

Financial Statements

31 March 2022

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Torus Foundation
Charity Number: 1152903
Company Registration Number: 08444912

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TORUS FOUNDATION TRUSTEES, ADVISORS AND BANKERS

Charity registration number 1152903

Company registration number 08444912

Trustee	Category	Changes in the year
Sarah Jane Saunders	Chair, Director and Trustee	
Peter Graham Morton	Director and Trustee	Resigned 26/04/2022
Cllr Jeanie Bell	Director and Trustee	
Catherine Anne Murray-Howard	Director and Trustee	
Philip John Charles Garrigan	Director and Trustee	
Colleen Deanne Martin	Director and Trustee	Resigned 26/04/2022
Elaine Marie Stewart	Director and Trustee	Resigned 22/10/2021
Tom Jennings	Director and Trustee	Resigned 22/10/2021
Clare Gosling	Director and Trustee	Appointed 06/06/2022
Holly Chan	Director and Trustee	Appointed 06/06/2022
Uzair Patel	Director and Trustee	Appointed 06/06/2022
Simon Bean	Director and Trustee	Appointed 06/06/2022
Stephanie Donaldson	Director and Trustee	Appointed 06/06/2022
Tony Okotie	Director and Trustee	Appointed 06/06/2022
Ronnie Clawson	Secretary	

Registered office 4 Corporation Street
St Helens
Merseyside
WA9 1LD

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

Solicitors Brabners
Horton House
Exchange Flags
Liverpool, L2 3YL

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

TRUSTEES' REPORT

The Trustees are pleased to present their annual Trustees' report together with the financial statements of the charity for the year ending 31st March 2022 which are also prepared to meet the requirements for a Directors' Report, accounts for Companies Act purposes and in accordance with the provisions applicable to companies entitled to the Small Companies exemption.

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

Volunteering and In Kind Contributions

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

The extensive range of partnerships developed across Torus Foundation add real value to the projects being delivered, through the additional assets and skills gifted by partners across the city region. A combined value of £407,989 in-kind funding was generated for the benefit of Torus Foundation customers in 2021/22.

OBJECTIVES AND ACTIVITIES

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

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

FINANCIAL REVIEW

In 2021/22, the charity received income of £8.6m (2020/21: £3.4m). This includes £1.4m received as Gift Aid from the Group (2020/21 £1.2m), £3.6m donation from the parent (2020/21: £0.8m) and £3.6m income from Torus for commissioned services, New Leaf, Springboard, TFFH membership fees, hire charges, and grant income received from Restricted Funds (2020/21: £1.2m).

ACHIEVEMENTS AND PERFORMANCE

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

EMPLOYMENT

Torus Foundation helped 1,004 people to find work:

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

FINANCIAL INCLUSION

- 3,983 people were engaged in the financial inclusion service.
- 100% of customer reported an increase in skills and confidence as a result of engaging with the Torus Foundation financial inclusion service.
- A total of £4,335,233 in financial gains was obtained for Torus customers.

HEALTH & WELLBEING

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

YOUTH

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

DIGITAL INCLUSION

- 658 people received digital kit.
- 8 physical Digital Hubs were provided during the year prior to delivery moving to online provision.
- 889 online digital sessions were delivered.
- 97% of customers reported an increase in skills and confidence as a result of engaging with Torus Foundation Digital Inclusion Service.

RESERVES

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

At the year end the charity held £312k in restricted reserves (2021: £10k) and £3,010k in unrestricted reserves (2021: £934k).

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

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

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

services across the entire Group and specifically its Heartland areas of Liverpool, St Helens and Warrington. This included the "New Leaf" contract which is a grant funded programme providing employment support and advice across the whole of Cheshire.

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

During 21-22 six new trustees were appointed.

TRUSTEE TRAINING AND DEVELOPMENT

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

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

- The Group's Strategies.
- Business Planning.

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

PUBLIC BENEFIT

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

GOING CONCERN

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

The Group policy is to stress test Business Plans to ensure they are robust and stay within specified Golden Rules. The recent challenging economic operating environment has had an adverse impact on Group commercial entities and their ability to generate Gift Aid to the levels expected in the Torus Group amalgamation Business Plan. This is forecast to impact the Torus Foundation Gift Aid receipt in 2022/23. However, the Charity remains in a robust position to continue operations into the future with cash and cash equivalents £5.0m as at 31st March 2022.

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

The recent and continuing challenging economic operating environment and the consequent adverse impact on Group Gift Aid generation in 2022/23 is a principal risk to delivering social impact ambitions. The Torus Foundation Board has recognised this risk in the medium term and has taken proactive action to address this issue with a review of projects and expenditure being undertaken. A cost reduction plan has been created for review and decision by the Torus Foundation Board with a view to prioritising charitable activity expenditure over the forthcoming year. Budgets and business plans will be updated following the decisions made including stress-testing of risks. Cash and finances are monitored on a monthly basis to support management decision making.

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

PLANS FOR THE FUTURE

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

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

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

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

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

POST BALANCE SHEET EVENTS

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

EXTERNAL AUDITORS

Torus Group appoints the external auditors for all Group companies.

ANNUAL GENERAL MEETING

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

APPROVAL

The Trustees' report was approved by the Board on 16th August 2022 and signed on its behalf by:



Sarah Jane Saunders
Trustee

Date: 16th August 2022

TRUSTEES' RESPONSIBILITIES STATEMENT

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

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

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

By order of the board of trustees



Sarah Jane Saunders
Trustee
Date: 16th August 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Torus Foundation ("the Charitable Company") for the year ended 31 March 2022 which comprise the statement of financial activities, the statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

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

Conclusions related to going concern

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

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

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

Independent auditor's report (cont)

Other information

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

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

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

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

Independent auditor's report (cont)

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Independent auditor's report (cont)

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

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

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

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

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

Use of our report

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

DocuSigned by:

Hamid Ghafoor

829727ECC12041D

Hamid Ghafoor

(Senior Statutory Auditor)

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

Date: 09 September 2022

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

Statement of Financial Activities
(including income and expenditure account)

For the year ended 31 March 2022

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

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

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 31 March 2022

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

The financial statements were approved by the Board on 16th August 2022 and signed on its behalf by:



Sarah Jane Saunders
Trustee

Company Registration Number: 08444912

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1. Legal status

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

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

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

The recent challenging economic operating environment has had an adverse impact on Group commercial entities and their ability to generate Gift Aid to the levels expected in the Torus Group amalgamation Business Plan. This is forecast to impact the Torus Foundation Gift Aid receipt in 2022/23. However, the Charity remains in a robust position to continue operations into the future with cash and cash equivalents £5.0m as at 31st March 2022.

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

Incoming resources

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

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

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

Volunteers and donated services

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

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

Funds

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

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

Resources expended

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

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

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

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

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

Debtors

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

Creditors

Short term creditors are measured at transaction price.

Financial Instruments

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

Fixed Assets

All fixed assets are initially recorded at cost.

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

Fixtures and fittings	- 15% straight line
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Pension Cost

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

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

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

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

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

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

Reserves

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

Contingent liabilities

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

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

Significant judgements and key areas of estimation uncertainty

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

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

NOTES TO THE FINANCIAL STATEMENTS

3. Incoming resources from donations and legacies

	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	2021-22	2021-22	2021-22	2020-21	2020-21	2020-21
	£'000	£'000	£'000	£'000	£'000	£'000
Donations						
Torus	5,002	-	5,002	1,982	-	1,982
	5,002	-	5,002	1,982	-	1,982

4. Income from Charitable Activities

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

NOTES TO THE FINANCIAL STATEMENTS

5. Commercial Trading Activities

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

6. Investment Income

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

7. Other Income

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

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

NOTES TO THE FINANCIAL STATEMENTS

8. Costs of Charitable activities by fund type

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

9. Costs of Charitable activities by activity type

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

10. Governance costs

Governance costs are met by Torus62 Limited.

NOTES TO THE FINANCIAL STATEMENTS

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

	2022 £'000	2021 £'000
This is stated after charging:		
Depreciation	19	12

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

12. Staff Costs and Emoluments

Employee costs

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

Particulars of employees:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

13. Taxation

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

14. Tangible fixed assets

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

15. Debtors

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

16. Creditors: amounts falling due within one year

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

NOTES TO THE FINANCIAL STATEMENTS

17. Pensions

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

17. Pensions (continued)

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

17. Pensions (continued)

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

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

18. Funds

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

Balance at 31st March 21, £	Income 21-22, £	Expenditure 21-22, £	Balance at 31st March 22, £	Fund Name	Details
1,250	-	-	1,250	Sports England	Sports England is a funding project that has the aim of 'Tackling Youth Violence and Knife Crime' through engagement in positive activities such as boxing and basketball. The goal is to engage with young people who are involved in anti-social behaviour and at risk of becoming involved in crime and introduced a positive pathway to keep them away from gang-related activities.
4,444	-	(4,440)	4	Medicash	Funding to provide nutritious hot meals for families who may be struggling because of the effects of the Coronavirus Pandemic.
-	1,111	(1,200)	(89)	This Girl Can	Funding to provide access and support for woman to participate in physical activities, improving their physical and emotional health and wellbeing. Funding primarily targets women who have low levels of engagement in physical activity, encouraging them to not only take up such activities but also sustain their involvement.
1,363	2,500	(2,775)	1,088	Street Games	The Street Games grant is to support the FFH youth zone with the purchase of equipment and the delivery of grass-roots door-step sports. This includes the delivery of staff training sessions such as short tennis.
3,262	41,398	(40,941)	3,719	Children In Need	The funding is to fund three outreach engagement posts to engage 8 to 16 year olds in the community and sign-post them to centre-based youth activities.
-	80,422	(73,111)	7,311	Energy Redress Supported Energy	Energy Savings Trust Project which provides in-depth one-to-one advice to people who are experiencing complex problems with their fuel bills, meters and debts.

Balance at 31st March 21, £	Income 21-22, £	Expenditure 21-22, £	Balance at 31st March 22, £	Fund Name	Details
-	935,386	(935,386)	-	New Leaf	New Leaf is part of the Building Better Opportunities Programme and funded by the European Social Fund and the National Lottery Community Fund. It is to help people get into work or training through 1-2-1 mentoring, money advice, access to volunteering and mental help support. The programme is open to anyone living in Warrington or Cheshire who is currently out of work. It provides investment in local projects that increase economic development by investing in projects which support skills development, employment, job creation, social inclusion and local community regeneration.
-	350,388	(350,388)	-	Springboard	Springboard is an ESF funded project generated to tackle the impact on the economy and labour market of COVID-19. The project directly assists participants who have recently lost their job or whose job has been affected as a result of the pandemic [furloughed, hours reduced etc] and young people who are struggling to get into stable employment for the first time to gain a new job quickly, acting as a 'Covid Response Employment Service'.
-	21,735	(21,735)	-	Community Champions	This is funding to focus on Health and Wellbeing around vaccinations for the BAME community providing workshops activities and promotion for the community to engage and improve their health and wellbeing.
-	266,476	(214,743)	51,733	Kick Start	The Kickstart Programme is part of a Government Initiative to support young people aged 18-24 who are claiming universal credit getting back into employment. Part of the funding is to support and develop new skills and to help applicants move into sustained employment after they have completed their six month funded role.

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Balance at 31st March 21, £	Income 21-22, £	Expenditure 21-22, £	Balance at 31st March 22, £	Fund Name	Details
-	7,221	(7,221)	-	NHS	To support community partnerships in recognition of the impact of Covid-19 on the wider community. Grant funding is for activities delivered through partnership between the NHS and relevant social and health care organisations from the public or third sector. Project Aim is a co-designed project to improve the mental well-being of young people through the development of new youth-focused social prescribing pathways between clinical NHS Trust services and local youth organisations.
-	5,605	(2,474)	3,131	Duke of Edinburgh	This project is funding out of core-funding, corporate and donations and is to provide equipment, administration for young to complete their DoFE course at no cost to themselves.
-	267,012	(22,886)	244,126	Winter Energy Fund	The Winter Energy fund is to provide charities to support vulnerable energy customers by providing energy vouchers.
-	20,140	(20,140)	-	Liverpool City Council -HAF	This is to provide nutritious meals and activities for disadvantaged young people aged 6 to 16 during school holidays.
-	20,000	(20,000)	-	Liverpool City Council - Pantries	Funding to support the set-up of community food pantries which offer local communities access to a variety of healthy food options for a small weekly fee; in order to combat chronic food insecurity.
-	10,000	(10,000)	-	Cheshire Community Fund	Funding to provide essential white goods and furniture and support to those in need. These items might include a cooker, fridge, washing machine, sofa or table and chairs, depending on the damage caused by the Warrington Floods.
10,319	2,029,394	(1,727,439)	312,274	TOTAL	

NOTES TO THE FINANCIAL STATEMENTS

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

19. Financial assets and liabilities

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

20. Related party transactions

C Murray Howard, a trustee of the charity, is a representative of Torus62 Limited. Torus Foundation has entered into a Service Level Agreement with Torus62 Limited for the provision of support services such as IT, Human Resources, Finance and Asset Management. The value of services procured during the period was £369k (2021-£569k).

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

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

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

21. Ultimate controlling party

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