

# Financial Statements

31 March 2024

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Torus Foundation  
Charity Number: 1152903  
Company Registration Number: 08444912



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**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 31<sup>st</sup> 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 14<sup>th</sup> March 2013 and registered as a charity on the 11<sup>th</sup> July 2013.

The Charity's governance is set out in its Memorandum and Articles of Association of 13<sup>th</sup> 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 31<sup>st</sup> 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"> <li>• Grant conditions tracker</li> <li>• Torus Foundation Fundraising Strategy</li> <li>• Torus Foundation Financial Plan</li> <li>• Partnership agreements with providers</li> <li>• Social impact evidence via CSR</li> <li>• Torus Foundation Board</li> <li>• HMS Business Plan Targets</li> </ul>	<ul style="list-style-type: none"> <li>• Social Impact Policy is being developed to capture the social impact delivered across all Group members.</li> <li>• The Charity continues to source external funding.</li> </ul>

### 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 22<sup>nd</sup> 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: 22<sup>nd</sup> 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: 22<sup>nd</sup> 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:



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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

		2024			2023		
	Note	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
<b>Total Income</b>		<b>5,091</b>	<b>1,540</b>	<b>6,630</b>	<b>4,906</b>	<b>2,633</b>	<b>7,538</b>
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)
<b>Total Expenditure</b>		<b>(3,664)</b>	<b>(1,487)</b>	<b>(5,151)</b>	<b>(4,825)</b>	<b>(2,740)</b>	<b>(7,565)</b>
<b>Net income/(deficit) and net movement in funds for the year</b>		<b>1,426</b>	<b>53</b>	<b>1,479</b>	<b>80</b>	<b>(107)</b>	<b>(27)</b>
Actuarial (loss)/gain on pension scheme	16	(11)	-	(11)	490	-	490
Transfer of reserves		-	-	-	-	-	-
<b>Total funds at beginning of year</b>		<b>3,580</b>	<b>205</b>	<b>3,785</b>	<b>3,010</b>	<b>312</b>	<b>3,322</b>
<b>Total funds at end of year</b>		<b>4,995</b>	<b>258</b>	<b>5,253</b>	<b>3,580</b>	<b>205</b>	<b>3,785</b>

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

The financial statements were approved by the Board on 22<sup>nd</sup> 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
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### 2. Accounting policies

#### Basis of accounting

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

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

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

The Charitable Company has taken the exemption in relation to the preparation of a statement of cash flows on the basis that the company is included in the consolidated financial statements of Torus62 Limited as at 31 March 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 31<sup>st</sup> March 2024 (31<sup>st</sup> 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
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### Pension Cost

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

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

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

## 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
<b>Donations</b>						
Torus	927	-	927	3,676	-	3,676
HMS	3,188	-	3,188	-	-	-
Torus Developments	541	-	541	-	-	-
Sovini	7	-	7	-	-	-
	<b>4,663</b>	<b>-</b>	<b>4,663</b>	<b>3,676</b>	<b>-</b>	<b>3,676</b>

## 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
	<b>156</b>	<b>1,540</b>	<b>1,696</b>	<b>944</b>	<b>2,633</b>	<b>3,577</b>

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
	<b>233</b>	<b>233</b>	<b>271</b>	<b>271</b>

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	-	-
	<b>39</b>	<b>39</b>	<b>14</b>	<b>14</b>

7. Costs of Charitable activities by fund type

	Unrestricted	Restricted	2024	Unrestricted	Restricted	2023
	Funds	Funds	Total	Funds	Funds	Total
	£'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
	<b>3,664</b>	<b>1,487</b>	<b>5,151</b>	<b>4,813</b>	<b>2,740</b>	<b>7,553</b>

**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
	<b>5,126</b>	<b>25</b>	<b>5,151</b>	<b>7,553</b>

**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
	<b>2,418</b>	<b>3,769</b>

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

#### 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
<b>Cost</b>	
At 1st April 2023	298
Additions	22
At 31st March 2024	320
<b>Depreciation</b>	
At 1st April 2023	73
Charge for the year	29
At 31st March 2024	102
<b>Net book value at 31st March 2024</b>	<b>218</b>
<b>Net book value at 31st March 2023</b>	<b>225</b>

14. Debtors

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

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
	<b>1,089</b>	<b>1,083</b>

## 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
<b>Retiring today:</b>				
Males	20.8	20.7	20.9	21.1
Females	23.7	23.2	23.9	23.5
<b>Retiring in 20 years:</b>				
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	<b>(62)</b>	<b>(50)</b>	<b>(112)</b>	<b>(197)</b>

## 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	<u>(1,022)</u>	<u>(41)</u>	<u>(1,063)</u>	<u>(925)</u>

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	<u>(29)</u>	<u>18</u>	<u>(11)</u>	<u>490</u>

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
<b>Balance at 31 March 2022</b>	<b>3,010</b>
Transfer of reserves	-
Surplus for the year	570
<b>Balance at 31 March 2023</b>	<b>3,580</b>
Transfer of reserves	-
Surplus for the year	1,415
<b>Balance at 31 March 2024</b>	<b>4,995</b>

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

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)	<b>Sports England</b>	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)	<b>Street Games</b>	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)	<b>New Leaf</b>	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)	<b>Springboard</b>	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)	<b>Kick Start</b>	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)	<b>NHS</b>	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	<b>Duke of Edinburgh</b>	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	<b>Wargrave Big Local (Lottery)</b>	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)	<b>Energy Redress Emergency Fuel Voucher Projects</b>	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)	<b>EST Supportive Energy phase 2</b>	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	<b>IT Include (Merseyside BBO)</b>	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	-	<b>Look Ahead Lifelines</b>	Funding to support family resilience and wellbeing through providing training and regular opportunities for facilitated peer support.
-	(4)	4	0	<b>NHS Indoor Air Quality Monitor</b>	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	<b>Parent Champion</b>	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)	<b>Warrington UKSPF</b>	Funded through Warrington Borough Council UK Shared Prosperity Fund to support Warrington residents to gain skills, training and employment 2023 - 2025
-	(27)	22	(5)	<b>Fusion 21</b>	Employability Project part funded by Fusion 21, 2023-2025 to target ethnic minorities in Liverpool
-	(4)	3	(1)	<b>Wargrave Working</b>	Job Club project Funded by Wargrave Big Local.
-	(311)	306	(5)	<b>Energy Vouchers 23-24</b>	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)	<b>IT Include (Mersey UK SPF</b>	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)	<b>Healthy Neighbours Project</b>	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)	<b>Refugee Project St Helens</b>	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)	<b>Greener Volunteering</b>	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.
<b>(205)</b>	<b>(1,540)</b>	<b>1,487</b>	<b>(258)</b>	<b>TOTAL</b>	

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 18 . Financial assets and liabilities

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

## 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

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Torus Foundation  
Charity Number: 1152903  
Company Registration Number: 08444912



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**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 31<sup>st</sup> 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 14<sup>th</sup> March 2013 and registered as a charity on the 11<sup>th</sup> July 2013.

The Charity's governance is set out in its Memorandum and Articles of Association of 13<sup>th</sup> 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 31<sup>st</sup> 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"> <li>• Grant conditions tracker</li> <li>• Torus Foundation Fundraising Strategy</li> <li>• Torus Foundation Financial Plan</li> <li>• Partnership agreements with providers</li> <li>• Social impact evidence via CSR</li> <li>• Torus Foundation Board</li> <li>• HMS Business Plan Targets</li> </ul>	<ul style="list-style-type: none"> <li>• Social Impact Policy is being developed to capture the social impact delivered across all Group members.</li> <li>• The Charity continues to source external funding.</li> </ul>

## 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 22<sup>nd</sup> 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: 22<sup>nd</sup> 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: 22<sup>nd</sup> 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:



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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
<b>Total Income</b>		<b>5,091</b>	<b>1,540</b>	<b>6,630</b>	<b>4,906</b>	<b>2,633</b>	<b>7,538</b>
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)
<b>Total Expenditure</b>		<b>(3,664)</b>	<b>(1,487)</b>	<b>(5,151)</b>	<b>(4,825)</b>	<b>(2,740)</b>	<b>(7,565)</b>
<b>Net income/(deficit) and net movement in funds for the year</b>		<b>1,426</b>	<b>53</b>	<b>1,479</b>	<b>80</b>	<b>(107)</b>	<b>(27)</b>
Actuarial (loss)/gain on pension scheme	16	(11)	-	(11)	490	-	490
Transfer of reserves		-	-	-	-	-	-
<b>Total funds at beginning of year</b>		<b>3,580</b>	<b>205</b>	<b>3,785</b>	<b>3,010</b>	<b>312</b>	<b>3,322</b>
<b>Total funds at end of year</b>		<b>4,995</b>	<b>258</b>	<b>5,253</b>	<b>3,580</b>	<b>205</b>	<b>3,785</b>

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

The financial statements were approved by the Board on 22<sup>nd</sup> 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
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### 2. Accounting policies

#### Basis of accounting

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

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

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

The Charitable Company has taken the exemption in relation to the preparation of a statement of cash flows on the basis that the company is included in the consolidated financial statements of Torus62 Limited as at 31 March 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 31<sup>st</sup> March 2024 (31<sup>st</sup> 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
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### Pension Cost

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

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

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

## 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
<b>Donations</b>						
Torus	927	-	927	3,676	-	3,676
HMS	3,188	-	3,188	-	-	-
Torus Developments	541	-	541	-	-	-
Sovini	7	-	7	-	-	-
	<b>4,663</b>	<b>-</b>	<b>4,663</b>	<b>3,676</b>	<b>-</b>	<b>3,676</b>

## 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
	<b>156</b>	<b>1,540</b>	<b>1,696</b>	<b>944</b>	<b>2,633</b>	<b>3,577</b>

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
	<b>233</b>	<b>233</b>	<b>271</b>	<b>271</b>

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	-	-
	<b>39</b>	<b>39</b>	<b>14</b>	<b>14</b>

7. Costs of Charitable activities by fund type

	Unrestricted	Restricted	2024	Unrestricted	Restricted	2023
	Funds	Funds	Total	Funds	Funds	Total
	£'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
	<b>3,664</b>	<b>1,487</b>	<b>5,151</b>	<b>4,813</b>	<b>2,740</b>	<b>7,553</b>

**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
	<b>5,126</b>	<b>25</b>	<b>5,151</b>	<b>7,553</b>

**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:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	2,014	3,169
Social security costs	185	304
Other pension costs	219	296
	<b>2,418</b>	<b>3,769</b>

Particulars of employees:

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

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

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

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

14. Debtors

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

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
	<b>1,089</b>	<b>1,083</b>

## 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
<b>Retiring today:</b>				
Males	20.8	20.7	20.9	21.1
Females	23.7	23.2	23.9	23.5
<b>Retiring in 20 years:</b>				
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	<b>(62)</b>	<b>(50)</b>	<b>(112)</b>	<b>(197)</b>

## 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	<u>(1,022)</u>	<u>(41)</u>	<u>(1,063)</u>	<u>(925)</u>

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	<u>(29)</u>	<u>18</u>	<u>(11)</u>	<u>490</u>

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**

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

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

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)	<b>Sports England</b>	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)	<b>Street Games</b>	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)	<b>New Leaf</b>	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)	<b>Springboard</b>	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)	<b>Kick Start</b>	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)	<b>NHS</b>	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	<b>Duke of Edinburgh</b>	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	<b>Wargrave Big Local (Lottery)</b>	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)	<b>Energy Redress Emergency Fuel Voucher Projects</b>	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)	<b>EST Supportive Energy phase 2</b>	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	<b>IT Include (Merseyside BBO)</b>	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	-	<b>Look Ahead Lifelines</b>	Funding to support family resilience and wellbeing through providing training and regular opportunities for facilitated peer support.
-	(4)	4	0	<b>NHS Indoor Air Quality Monitor</b>	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	<b>Parent Champion</b>	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)	<b>Warrington UKSPF</b>	Funded through Warrington Borough Council UK Shared Prosperity Fund to support Warrington residents to gain skills, training and employment 2023 - 2025
-	(27)	22	(5)	<b>Fusion 21</b>	Employability Project part funded by Fusion 21, 2023-2025 to target ethnic minorities in Liverpool
-	(4)	3	(1)	<b>Wargrave Working</b>	Job Club project Funded by Wargrave Big Local.
-	(311)	306	(5)	<b>Energy Vouchers 23-24</b>	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)	<b>IT Include (Mersey UK SPF</b>	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)	<b>Healthy Neighbours Project</b>	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)	<b>Refugee Project St Helens</b>	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)	<b>Greener Volunteering</b>	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.
<b>(205)</b>	<b>(1,540)</b>	<b>1,487</b>	<b>(258)</b>	<b>TOTAL</b>	

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 18 . Financial assets and liabilities

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

### 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.



The background of the entire page is a photograph of a woman and a young girl roller skating. The woman, with long dark hair, is wearing a purple long-sleeved shirt and blue jeans, and is leaning forward to assist the girl. The girl is wearing a white t-shirt, light green shorts, and colorful roller skates. They are skating on a paved surface in front of a teal brick wall with a large teal rectangular patch. The image is partially overlaid by a dark teal diagonal shape on the left side.

# Torus62 (Group) Limited

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



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





# Welcome

## Introduction

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

It summarises the results of completing the planned audit approach for the year ended 31 March 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 8<sup>th</sup> 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



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Overview

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

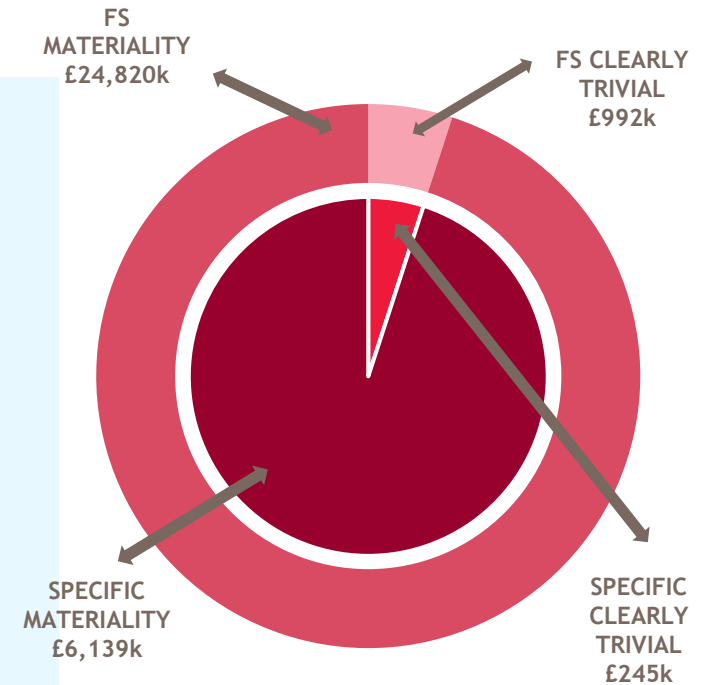
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### Final Materiality

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

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### 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
<b>Total fees</b>	<b>164.2</b>



Summary

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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



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

#	Significant audit risk	Significant management judgement	Use of experts required	Unadjusted error reported	Adjusted error reported	Significant control findings reported	Specific letter of representation point
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

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	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

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	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





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 to the audit and the directing of the efforts of the engagement team.

#	Significant audit risk	Significant management judgement	Use of expert required	Unadjusted error reported	Adjusted error reported	Significant control findings reported	Specific letter of representation
G1	Management override	Yes	No	No	No	No	No
G2	Revenue recognition (Property Sales)	No	No	No	No	No	Yes

## Completion Report for the year ending 31 March 2024

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"> <li>▶ Obtained a listing of all open/active grant and reviewed a sample of grants, including all grants over materiality;</li> <li>▶ 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;</li> <li>▶ We reviewed minutes of meetings to identify possible grants which have not been recorded</li> </ul>	Audit work is complete. No issues have been identified
Existence of maintenance income	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.	HMS	<ul style="list-style-type: none"> <li>▶ We have reviewed the basis of management's assessment is in line with our understanding of each contract.</li> <li>▶ Deetailed review to challenge management on the assumptions used and the support available for each sample tested;</li> <li>▶ For external contract, we performed a reconciliation of report from Colbalt Orchid to HMS version of Orchid.</li> </ul>	No issues to note

# Going Concern

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## 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.



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## 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 any significant matters in connection with related parties.

# Matters requiring additional consideration(contd)

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

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, Beconsall 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

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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

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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

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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

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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. Theis 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

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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><tr><th>GL Code</th><th>Value</th><th>Supplier Name</th><th>Reference</th><th>Tran Date</th></tr><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></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

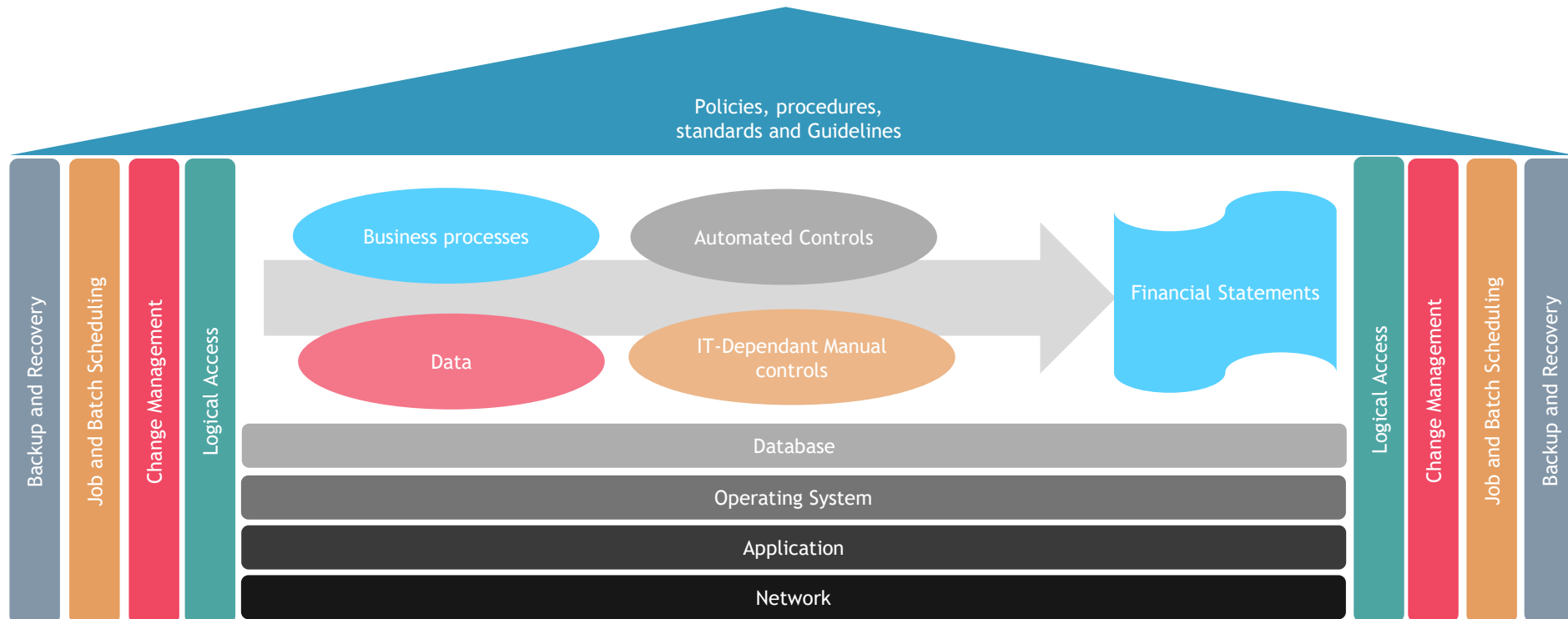
IT General Controls (ITGCs) underpin the integrity of the systems and data used by management in the preparation of financial statements.

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.

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

# IT Audit Approach

## 2. Scope of Work - FY23-24

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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

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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> <ul style="list-style-type: none"> <li>a) Chris Graham (DBA Assistant)</li> <li>b) Ivan Prescott (Data Lead)</li> <li>c) Mark Karpusheff (DBA).</li> </ul> <p><b><u>Risk</u></b> 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><b><u>Responsible Person</u></b> 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><b><u>Risk</u></b> 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><b><u>Responsible Person</u></b> 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

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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><b><u>Risk</u></b></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 &amp; 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><b><u>Responsible Person</u></b> 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

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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><b><u>Risk</u></b></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>	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>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><b><u>Responsible Person</u></b></p> <p>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><b><u>Risk</u></b></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>	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>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><b><u>Responsible Person</u></b></p> <p>Sean Derbyshire (ICT Security Lead)</p>

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## 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

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	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
	<b>Group matters</b>	
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

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### 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 <sup>th</sup> April 2024	TCWG	Presentation at Audit & Risk Committee
Audit Completion report	8 <sup>th</sup> August 2024	TCWG	Presentation at Audit & Risk Committee
Approval and signing of Financial Statements by the Board	22 <sup>nd</sup> August 2024	TCWG	Board

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# FRC Ethical Standard

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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

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Key headlines	Impact
Non-audit services to a public interest entity (PIE)	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.
Other entities of public interest (‘OEPI’)	<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"><li>– Have more than 2,000 employees; and / or</li><li>– Have a turnover of more than £200 million and a balance sheet total of more than £2 billion.</li></ul> <p>The FRC have noted that the rules applicable to OEPIs will apply from periods commencing on or after 15 December 2020.</p>

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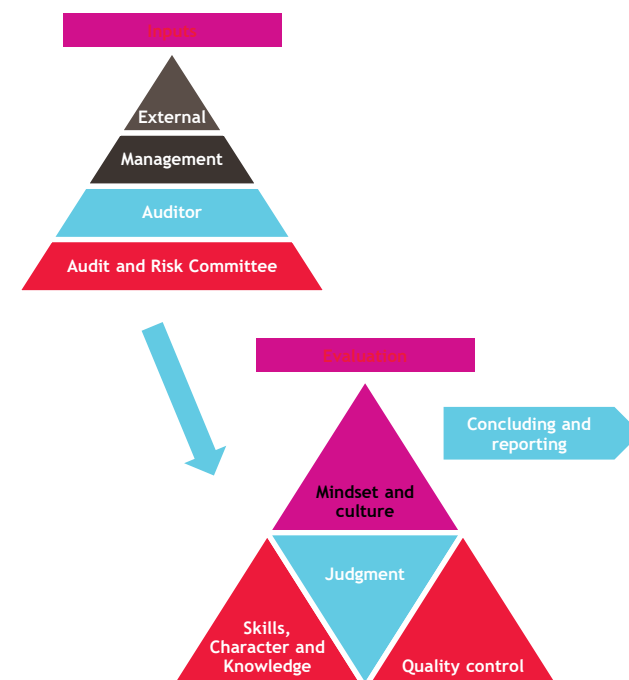
The Financial Reporting Council (FRC) issued an updated practice aid for Audit and Risk Committees in December 2019 and a full copy can be found on the [FRC website](#). In their practice aid the FRC note: 'The directors of a company (the Board as a whole) are responsible for ensuring its financial statements 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

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## 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](http://www.bdo.co.uk)



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

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## 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

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*“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.



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

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