT

Contents
Introduction
Executive summary
Overview
Risk overview
Other matters
Audited entities
1. Fraud in revenue recognition leads to material misstatement - Income from contracts and projects
2. Management override of controls or bias in accounting estimates and judgements leads to material misstatement
3. Data Migration - transfer of financial and standing data between systems could lead to a material misstatement
4. DEVELOPMENT PROGRAMME
Going Concern
Accounting practices
Independence
Appendices contents

ISA (UK) 240 presumes that Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively

Significant risk

Normal risk

Fraud risk

Assess design & implementation of controls to mitigate

Significant Management estimates & judgements

Controls testing approach

Substantive testing approach

Risk highlighted by Association

Risk detail

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.

Accounting estimates reviewed in previous years have been appropriate in terms of their thought process and calculation, however we will review accounting estimates and judgement to ensure they remain appropriate.

The key areas of estimate and judgement identified by management are:

- The assumptions used in the calculation of, and the disclosures in relation to the defined benefit pension scheme
- The assumptions used in the consideration of the impairment of housing properties
- The assumptions used in the valuation of investment properties
- Whether there are any indications of impairment
- Recoverability of receivables including rent arrears
- The allocation of costs for mixed tenure developments and shared ownership properties
- The useful economic lives of tangible fixed assets

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; significant areas are:

- The assumptions used in the calculation of, and the disclosures in relation to the defined benefit pension scheme
- The assumptions used in the valuation of investment properties
- The assumptions used in calculating the recoverability of rent arrears
- Useful economic lives of housing property components

Discussion and conclusion

In respect of our review of estimates and judgements we are satisfied with the approach taken.

In respect of journals work, we have no issues to report

3. DATA MIGRATION - TRANSFER OF FINANCIAL AND STANDING DATA BETWEEN SYSTEMS COULD LEAD TO A MATERIAL MISSTATEMENT

Contents
Introduction
Executive summary
Overview
Risk overview
Other matters
Audited entities
1. Fraud in revenue recognition leads to material misstatement - Income from contracts and projects
2. Management override of controls or bias in accounting estimates and judgements leads to material misstatement
3. Data Migration - transfer of financial and standing data between systems could lead to a material misstatement
4. DEVELOPMENT PROGRAMME
Going Concern
Accounting practices
Independence
Appendices contents

ISA (UK) 240 notes that there is a presumed significant risk resulting from the intentional misstatement of revenue

- Significant risk
- Normal risk
- Fraud risk
- Assess design & implementation of controls to mitigate
- Significant Management estimates & judgements
- Controls testing approach
- Substantive testing approach
- Risk highlighted by Association

Risk detail

Following discussions held at the planning meeting, it was noted that within the year a number of the group entities decided to close down one of the two finance & housing management systems in operation and move all data to the other system. It is noted that no new system was input.

Through this, management had the ability to manipulate accounting records. We are required to consider this as a significant risk of material misstatement due to fraud.

Our understanding is that balances were transferred in at a specific point of time and value, with the journal data itself remaining in the old financial system.

Discussion & Conclusion

Testing performed on the migration of both financial and standing data presented no issues.

As noted above, in order to arrive at a stage whereby we could conclude upon the Data Migration, BDO IT Specialists supported the audit team. It is noted that they raised management letter points which have been included within Page 18 of this report.

Note that these issues did not impact our assessment on the financial and standing data migration that occurred however do carry best practice recommendations

Details

- A review was undertaken of the closing TB from Open Accounts, with this then compared to the TB Imported into QL Finance
- A review of standing data was performed to ensure the transfer of non-financial data between systems has been done correctly
- BDO IT specialists have performed an IT audit on the transfer of data and to report their findings

4. DEVELOPMENT PROGRAMME

- Contents
- Introduction
- Executive summary**
- Overview
- Risk overview
- Other matters
- Audited entities
- 1. Fraud in revenue recognition leads to material misstatement - Income from contracts and projects
- 2. Management override of controls or bias in accounting estimates and judgements leads to material misstatement
- 3. Data Migration - transfer of financial and standing data between systems could lead to a material misstatement
- 4. DEVELOPMENT PROGRAMME**
- Going Concern
- Accounting practices
- Independence
- Appendices contents

ISA (UK) 240 notes that there is a presumed significant risk resulting from the intentional misstatement of revenue

- Significant risk
- Normal risk
- Fraud risk
- Assess design & implementation of controls to mitigate
- Significant Management estimates & judgements
- Controls testing approach
- Substantive testing approach
- Risk highlighted by Association

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) 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, that the appropriate stage of completion was reached prior to revenue being recognised by the Revenue. We have done this by agreeing to contracts & completion data.

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

GOING CONCERN

We are required to highlight any judgements about events or conditions that may cast significant doubt over the entity's ability to continue as a going concern

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. 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. The Directors' plans for future actions in relation to the going concern assessment including whether such plans are feasible in the circumstances.
- c. The adequacy and appropriateness of disclosures in the financial statements regarding the going concern assessment and any material uncertainties that may exist.

POLICIES

- Contents
- Introduction
- Executive summary
- Accounting practices**
- Policies
- Key judgements
- Estimates
- Matters requiring additional consideration
- Unadjusted audit differences: Detail
- Control environment
- Independence
- Appendices contents

Financial statements are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice Accounting by registered social housing providers (Housing SORP 2018) and the Accounting Direction for private registered providers of social housing from April 2019.

The following are significant matters arising during the audit work in respect of accounting policies that we want to bring to your attention.

Policies:

Overview

Accounting policies

Financial statement disclosures

Discussion

- To date we have not identified any non-compliance with group accounting policies or applicable accounting framework; though note our final financial statement reviews are not yet complete
 - As mentioned above, our final financial statement reviews are not yet complete. However, we have provided feedback on issues that have been identified through first review and the completion of a disclosure checklist on the financial statements of each entity.
-

KEY JUDGEMENTS

The following are what we consider to be the significant judgements associated with the financial statements that have not already been discussed in the Risks section of our report.

Judgements: Housing property, Development Programme & Property Held for Sale impairment indicators

Overview

Housing properties are the biggest number on the balance sheet of the group and the process of assessing impairment for such properties in line with the social housing SORP requires management judgement

We have also investigated impairment indicators for Housing Property and Property held for Sale

Discussion

We reviewed management's impairment paper and the underlying calculations and are satisfied that they have followed an appropriate process in relation to this assessment. The only impairment triggers that have been identified and acted upon are long term void properties and decommissioned units earmarked for demolition. This is in line with our expectations given the events during the year and the nature of the Torus property, i.e. most of the stock came from stock transfer transactions and therefore has a low initial cost.

Work on the development programme has been included on Risk #4

In regards to property held for sale, we have agreed a sample of properties sold in the year to completion document with all items being sold at greater than cost.

We have also tested cost by agreeing the total scheme cost to contract and allocating to property based on Floor Area as per site appraisals.

No issues were noted in testing.

Contents
Introduction
Executive summary
Accounting practices
Policies
Key judgements
Estimates
Matters requiring additional consideration
Unadjusted audit differences: Detail
Control environment
Independence
Appendices contents

ESTIMATES

The following are what we consider to be the significant accounting estimates associated with the financial statements that have not already been discussed in the Risks section of our report.

Estimates: The Useful Economic Life (UEL) of components and the amortisation of social housing grant

Overview

We have benchmarked the UEL of Torus' housing property component lives against BDO's portfolio of housing clients.

Discussion

The rates of depreciation adopted by management are in line with those adopted within the sector, therefore on balance we consider that the UELs used are appropriate. UEL's are unchanged from the prior year.

Estimate: Defined benefit pension schemes actuarial assumptions

Overview

The assumptions feeding through into the position of the defined benefit pension schemes are based on market conditions and therefore should not have significant variations across entities with similar year ends (subject to changes in scheme durations and scheme specific variations).

These assumptions are ultimately the responsibility of the Board but should be set based upon advice given by an actuary.

Discussion

In the management representation letter we request that you confirm to us that the valuation of the net pension liability is calculated with reference to market levels and the most relevant demographic and financial assumptions at 31 March 2022.

To support your assessment of whether such a representation to us is appropriate, we provide an indication of minimum, maximum and most common key actuarial assumptions that we have seen from a sample of valuations chosen from a cross-section of our client base (preparing accounts at 31 March 2022) and the position of TORUS62 within the typical ranges. These ranges will be provided by our actuarial experts for periods ended 31 March 2022.

This information, taken together with your own understanding of the employee and scheme beneficiary profile for the respective group entity, can be used to highlight possible instances in which a chosen assumption may deviate significantly from what might be appropriate for your organisation.

Note - As at this point, note that our work on Defined Benefit Pension Schemes is ongoing, specifically in relation to the Merseyside Pension Fund

Estimate: Assumptions used in calculating the recoverability of rent arrears

Debtors include the total rent and service charge arrears which is comprised of both current and former tenant arrears. Former tenant arrears are fully provided for in the financial statements at the point the tenant leaves the property. Current tenant arrears are provided for at specific rates according to the age of the debt.

The method of provisioning is consistent with what has been seen across the sector and from our review of arrears and bad debts is materially appropriate for the experience of the Group.

MATTERS REQUIRING ADDITIONAL CONSIDERATION

Contents
Introduction
Executive summary
Accounting practices
Policies
Key judgements
Estimates
Matters requiring additional consideration
Unadjusted audit differences: Detail
Control environment
Independence
Appendices contents

Fraud

Whilst the Board 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 considerations for your business are Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, 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.

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: DETAIL

Details for the current year

We have not noted any adjustments through our audit testing that are required to bring to your attention.

Contents
Introduction
Executive summary
Accounting practices
Policies
Key judgements
Estimates
Matters requiring additional consideration
Unadjusted audit differences: Detail
Control environment
Independence
Appendices contents

CONTROL ENVIRONMENT

Area	Observation & implication	Recommendation	BDO Update / Management response
Cash & Bank - Identified in PY	BDO identified that bank reconciliations had not been accurately completed at the year end.	Monthly bank reconciliations should be completed and reviewed by management	BDO - All appropriately completed & review in the current year
Management Override - Journals - Identified in PY	No Support Manual Journal to cash - Where supporting documentation is not stored for manual adjustments it can be difficult in hindsight to understand why this adjustment was made, and if manual journals to cash are not reviewed this could lead to an increased risk of fraud	All manual journals should be stored along with supporting documentation, and all manual journals to cash should be appropriately approved.	BDO - No issues identified in the current year with documentation of manual journals however it is noted that at present there are two samples currently outstanding
IT Audit - CY	No user access review is performed to ensure all user have the appropriate access, roles and there is no segregation of duties conflict.	We recommend that all user accounts and access rights are independently reviewed and evidenced on a regular basis, the frequency of that review being determined by the amount of user administration activity that has taken place. During a period of high activity we would suggest a half-yearly or quarterly review and at least once a year during a period of low activity	Management Response (MR) - 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
IT Audit - CY	Unidentified end users with a business role that have administrative access to the QL application, which gives them unrestricted access to the system including the ability to create new user accounts and assign system privileges.	We recommend that management implement audit logging that records activity performed by privileged accounts at application level. Activity should be independently monitored, investigated as appropriate and formally signed off by an independent reviewer.	MR - 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. As for monitoring the activity in QL we will discuss with the Supplier as the activity log in QL only shows which forms (screens) have been accessed.
IT Audit - CY	We have identified end users with a business role that have administrative access to the QL application, which gives them unrestricted access to the system including the ability to create new user accounts and assign system privileges.	Good practice is to assign administrative privileges to an independent individual with no transaction processing or monitoring role.	MR - 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.

- Contents
- Introduction
- Executive summary
- Accounting practices
- Policies
- Key judgements
- Estimates
- Matters requiring additional consideration
- Unadjusted audit differences: Detail
- Control environment
- Independence
- Appendices contents

INDEPENDENCE

- Contents
- Introduction
- Executive summary
- Accounting practices
- Independence**
- Independence
- Appendices contents

Under ISAs (UK) and the FRC’s Ethical Standard we are required, as auditors, to confirm our independence.

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 2022.

Details of services, other than audit, provided by us to the Group during the period and up to the date of this report [are set out in the appendices] 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 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.

Should you have any comments or queries regarding any independence matters we would welcome their discussion in more detail.

APPENDICES CONTENTS

Contents

Appendices contents

Our responsibilities

Communication with you

Outstanding matters

Audit quality

Looking Forward

A	Our responsibilities	21
	Our responsibilities	21
B	Communication with you	22
	Communication with you	22
C	Outstanding matters	23
	Outstanding matters	23
D	Audit quality	24
	Audit quality	24
E	Looking Forward	25
	Looking Forward	25
	ISA (UK) 315 Revised (June 2020) identifying and assessing the risks of material misstatement	26
	Accounting for repair obligations in new Shared Ownership model and Right to Shared Ownership	27

OUR RESPONSIBILITIES

Responsibilities and reporting

Contents
Appendices contents
Our responsibilities
Communication with you
Outstanding matters
Audit quality
Looking Forward

Our responsibilities and reporting

We are responsible for performing our audit under International Standards on Auditing (UK) to form and express an opinion on your consolidated and Association financial statements. We report our opinion on the financial statements to the members.

We read and consider the ‘other information’ contained in the Annual Report such as the additional narrative reports. We will consider whether there is a material inconsistency between the other information and the financial statements or other information and our knowledge obtained during the audit.

For statutory other information such as the strategic and the Directors report, we will form an opinion on whether the information given in the other information is consistent with the financial statements and our knowledge obtained in the audit and whether the reports have been prepared in accordance with applicable legal requirements.

We are additionally required to include in our report:

- Where we conclude there is no material uncertainty in relation to going concern, a statement to that effect
- A conclusion that management’s use of the going concern basis of account is appropriate.
- An explanation of the extent to which the audit was capable of detecting irregularities, including fraud.

What we don’t report

Our audit is not designed to identify all matters that may be relevant to the Audit Committee and cannot be expected to identify all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist.



COMMUNICATION WITH YOU

- Contents
- Appendices contents
- Our responsibilities
- Communication with you
- Outstanding matters
- Audit quality
- Looking Forward

Those Charged with Governance (TCWG)

References in this report to Those Charged With Governance are to the Board as a whole. For the purposes of our communication with those charged with governance you have agreed we will communicate primarily with the Audit Committee.

In communicating with TCWG of the parent and the group, we consider TCWG of subsidiary entities to be informed about matters relevant to their subsidiary. Please let us know if this is not appropriate.

Communication, meetings and feedback

We request feedback from you on our planning and completion report to promote two-way communication throughout the audit process and to ensure that all risks are identified and considered; and at completion that the results of the audit are appropriately considered.

We have met with management throughout the audit process. We have issued regular updates driving the audit process with clear and timely communication, bringing in the right resource and experience to ensure efficient and timely resolution of issues.

Additional matters we are required to report

	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.	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.	No exceptions to note.
8	Any fraud or suspected fraud at group or component level.	No exceptions to note.

OUTSTANDING MATTERS

- Contents
- Appendices contents
- Our responsibilities
- Communication with you
- Outstanding matters
- Audit quality
- Looking Forward

We have substantially completed our audit work in respect of the financial statements for the year ended 31 March 2022

The following matters are outstanding at the date of this report and could impact our audit opinion. We will update you on their current status at the Board meeting at which this report is considered:

- Final partner review of audit file & accounts
- Going Concern
- MPF Control Reports

AUDIT QUALITY

Contents
Appendices contents
Our responsibilities
Communication with you
Outstanding matters
Audit quality
Looking Forward



BDO is totally committed to audit quality

It is a standing item on the agenda of BDO’s Leadership Team who, in conjunction with the Audit Stream Executive (which works to implement strategy and deliver on the audit stream’s objectives), monitor the actions required to maintain a high level of audit quality within the audit stream and address findings from external and internal inspections.

BDO welcomes feedback from external bodies and is committed to implementing a necessary actions to address their findings.

We recognise the importance of continually seeking to improve audit quality and enhancing certain areas. Alongside reviews from a number of external reviewers, the AQR (the Financial Reporting Council’s Audit Quality Review team), QAD (the ICAEW Quality Assurance Department) and the PCAOB (Public Company Accounting Oversight Board who oversee the audits of US companies), the firm undertakes a thorough annual internal Audit Quality Assurance Review and as member firm of the BDO International network we are also subject to a quality review visit every three years.

We have also implemented additional quality control review processes for all listed and public interest audits.

More details can be found in our Transparency Report at www.bdo.co.uk

LOOKING FORWARD

LOOKING FORWARD

Contents
Appendices contents
Our responsibilities
Communication with you
Outstanding matters
Audit quality
Looking Forward



ISA (UK) 315 REVISED (JUNE 2020) IDENTIFYING AND ASSESSING THE RISKS OF MATERIAL MISSTATEMENT

Overview

Contents
Appendices contents
Our responsibilities
Communication with you
Outstanding matters
Audit quality
Looking Forward
ISA (UK) 315 Revised (June 2020) identifying and assessing the risks of material misstatement
Accounting for repair obligations in new Shared Ownership model and Right to Shared Ownership

The standard introduces significant changes in approach to risk identification and assessment, which are intended to drive a more focused response from auditors to identified risks. There are some implications for the way that we carry out our audits which include the following:

- Our risk assessment procedures are to be designed and performed in a way that the information obtained provides an appropriate basis to identify and assess the risks of material misstatement, whether due to fraud or error, at the financial statement and assertion level. Approaching risk assessment procedures in this way facilitates targeted test design, focusing on the areas that really matter.
- We will put an increased focus on understanding the IT environment and the entity's system of internal control
- The way that we assess risk will be enhanced to consider:
 - Inherent Risk of material misstatement and Control Risk separately
 - Clearly defined inherent risk factors to enhance inherent risk assessment
 - A broader spectrum of risk categories, which will involve a more granular consideration of risk
- A new stand-back requirement for material classes of transactions, balances and disclosures.

Two of the key benefits to these changes are expected to be:

- An ability to scale and flex our audit approach to the specific circumstances of the audited entity
- Clearer links between the risk and the resulting work effort, to ensure we put audit effort where it is needed.

Effective Date

- The ISA is effective for audits of financial statements for periods beginning on or after 15 December 2021 so will impact your year ended 31 March 2023.

How does this impact your audit?

- The BDO Risk Identification and Assessment Methodology has been revised to comply with the requirements of the revised ISA.
- Your audit team expect to spend more time understanding the entity at the planning phase of the audit, spending more time planning, and the planning will be a more interactive and iterative process.
- Audit fees will reflect our increased investment in complying with these new requirements, particularly in the first year.
- As a product of this additional focus, you may receive greater insight into your control environment and have a better understanding of our assessment of risks and what could go wrong in your financial reporting processes.

ACCOUNTING FOR REPAIR OBLIGATIONS IN NEW SHARED OWNERSHIP MODEL AND RIGHT TO SHARED OWNERSHIP

Contents

Appendices contents

Our responsibilities

Communication with you

Outstanding matters

Audit quality

Looking Forward

ISA (UK) 315 Revised (June 2020) identifying and assessing the risks of material misstatement

Accounting for repair obligations in new Shared Ownership model and Right to Shared Ownership

Changes in the model for shared ownership came into effect from 1 April 2021. This model will:

1. Reduce the minimum initial share from 25% to 10%
2. Introduce a new gradual staircasing offer, to allow people to buy additional shares in their home in 1% instalments with heavily reduced fees
3. Introduce a 10-year period during which the shared owner will receive support from their landlord to pay for essential repairs required to the external fabric of the building and structural repairs to walls, floors, ceiling and stairs inside of the home - but only to the extent that the repair is not already covered by any claim made by the tenant under the new build guarantee
4. Give Shared Ownership leaseholders (shared owners) more control when they come to sell their home.

The changes to the model in points 1, 2 and 4 do not change the fundamental nature of shared ownership and therefore the current accounting treatment, set out in the Statement of Recommended Practice for registered social housing providers (the “Housing SORP”). Point 3 will create a new obligation for social housing providers, which may be considered an obligating event for the purpose of recognising a provision in accordance with Section 21 of FRS 102. At the point of first tranche sale the provider will need to consider if it is probable (i.e., more likely than not) that any payment for major repairs may be necessary and whether the obligation can be measured reliably (in accordance with FRS102 paragraph 21.4(c)).

If it is not considered probable that a payment is likely to arise a contingent liability will exist, which will require disclosure unless the possibility of any outflow of resources is remote. Disclosure should be made in accordance with FRS102, paragraph 21.15.

If it is considered probable that there will be an outflow of economic benefit, a provision for the best estimate of the expected costs will need to be included as a cost of the sale and a provision created on the balance sheet. If the time value of money is likely to be material this should be discounted to the present value of the expected costs. Where a number of properties are sold under the new shared ownership scheme, a housing provider may consider it appropriate to utilise a portfolio approach to the measurement and unwinding of provisions.

The new Right to Shared Ownership will give social tenants living in new rented homes the opportunity to purchase a stake in their home and then purchase further shares when they can afford to do so. The first consideration will be the categorisation of the property - where a property is developed for social/affordable rent, albeit the Right to Shared Ownership (RTSO) exists, and the instigation of the RTSO option is not within the control of the social landlord it is perceived that the property should initially be recognised within Property, Plant and Equipment as General Needs Rental based on the original intended use of the property. In this case social landlords should follow the recognition and measurement criteria set out in paragraphs 8.13 to 8.30 of the SORP.

Where the original intention of use for a property is shared ownership and the social landlord controls the timing of the first tranche sale, the social landlord should follow the accounting treatment for Shared Ownership set out in paragraphs 8.31 to 8.40.

Subsequent disposal: Where a disposal (either in full or in part) is made of a property with Right to Shared Ownership which has been classified as property, plant and equipment (fixed assets) the disposal will be treated as a disposal of property, plant and equipment in accordance with paragraphs 17.27 to 17.30 of FRS102.

The repairs obligation will also apply to the RTSO properties.

FOR MORE INFORMATION:

Hamid Ghafoor

m: +44(0)7816 227021

e: hamid.ghafoor@bdo.co.uk

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.

BDO is an award winning UK member firm of BDO International, the world's fifth largest accountancy network, with more than 1,500 offices in over 160 countries.

BDO LLP is a corporate establishment under the Limited Liability Partnership Act 2000 and a UK Member Firm of BDO International. BDO Northern Ireland, a separate partnership, operates under a licence agreement. BDO LLP and BDO Northern Ireland are both separately authorised and regulated by the Financial Conduct Authority to conduct investment business.

© July 2022 BDO LLP. All rights reserved.

www.bdo.co.uk