

Financial Statements

31 March 2020

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Torus Foundation (formerly Commutual)
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
SJ Saunders	Chair, Director and Trustee	
P Morton	Director and Trustee	
J Bell	Director and Trustee	Appointed 28/01/2020
P Brennan	Director and Trustee	Resigned 20/06/2019
C Murray Howard	Director and Trustee	Appointed 07/10/2019
PJC Garrigan	Director and Trustee	
C D Martin	Director and Trustee	
E Stewart	Director and Trustee	
CE Haworth	Director and Trustee	Resigned 28/06/2019
T Jennings	Director and Trustee	Appointed 14/07/2020
PH Fieldsend	Secretary	Resigned 31/03/2020
R Clawson	Secretary	Appointed 01/04/2020

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 Barclays Bank PLC
Liverpool Lord Street Branch
48b & 50 Lord Street , Liverpool L2 1TD

National Westminster Bank
5 Ormskirk Street
St. Helens
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 March 2020 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 has been supported by 69 volunteers during 2019/20 who have given their time to help deliver the Charitable Objects.

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 £362,968 in-kind funding was generated for the benefit of Torus Foundation customers in 2019/20.

Over 450 individual gifts of in-kind support were recorded throughout the year including; training sessions, room hire, sessional staff delivery, volunteer hours and access to events and experiences.

Objectives and Activities

Torus Group's 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 focus on five key impact areas: Employment and Skills; Financial Inclusion; Health and Wellbeing; Digital Inclusion; and Youth. All activities are delivered through the Community Investment, New Leaf and FireFit Hub (TFFH) teams.

FINANCIAL REVIEW

In 2019/20, the charity received income of £4.2m (2018/19: £2.8m). This includes £2.0m received as Gift Aid from the Group, £1.6m income from New Leaf and additional income of £0.6m from TFFH membership fees, hire charges, and grant income received from Restricted Funds.

Achievements and Performance

Torus Foundation uses the HACT Wellbeing Evaluation Tool to measure the social value of projects which meet the HACT eligibility criteria. In 2019/20, the Foundation achieved £8.05 in social value impact for every £1 spent in 2019/20 (2018/19: £8.60), with a total of 2,263 people experiencing an outcome. Three programmes and 10 projects were measured during the year. These include the following:

Project name	No. experiencing outcome	Social Impact	Budget Impact Ratio
Universal Employment Services	527	£3,686,113	26.4
School Holiday Camps	338	£1,441,332	10.0
School Breakfast Clubs	521	£1,220,073	14.9
Digital Inclusion	479	£1,034,391	9.0
Activities for Adults (Liverpool)	87	£379,098	3.7
Activities for Adults (Warrington)	54	£255,133	3.3
Activities for Adults (St Helens)	26	£141,078	1.7
Liverpool Mutual In Work	104	£347,131	3.0
Intermediate Labour Market Project (ILM)	25	£317,813	1.8
Health Bursaries	102	£205,131	2.6

Source: Torus Foundation Impact Valuation Statement 2019/20. Figures derived from HACT Wellbeing Valuation methodology

Key projects that made a positive impact this year include:

Employment

Torus Foundation helped 651 people to find work:

- 622 Training courses were completed.
- 97 work placements and volunteer placements were undertaken.
- 27 young people aged between 16 and 29 benefited from Access to Work, an Intermediate Labour Market Programme that creates practical paid work experience placements.
- New Leaf helped 247 people into work, 580 into training or education, and 301 people to actively search for work.

Money Matters

- £164k in additional monies such as grants were obtained for customers.
- 104 local charities were awarded £65,000, through the Community Investment fund.
- 1,462 customers were supported with welfare benefits advice, resulting in £4,998,709 financial gain for customers.

Health & Wellbeing

- 2,411 people attended health and wellbeing sessions.
- 616 children attended School Breakfast Clubs at nine schools.
- 494 individual children attended the School Holiday Camp during the year.
- There were 66,731 visits to FireFit Hub in the year.
- 1,676 members visited FireFit Hub, with 706 average weekly youth zone visits.

Youth

- There were 66,731 visits to FireFit Hub in the year.
- 1,676 members visited FireFit Hub, with 706 average weekly youth zone visits.

Go Digital

- Torus Foundation teams carry out free IT sessions at 'Digital Hubs' across Liverpool, Warrington and St. Helens. These sessions aim to help tenants get online and meet the challenges of Welfare Reform, including making Universal Credit applications and managing claims. 844 people were supported at 36 digital hubs this year, 1,141 people completed digital training and 24 volunteer digital champions were supported.

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 £35k in restricted reserves (2019: £34k) and £1,960k in unrestricted reserves (2019: £1,900k).

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 company'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 3.

In January 2017, the charity was incorporated into Liverpool Mutual Homes as ComMutual and a Board was formed from 3 former Toxteth Firefit Hub Trustees (P Morton, C Martin and P Garrigan) and 6 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 Torus Foundation 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.

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
- Fundraising

Trustees have engaged in annual training on the operational arrangements in place to safeguard children and vulnerable adults.

As part of Torus Foundation's on-going training and development, the Trustees have also had briefings on risk management, digital inclusion and money matters and will continue to receive 'Spotlight On' briefings at Board meetings.

As and when new Trustees are recruited and appointed, a full induction programme will be delivered to ensure that they are fully conversant with the aims, objectives and operation of Torus Foundation.

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 Torus Foundation's work delivers its aims and charitable objectives.

Going Concern

The charity has been affected by the Coronavirus pandemic which arose in March 2020. The delivery of activities has been reduced due to public health restrictions on leisure and health activities and other social distancing measures. Income has been impacted, although costs have also reduced. The charity has also made use of the governments job retention scheme to support its financial position. There is a risk that gift aid from commercial entities within the group may be restricted in 2020/21 and 2021/22. The Torus Board have given commitments to support the charity ensuring income is maintained at levels outlined in the Torus business case for amalgamation. In addition it will seek to commission additional services to support communities affected by the pandemic. A grant agreement with Torus has been put in place providing certainty over funding.

After reviewing the charity's revised forecast and projections, taking into account the pandemic impact, the Trustees have a reasonable expectation that Torus Foundation 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 Torus Foundation 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.

A summary of the current risk areas for Torus Foundation are provided below:

Key Risk	Status	Planned Development in Internal Controls
Failure to increase revenue, as well as careful financial management	<ul style="list-style-type: none"> Bids continue to be submitted to try to diversify income streams and a growing commercial awareness at FFH will help. The Torus Foundation Fund Raising Strategy was approved at Torus 	<ul style="list-style-type: none"> Torus Foundation has entered into an Intra Group Agreement (IGA) and Service Level Agreement (SLA) with the Torus Group. Both the IGA and SLA provide a structured approach to governance and the provision of corporate services.

	<p>Foundation Board in April 2018. Several applications for funding have been made and progress is recorded and presented to Torus Foundation Management Meetings as well as Torus Foundation Board.</p>	<ul style="list-style-type: none"> • Torus Foundation will continually seek to generate income by diversifying income streams and submitting successful bids and tenders which support the charitable objects.
<p>Failure to meet Big Lottery conditions</p>	<ul style="list-style-type: none"> • Data captured to support My Place Outcomes • KPI's in place for completion each month monitored at SMT, EMT and Torus Foundation Board • Effective Business Planning with due consideration for My Place Outcomes • Torus Foundation has achieved all of the MyPlace outcomes. 	<ul style="list-style-type: none"> • The Big Lottery My Place grant conditions are in place until 2031. The conditions will continue to feature as a Business Plan priority and will be reported to Torus Foundation Board, Torus Group Audit and Risk Committee and Torus Group Board.

Two further risk areas have been highlighted which include safeguarding and lack of skills. Torus Foundation provides a diverse offer for customers which requires staff to be occupationally competent to provide services which remain relevant for customers. The Foundation has developed a skills matrix which identifies essential training needs for staff which includes key topics such as health and safety and safeguarding. This matrix has provided the basis of a training plan which has been delivered across the year.

The Coronavirus pandemic creates risks affecting the delivery of services and finances of Torus Foundation. Following the outbreak, the business continuity plan was activated and group GOLD team meetings have taken place to manage the response and resilience stage. Regular updates have been provided to Boards. The recovery stage is underway and services are expected to recommence in the second half of 2020/21. A comprehensive plan has been implemented for the opening of the FireFit Hub, ensuring the safety of staff and customers is maintained. Budgets and business plans have been updated including stress testing of risks. Cash and finances are monitored on a monthly basis. A commitment has been provided by Torus to support Torus Foundation and ensure community activities can continue.

Plans for the future

Torus Foundation 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
- Expanding reach and delivery of projects within the FFH model

Torus Foundation will also look to expand its provision by amalgamating with other organisations where an opportunity exists to add value to the delivery of both organisations.

Post Balance Sheet Events

In response to the Coronavirus pandemic, Torus Foundation has temporarily suspended services which will impact on service delivery during 2020/21. Torus has provided a commitment to maintain income in 2020/21 and 2021/22.

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

Torus Foundation is not required to hold an Annual General Meeting under its Articles of Association.

Approval

The Trustees' report was approved by the Board on 01 September 2020 and signed on its behalf by:



Sarah Jane Saunders

Trustee

Date: 01 September 2020

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: 1 September 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS FOUNDATION

Opinion

We have audited the financial statements of Torus Foundation (formerly Commutual) (“the Charitable Company”) for the year ended 31 March 2020 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).

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 2020 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.

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 are 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charitable Company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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.

In connection with our audit of the financial statements, 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.

Opinions on other matters prescribed by the Companies Act 2006

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.

Matters on which we are required to report by exception

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' exemption from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 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.

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.

BDO LLP

Hamid Ghafoor (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Liverpool

Date: 10 September 2020

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 2020

	Note	2020			2019		
		Un-restricted Funds	Restricted Funds	Total Funds	Un-restricted Funds	Restricted Funds	Total Funds
				£'000			£'000
Income:							
Donations and legacies	3	2,008	-	2,008	2,000	-	2,000
Income from charitable activities	4	2,019	66	2,085	681	56	737
Commercial trading activities	5	64	-	64	62	-	62
Investment income	6	11	-	11	10	-	10
Other income	7	24	-	24	22	-	22
Total Income		4,126	66	4,192	2,775	56	2,831
Expenditure on:							
Interest payable and financing costs		(7)	-	(7)	(2)	-	(2)
Charitable activities	8, 9	(4,029)	(55)	(4,084)	(2,833)	(45)	(2,878)
Total Expenditure		(4,036)	(55)	(4,091)	(2,835)	(45)	(2,880)
Net income and net movement in funds for the year		90	11	101	(60)	11	(49)
Actuarial (loss) on pension scheme	17	(40)	-	(40)	(309)	-	(309)
Transfer of reserves		10	(10)	-	-	-	-
Total funds at beginning of year		1,900	34	1,934	2,269	23	2,292
Total funds at end of year		1,960	35	1,995	1,900	34	1,934

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 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	14	49	64
Current assets			
Debtors	15	304	622
Cash and cash equivalents		2,784	3,749
Total current assets		<u>3,088</u>	<u>4,371</u>
Creditors: amounts falling due within one year	16	(663)	(2,139)
Net current assets		<u>2,425</u>	<u>2,232</u>
Total assets less current liabilities		<u>2,474</u>	<u>2,296</u>
Pension provision	17	(479)	(362)
Total net assets		<u>1,995</u>	<u>1,934</u>
The funds of the charity:			
Restricted funds	18	35	34
Unrestricted funds	18	1,960	1,900
Total charity funds		<u>1,995</u>	<u>1,934</u>

The financial statements were approved by the Board on 01 September 2020 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

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

Registered Office 4 Corporation Street
St Helens
Merseyside
WA9 1LD

2. Accounting policies

Basis of accounting

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

- Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS102));
- Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102);
- 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 2020. These financial statements may be obtained from its registered office: 4 Corporation Street, St.Helens, Merseyside, WA9 1LD.

The charity has been affected by the Coronavirus pandemic which arose in March 2020. The delivery of activities has been reduced due to public health restrictions on leisure and health activities and other social distancing measures. Income has been impacted, although costs have also reduced. The charity has also made use of the governments job retention scheme to support its financial position. There is a risk that gift aid from commercial entities within the group may be restricted in 2020/21 and 2021/22. The Torus Board have given commitments to support the charity ensuring income is maintained at levels outlined in the Torus business case for amalgamation. In addition it will seek to commission additional services to support communities affected by the pandemic. A grant agreement with Torus has been put in place providing certainty over funding.

After reviewing the charity's revised forecast and projections, taking into account the pandemic impact, the Trustees have a reasonable expectation that Torus Foundation 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, like 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, both are multi-employer defined benefit schemes.

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 Foundation 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 Foundation 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 Foundation 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

The Trustees consider there to be no items in the financial statements where they have had to make significant judgements in the process of applying the charity's accounting policies or key sources of estimation uncertainty.

NOTES TO THE FINANCIAL STATEMENTS

3. Incoming resources from donations and legacies

	Un- restricted Funds £'000	Restricted Funds £'000	2020 Total Funds £'000	2019 Total Funds £'000
Donations				
Torus	2,008	-	2,008	2,000
	2,008	-	2,008	2,000

4. Income from Charitable Activities

	Un- restricted Funds £'000	Restricted funds £'000	2020 Total Funds £'000	2019 Total Funds £'000
Memberships, activities and hire	424	-	424	256
New Leaf and social inclusion	1,595	-	1,595	425
Henry Smith	-	-	-	17
Street Games	-	-	-	3
Greggs lunches	-	-	-	1
Steve Beko	-	-	-	13
One Digital Program	-	8	8	7
Coop Foundation	-	-	-	10
Hardship Fund	-	3	3	5
Merseyside Police	-	8	8	-
Liverpool City Council	-	6	6	-
ESC Lottery	-	4	4	-
Lottery	-	37	37	-
	2,019	66	2,085	737

NOTES TO THE FINANCIAL STATEMENTS

5. Commercial Trading Activities

	2020 Un- restricted Funds £'000	2020 Total Funds £'000	2019 Unrestricted Funds £'000	2019 Total Funds £'000
Vending income	20	20	9	9
Rent received	42	42	53	53
Other income	2	2	-	-
	64	64	62	62

6. Investment Income

	2020 Un- restricted Funds £'000	2020 Total Funds £'000	2019 Unrestricted Funds £'000	2019 Total Funds £'000
Bank interest receivable	11	11	10	10
	11	11	10	10

7. Other Income

	2020 Un- restricted Funds £'000	2020 Total Funds £'000	2019 Unrestricted Funds £'000	2019 Total Funds £'000
Other incoming resources	24	24	22	22
	24	24	22	22

NOTES TO THE FINANCIAL STATEMENTS

8. Costs of Charitable activities by fund type

	Un-restricted Funds £'000	Restricted Funds £'000	2020 Total Funds £'000	2019 Total Funds £'000
Staff costs	2,145	15	2,160	1,123
Events and activities project	1,718	40	1,758	1,648
Establishment expenses	50	-	50	76
Depreciation	12	-	12	7
Support costs	104	-	104	24
	4,029	55	4,084	2,878

Events and activities above include £65k of grants to local charities.

9. Costs of Charitable activities by activity type

	Activities Undertaken Directly £'000	Support Costs £'000	2020 Total Funds £'000	2019 Total Funds £'000
Staff costs	2,160	-	2,160	1,123
Events and activities project	1,758	-	1,758	1,657
Establishment expenses	50	104	154	76
Depreciation	12	-	12	7
Governance costs	-	-	-	15
	3,980	104	4,084	2,878

10. Governance costs

	2020 £'000	2019 £'000
Other professional	15	15
	15	15

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

	2020 £'000	2019 £'000
This is stated after charging:		
Depreciation	12	7

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

NOTES TO THE FINANCIAL STATEMENTS

12. Staff Costs and Emoluments

Employee costs

Total staff costs were as follows:	2020 £'000	2019 £'000
Wages and salaries	1,897	942
Social security costs	163	87
Other pension costs	168	94
	<u>2,228</u>	<u>1,123</u>

Particulars of employees:

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

	2020 Average Number	2019 Average Number
Management staff	3	3
Regeneration staff	8	8
Youth team and support staff	58	39
	<u>69</u>	<u>50</u>

One employee received remuneration between £60,000 and £70,000, and one employee received remuneration between £80,000 and £90,000 during the year (2019: one employee between £60,000 and £70,000). None of the Trustees received any remuneration during the period (2019: £Nil). Reimbursed expenses amounted to £Nil (2019: £Nil).

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

13. Taxation

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

NOTES TO THE FINANCIAL STATEMENTS

14. Tangible fixed assets

	Fixtures & Fittings 2020 £'000
Cost	
At 1st April 2019	72
Additions	-
Disposals	(3)
At 31st March 2020	<u>69</u>
Depreciation	
At 1st April 2019	8
Charge for the year	12
Disposals	-
At 31st March 2020	<u>20</u>
Net book value at 31st March 2020	<u>49</u>
At 31st March 2019	<u>64</u>

15. Debtors

	2020 £'000	2019 £'000
Due within one year		
Trade debtors	10	12
Other debtors	4	5
Prepayments and accrued income	290	605
	<u>304</u>	<u>622</u>

NOTES TO THE FINANCIAL STATEMENTS

16. Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Trade creditors	165	60
Amounts owed to Group undertakings	92	1,137
Other tax and social security	53	26
Other creditors	-	135
Accruals and deferred income	353	781
	663	2,139

Deferred income has increased to £74k from £22k in 2019/20. This is in relation to external lottery funding that is drawn in advance.

17. Pensions

Torus Foundation 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 19.7% (Merseyside Pension Fund) and 23.1% (Cheshire Pension Fund).

Principal actuarial assumptions: Financial assumptions

	2020	2020	2019	2019
	CPF	MPF	CPF	MPF
	%	%	%	%
Discount rate	2.4	2.4	2.5	2.5
Future salary increases	2.8	2.8	3.2	3.2
Future pension increases	1.9	1.9	2.2	2.2
Inflation assumption	1.9	1.9	2.2	2.2

NOTES TO THE FINANCIAL STATEMENTS

17. Pensions (continued)

Mortality assumptions

	2020	2020	2019	2019
	CPF	MPF	CPF	MPF
	No of years	No of years	No of years	No of years
Retiring today:				
Males	21.2	20.9	22.3	22.2
Females	23.6	24.0	24.5	25.0
Retiring in 20 years:				
Males	21.9	22.5	23.8	25.2
Females	25.0	25.9	26.5	27.9

Analysis of amounts recognised in operating costs	2020	2020	2020	2019
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Current service cost	(99)	(73)	(172)	(77)
Past service costs/(gains)	-	-	-	(22)
Administration costs	-	(1)	(1)	(1)
Net operating (loss)	(99)	(74)	(173)	(100)

Analysis of amounts recognised in other financing costs	2020	2020	2020	2019
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Expected return on pension scheme assets	38	16	54	14
Interest on pension scheme liabilities	(41)	(20)	(61)	(15)
Net operating loss	(3)	(4)	(7)	(1)

NOTES TO THE FINANCIAL STATEMENTS

17. Pensions (continued)

	2020		2019	
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Opening defined benefit obligation	(1,593)	(825)	(2,418)	-
Current service cost	(99)	(73)	(172)	(77)
Past service cost	-	-	-	(22)
Interest cost	(41)	(20)	(61)	(15)
Contributions by members	(19)	(14)	(33)	(16)
Benefits paid	-	(8)	(8)	-
Actuarial gains / (losses)	526	(924)	(398)	(169)
Transfer of members to Torus Foundation	-	-	-	(2,119)
Closing defined benefit obligation	(1,226)	(1,864)	(3,090)	(2,418)

	2020		2019	
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Opening fair value of plan assets	1,463	593	2,056	-
Interest income on plan assets	38	16	54	14
Administration cost	-	(1)	(1)	(1)
Contributions by members	19	14	33	16
Contributions by employer	64	39	103	48
Benefits paid	-	8	8	-
Actuarial gains / (losses)	(526)	884	358	82
Transfer of members to Torus Foundation	-	-	-	1,897
Closing fair value of plan assets	1,058	1,553	2,611	2,056

	2020		2019	
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Defined benefit obligation net of plan assets	(168)	(311)	(479)	(362)

	2020		2019	
	CPF	MPF	Total	Total
	£'000	£'000	£'000	£'000
Actuarial (losses) / gains on assets	(526)	884	358	82
Actuarial gains / (losses) arising on the scheme liabilities	526	(924)	(398)	(169)
Transfer of members obligations to Torus Foundation	-	-	-	(2,119)
Transfer of members assets to Torus Foundation	-	-	-	1,897
Net operating loss	-	(40)	(40)	(309)

NOTES TO THE FINANCIAL STATEMENTS

17. Pensions (continued)

Major categories of plan assets as a percentage of total plan assets	2020		2019	
	CPF	MPF	CPF	MPF
	%	%	%	%
Equities	35	39	41	49
Gilts/bonds	47	30	47	16
Properties	8	8	8	10
Cash	10	3	4	3
Other	0	20	0	23

18. Funds

Restricted funds

	Restricted Funds £'000
Balance at 31 March 2018	23
Surplus for the year restated	11
Balance at 31 March 2019	34
Transfer of reserves	(10)
Surplus for the year	11
Balance at 31 March 2020	35

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:

Fund	Details
MPVRU (£3,534) - (2019 £0)	Outreach programme primarily working with 6-12 year olds with the aim of encouraging young people to join local youth provisions and stop them turning to crime or becoming involved in risk taking behaviours.
LCC – Sport Activators (£4,976) - (2019 £0)	Sports based intervention programme for 6-16 year olds focused on building resilience and positive behaviours of young people.
Hardship Fund (£326) - (2019 £0)	Funding from Ward Councillors to cover the costs of food vouchers and hampers for tenants during the Christmas Period.

National Lottery (£21,147) - (2019 £0)	Funding for a Health and Wellbeing Officer to provide activities for customers aged over 55, additional funding to recruit Community Connectors from participants and to purchase equipment for residents of the Independent Living Schemes in Liverpool.
Sports England (£4,392) - (2019 £0)	Sport 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 & young people who are at risk of becoming involved in crime and introduce a positive pathway to keep them away from gangs.
Big Music Project (£0) – (2019 £4,172)	A project for 14-25 year olds who plan and develop their own music and dance. This was then showcased at Manchester Met Student Union.
Satellite Clubs (£0) – (2019 £1,301)	Initially TFFH applied for 7 Satellite Clubs to run for 20 weeks. The idea is to link up with sports clubs around the Liverpool area who provide a coach to deliver sessions at TFFH, all the while establishing an exit route for the participants to feed straight in to the sports club. Satellite Clubs has been a success from the start, which has resulted in the continuation and sustaining of the project, which is currently on-going. We have won a number of National Participant of the year awards and received bursaries to up-skill volunteers and participants. Also building up a great working relationship with Merseyside Sports Partnership (MSP).
MSP Sustain (£0) – (2019 £800)	Sustain is added funding for the continuation of the Satellite Clubs project, the sessions and clubs that had already been successful in the 2 years prior were sustained for a further 20 weeks. TFFH exceeded all participant targets for the sustained funding.
Children in Need (£0) – (2019 £2,030)	The charity was successful in their bid for a Children in Need grant which is based around engagement of young people in physical activities, activator course, young leader courses and the celebration of their achievements throughout the project.
Street Games (£0) – (2019 £4,172)	The Street Games grant is to support FFH youth zone with purchase of equipment, and the delivery of grass roots door step sports. This includes the delivery of staff training sessions funded by Streetgames, such as Short Tennis.
Greggs Summer Camp Meals (£0) – (2019 £1,441)	Greggs gave Torus Foundation money which was only to be spent on children's lunches in the school holiday camps.
Medicash (£0) – (2019 £10,000)	Contribution towards launching the café at FFH. This included purchase of equipment, appliances and food.

NOTES TO THE FINANCIAL STATEMENTS

Unrestricted funds

	Unrestricted Funds £'000
Balance at 31 March 2018	2,269
Deficit for the year	(369)
Balance at 31 March 2019	1,900
Transfer of reserves	10
Surplus for the year	50
Balance at 31 March 2020	1,960

19. Financial assets and liabilities

	2020 £'000	2019 £'000
Categories of financial assets and financial liabilities		
Financial assets that are measured at amortised cost	2,798	3,766
Other liabilities measured at amortised cost	(218)	(221)
Financial assets		
Cash at bank	2,784	3,749
Financial assets on which no interest is earned	14	17
	2,798	3,766

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 £422,217. In addition, Torus62 Limited hired various facilities at Toxteth Fire Fit Hub. This amounted to £214 (2019: £1,335).

C Martin, a trustee of the charity, is a representative of Liverpool City Council. Liverpool City Council hired various facilities at Toxteth Fire Fit Hub. This amounted to £748 (2019: £285).

P Garrigan, a trustee of the charity, is a representative of Merseyside Fire and Rescue. Merseyside Fire and Rescue hired facilities at Toxteth Fire Fit Hub with a value of £50 and also made a donation of £1500 (2019: £130).

21. Ultimate controlling party

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.