

Financial Statements

31 March 2025

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Torus62 Limited
Community Benefit Society 7973
Regulator of Social Housing registration 5065



Contents

	Page
Information	3
Strategic report	5
Report of the Board of Directors for the year ended 31 March 2025	37
Independent Auditors Report to the members of The Torus Group	48
Consolidated Statement of Comprehensive Income	52
Consolidated Statement of Financial Position	53
Consolidated Statement of Change in Reserves	54
Consolidated Statement of Cash Flows	55
Association Statement of Comprehensive Income	56
Association Statement of Financial Position	57
Association Statement of Change in Reserves	58
Notes to the Financial Statements	59

Information

Board Members

Chair	Mike Emmerich	
Other Members	Steve Coffey	
	Robert Hepworth	(resigned 26 September 2024)
	Duncan Craig	(resigned 26 September 2024)
	Christine Fallon	
	Andrew Gray	
	Catherine Murray Howard	
	Peter Fieldsend	
	Sarah Jane Saunders	
	Waqas Butt	
	Lisa Greenhalgh	
	Natasha Johnson	(appointed 26 September 2024)
	Mark Bousfield	(appointed 26 September 2024)
	Zamila Skingsley	(appointed 26 September 2024)

Executive Officers

Group Chief Executive	Steve Coffey
Chief Financial Officer	Peter Fieldsend
Chief Operating Officer	Catherine Murray Howard

Company Secretary

Catherine Fearon

Registered Office

4 Corporation St, St Helens, Merseyside WA9 1LD

Auditors

External	BDO LLP, 5 Temple Square, Temple Street, Liverpool L2 5RH
Internal	TIAA, Artillery House, Fort Fareham, Newgate Lane, Fareham PO14 1AH

Solicitors

Internal	Catherine Fearon
External	Brabners, Horton House, Exchange Flags, Liverpool L2 3YL

Bankers

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

Funders

Royal Bank of Scotland Plc / National Westminster Bank Plc
Santander UK Plc
Nationwide Building Society
Barclays Bank Plc
bLEND Funding Plc
The Housing Finance Corporation Limited
Saltire Finance plc

COMMITTEE MEMBERS

Torus Development Committee

Chair	Robert Hepworth Christine Fallon	(resigned 26 September 2024)
Other Members	Peter Fieldsend Steve Coffey Catherine Murray Howard Mark Bousfield Zamila Skingsley Kate McClean	 (appointed 26 September 2024) (appointed 26 September 2024) (appointed 26 September 2024)

Group Remuneration & Nominations Committee

Chair	Lisa Greenhalgh	
Other Members	Christine McLoughlin Duncan Craig Mike Emmerich Sarah Jane Saunders Natasha Johnson	 (resigned 26 September 2024) (resigned 26 September 2024) (appointed 26 September 2024) (appointed 26 September 2024)

Group Audit & Risk Committee

Chair	Duncan Craig Waqas Butt	(resigned 26 September 2024)
Other Members	Andrew Gray Alistair Hollows Stephanie Donaldson Lisa Greenhalgh Zamila Skingsley	 (resigned 26 September 2024) (appointed 26 September 2024)

Landlord Operations Committee

Chair	Andrew Gray	
Other Members	Robert Hepworth Catherine Murray Howard Sarah Jane Saunders Teri Wilson Sharon Shaw Pamela Woodward David Higgins James Heneghan Lyndzay Roberts Rob Humphries Natasha Johnson	 (resigned 26 September 2024) (resigned 15 February 2025) (resigned 30 October 2024) (resigned 30 April 2025) (appointed 26 September 2024)

STRATEGIC REPORT

About us

One of the Northwest's largest social landlords, Torus 62 Limited ('Torus') is an established housing group with a primary geographical focus on communities across Warrington, Liverpool and St Helens, and a total operational footprint encompassing 11 local authority areas.

The Group owns and manages a core portfolio of more than 40,000 homes, including over 34,000 for general needs, 3,900 homes for older people and 1,900 shared ownership properties.

The Torus operating model comprises of five distinct business areas: Landlord (including both Housing and Assets) and the Corporate Core, which sit within Group operations, and three stand-alone entities, Torus Foundation, Torus62 Developments Limited ('Torus Developments') and Housing Maintenance Solutions Limited ('HMS').

The Group's primary activities are charitable, with new-build, sales and commercial contracting provided by non-charitable subsidiaries. Any profits generated by these business areas are reinvested into social purpose initiatives, enabling the Group to deliver its mission at scale.

Our purpose and principal activities

Torus is a diverse group, built around social and affordable housing for the Northwest region. Its core purpose is to provide quality affordable homes and services for those who cannot afford the market. Housing solutions include: social and affordable rented properties together with temporary, supported and specialist housing for people in crisis or with additional care needs. It also provides both shared ownership and rent to buy homes for those looking to transition from rental to ownership over time.

The Group works in partnership with local and devolved authorities, commissioners and other agencies at local, regional and national levels to improve lives and support the development of vibrant and sustainable neighbourhoods. Whilst housing remains the bedrock of the Torus offer to communities, the Group is committed to playing a role as an anchor institution and investor in neighbourhoods.

This commitment is enshrined in Torus' Mission of 'growing stronger communities' and its Vision to 'support the development of economically vibrant communities and independent lives', and comes to life through its principal activities, which are:

- Providing quality affordable housing for rent, including specialist housing for older customers and those with additional care needs;
- Delivering low-cost home ownership options for the North West, including both Shared Ownership and Rent to Buy;
- Offering tailored accommodation options for vulnerable groups, including temporary or permanent housing solutions to tackle homelessness and domestic violence;
- Supporting people to live independently and investing in meaningful social initiatives including benefits and money advice, employment and skills, digital inclusion, health and wellbeing, and youth services; and
- Maintaining active developments and assets renewal programmes, to increase the number and range of homes and housing solutions across the 11 local authority areas in which Torus operates.

STRATEGIC REPORT (continued)

Group Corporate Plan

Activities undertaken in 2024/25 aligned to objectives set out in the Group Corporate Plan 'A Plan for Homes, Services & Sustainability' which launched in April 2024. The plan was developed in partnership with stakeholders including residents, colleagues and board members, and reaffirms Torus Group's commitment to the mission of 'growing stronger communities', whilst outlining key objectives for the period from 2024/25 to 2028/2029.

The Group Corporate Plan centres around three core themes:

- **People and Services:** Delivering high-quality services for all customers and the empowerment of colleagues.
- **Homes and Communities:** Addressing the need for quality housing by investing in existing homes, building new homes where they are most needed and actively contributing to the creation of vibrant, thriving communities.
- **Viability and Sustainability:** Ensuring that the Group can continue to generate positive impacts for people, homes and communities for the long-term.

The full Torus Group Corporate Plan 2024-2029 is available on the Torus website via the following link: <https://www.torus.co.uk/explore-torus>

Strategic achievements

Annual objectives are set to deliver in each year of the five-year Group Corporate Plan. These objectives strive to build upon key initiatives completed or commenced in the year under review, whilst responding to shifting national sector priorities, and include the following shown across the three key purpose areas of the plan:

Corporate Plan Theme	2024/25 Operational Plan actions	Status
People and Services	Embed the 'One Torus' culture across the Group	Completed Quarter 3 2024/25
	Review employee and industrial relations in 2023/24 and define improvements	Completed Quarter 3 2024/25
Homes and Communities	Review Torus' sheltered housing offer to inform a future Group Housing for Older People Strategy	Completed Quarter 4 2024/25
	Roll out the Group's asset investment plan	Completed Quarter 4 2024/25
	Create a Group-wide Heating Strategy	Completed Quarter 3 2024/25
	Review and update the Torus Foundation offer to communities	Completed Quarter 4 2024/25
	Remodel the Torus Foundation Youth Offer	Completed Quarter 4 2024/25

STRATEGIC REPORT (continued)

Corporate Plan Theme	2024/25 Operational Plan actions	Status
	Develop and publish the 2024-29 Development and Sales Strategy	Completed Quarter 4 2024/25
	Define the Group's ambitions across key geographies using the LIFE model	Completed Quarter 3 2024/25
Viability and Sustainability	Complete the 2023-25 service charge review project	Phase 1 complete in 2024/25. Phase 2 to be completed in 2025/26
	Conduct a detailed Self-Assessment against the Economic and recently revised Consumer Standards	Completed Quarter 3 2024/25
	Embed the agreed continuous improvement and change management methodology across the Group	Phase 1 complete in 2024/25. Phase 2 to be completed in 2025/26
	Complete procurement of the new finance system and progress initial implementation	Phase 1 complete in 2024/25. Phase 2 to be completed in 2025/26
	Transfer works currently contracted to Sure Maintenance Ltd to HMS	Completed Quarter 3 2024/25
	Complete preparational work for the 2025 Digital Telephony Switchover	Completed Quarter 4 2024/25
	Review Group-wide use of Torus' housing management system and identify where process, data and workflow improvements can be made	Completed Quarter 4 2024/25
	Identify HMS systems requirements and implement appropriate Contractor Management System(s)	Completed Quarter 4 2024/25
	Complete review of self-insurance options	Completed Quarter 4 2024/25
	Implement outcomes of the 2023/24 Governance Review	Completed Quarter 4 2024/25
	Implement alternative Material arrangements for Van Stock and Liverpool Material Management	Implementation work to continue in 2025/26

STRATEGIC REPORT (continued)

Looking ahead to 2025/26

Annual objectives have been set to deliver year two of the five-year plan. These objectives strive to build upon key initiatives completed or commenced in the year under review, whilst responding to shifting national sector priorities, and include the following:

Corporate Plan Theme	2025/26 Operational Plan actions
People and Services	Use improvements in Torus' customer data to create a place-shaping plans at neighbourhood level
	Further develop roadmap for compliance with the Employment Rights Bill and continue implementation
	Review and analyse Customer Hub call volumes with a view to driving efficiencies
	Develop a new approach to recruitment across the Group – 'default to apprenticeship'
	Develop and implement a modern reward strategy for HMS
Homes and Communities	Revise and implement proposals for the delivery of component replacements and low carbon retrofit works
	Lead regional proposals that accelerate the delivery of new homes
Viability and Sustainability	Achieve ISO accreditation for the Group in all relevant areas.
	Identify a long-term replacement for the Aareon QL system and agree arrangements for transition
	Finalise the implementation of Advanced Financials and carry out a post-implementation review
	Secure funding necessary to fulfil the Group's development ambitions
	Map and streamline the management processes for all void types
	Implement phase two of the service charges implementation programme
	Deliver the post regulatory action plan

We will report updates against the key actions outlined above in next year's Strategic Report.

STRATEGIC REPORT (continued)

Governance

Torus Board

The Board is responsible for setting the strategic direction of the Group, and establishing the Group's Vision, Values, Corporate Plan and Business Plan.

It is made up of nine Non-Executive Directors and three Executive Officers, being the Group Chief Executive, the Chief Financial Officer and the Chief Operating Officer.

Board members are appointed based on their skills and experience to ensure that the Board is effective and sufficiently skilled to carry out its key governance roles. Board and Committee members are appraised annually in order to identify any skill gaps, and a training and development programme is in place to address any training needs.

Torus Group

Torus Group (or 'the Group') comprises Torus and three active subsidiary undertakings alongside an investment in a jointly controlled entity:

Housing Maintenance Solution Limited (HMS):

A registered company (number 7237932), providing construction, repair and maintenance operation for the group.

Turnover in 2024/25 was £121.6m (2024: £125.7m) and pre-tax profit was £3.8m (2024: pre-tax loss £2.8m).

Torus62 Developments Limited (Torus Developments):

A registered company (number 9687200) supporting the Group's new build strategy, which targets the completion of 7,800 homes by 2035/36, primarily across the Liverpool City Region, West Lancashire and Cheshire.

A total of 593 (2024: 875) properties were completed in 2024/25. Turnover in 2024/25 was £139.9m (2024: £108.1m) and profit before tax was £0.9m (2024: £1.2m).

Torus Foundation:

A charitable venture registered with the Charity Commission (number 1152903) and also a registered company (8444912), providing a range of services across the Group which support the wellbeing of tenants and residents, specifically across its heartlands. Torus Foundation provides help and support in relation to Health and Wellbeing, Financial Inclusion, Youth and Employment and Skills.

In 2024/25, the charity received income of £7.8m (2024: £6.6m). Total expenditure on providing services was £7.3m (2024: £5.2m).

STRATEGIC REPORT (continued)

Torus62 Commercial Services Limited (TCS):

A registered company (number 5270846) which provided construction, repair and maintenance operations for external clients. It is currently held as a dormant company.

Torus Living Limited:

A registered company (number 9471506) providing new build development activities for the group. Torus Living ceased trading in 2019/20 and is held as a dormant company.

Peel Hall JV LLP:

This is a Joint Venture (registered company number OC444261), 50% owned by Torus62 Developments Limited and 50% by Countryside Properties (UK) Limited from 5 July 2024 (formerly Vistry Partnerships Limited) established in order to develop properties for outright sale at Peel Hall in Warrington, Cheshire. Torus Developments became a member on 12 January 2023. No profits or losses were recognised in the period ending 31 March 2025 (2024 £nil).

Committees

Torus Board has four committees to support its work. These committees are:

- Group Audit and Risk Committee – Responsible for ensuring that the Group complies with Regulatory requirements, meets, and discharges all its statutory duties, requirements, and responsibilities.
- Group Remuneration and Nominations Committee – Responsible for ensuring that the Group is well governed. It provides a formal and transparent mechanism for developing the payments and remuneration policy for the Group Executive Team and Board Members together with overseeing the appointment/removal of Board Members across the Group and members of the Group Executive Team.
- Landlord Operations Committee (LOC) – Responsible for overseeing operational matters with a focus on local customer service standards and wide ranging performance matters. LOC considers and acts on recommendations from customer scrutiny, focusing on quality outcomes. It establishes a clear accountability link between local concerns and performance monitoring.
- Torus Development Committee – Responsible as a decision making panel, to advance the delivery of the development and sales programme in line with the Group's Corporate Plan and development strategy, by making decisions and recommendations within the parameters set by the Group's Development Strategy and the Group Scheme of Delegation agreed by the Torus (Group) Board.

All Committees review their Terms of Reference annually and provide a report to Group Board on their effectiveness.

STRATEGIC REPORT (continued)

Risk Management

Torus is committed to the active management of risk by ensuring it is at the heart of the business, aiding decision making. The Torus (Group) Board has overall responsibility for ensuring there are appropriate risk management systems in place. The Group Risk Appetite and Statement has been agreed by Torus Group Board and sets out the level of risk that the Group is prepared to accept, tolerate, or be exposed to at any point in time. The statement of risk appetite is kept under review and updated as necessary as a response to changing circumstances. The Group Audit and Risk Committee (GARC) oversees and monitors risk management and internal control systems.

Torus utilises a risk management framework that ensures the Group's strategic and operational risks are identified and managed appropriately. Torus' approach to risk management is based on the ISO 31000 Standard of a five-step risk management process. These steps are designed to identify and manage, rather than eliminate, the risks that threaten the Group's ability to achieve its key business objectives that are set out in the Group Corporate Plan.

Managing risk is a continuous process and a risk register is maintained which identifies all strategic and operational risks including all internal controls and pending risk-mitigating actions. The Risk Registers are managed and monitored in the Group's Performance Management Software (Pentana). A nominated Risk Owner is assigned to each risk to ensure its review and management. Quarterly risk updates are considered collectively by Group Leadership and presented to Group Audit and Risk Committee.

Key strategic risks have been identified that could threaten the delivery of the Group's goals and aspirations as set out in the Five-Year Corporate Plan. They have also been considered in line with the Sector Risk Profile which is produced on an annual basis by the Regulator of Social Housing.

Strategic Risk Register

A summary of the key strategic risks, and presented by reference to the Group's operating elements, are as follows:

Corporate Core

The Corporate Core is the support service to the business. It is responsible for providing efficient, cost effective 'back-office' services to enable the delivery of the Group's Goals and Aspirations. The Corporate Core includes Finance, People Services, ICT and Transformation, Strategy and Communications and Legal.

KEY RISK AREA	POSSIBLE IMPACTS	KEY CONTROLS IN PLACE
Failure to develop a dynamic, flexible, inclusive, and high performing workforce	<ul style="list-style-type: none"> • Loss of skills and knowledge • High staff turnover. • Inability to attract new talent. • Inability to meet Corporate Objectives. • Damage to organisation's reputation as an Employer of Choice. • Reduction in staff morale and satisfaction. • Increase in staff absence 	<ul style="list-style-type: none"> • Management qualification programme • Skills Gap Audit and Competency Framework • New My Performance approach. • Management training. • Diversity & Inclusion Strategy. • My Development Training offer • Apprenticeship programmes • Total Reward Strategy. • People Services Policy Framework. • Substantial Assurance for Internal Communication internal audit 2024/25

STRATEGIC REPORT (continued)

KEY RISK AREA	POSSIBLE IMPACTS	KEY CONTROLS IN PLACE
	<ul style="list-style-type: none"> • Damage to organisation's reputation as an employer 	<ul style="list-style-type: none"> • Colleague satisfaction survey • Colleague network groups.
Failure to maintain high standards of governance and compliance with legal and regulatory requirements.	<ul style="list-style-type: none"> • Regulatory down-grade and RSH intervention. • Total loss in customer trust and satisfaction. • Loss of stakeholder/partners confidence so that partners unwilling to work with Torus. • Catastrophic financial loss due to mismanagement / lack of risk management/ controls. • Inability to meet strategic objectives. • Legal challenges • Regulatory intervention and fines from ICO 	<ul style="list-style-type: none"> • Employment Law updates. • Board and Committee skills assessment. • Board Away Days. • Board induction process and training plan. • Board recruitment process. • Board timetable and meetings. • Annual Self-assessment against RSH Regulatory Standards. • Annual self-assessment against NHF Code of Governance. • Independent Governance Review. • Governance/Viability/Consumer regulatory status • Stress Testing and Recovery Plans
Failure to manage our long-term financial resilience.	<ul style="list-style-type: none"> • Reduced ability to deliver planned services. • Regulatory intervention and downgrade from RSH. • Loss of stakeholder trust as a landlord. • Failure to deliver VFM. • Inability to raise further funding. • Failure to deliver social objectives through Torus Foundation. • Missing Business Plan Targets. • Inability to complete development programme. • Breach of loan covenants 	<ul style="list-style-type: none"> • Robust financial planning and stress testing in place. • Banking covenants. • Fraud reporting procedures and training. • Business Continuity Plan. • Funding Strategy and Securitisation. • Value for Money Strategy. • Financial Golden Rules. • Financial regulations and scheme of delegation • Substantial Assurance for Budgetary Control Internal Audit 2024/25. • GEMT and Board financial reporting.
Ineffective identification and management of Safety & Compliance obligations.	<ul style="list-style-type: none"> • Death or catastrophic injury. • Financial loss due to fines/costs. • Regulatory intervention/legal action from HSE. • Criminal charges. • Reputational damage. • Reduced staff moral. • Loss of customer trust and confidence in landlord. 	<ul style="list-style-type: none"> • RoSPA Gold Award. • Asset Compliance Policies. • Compliance Dashboard. • Decent Homes monitoring. • Health & Safety Training. • Lone working devices. • Facilities management procedures for all Torus offices • RIDDOR. • First aiders and mental health first aiders. • Fire marshals. • Certified management systems at HMS (ISO14001), (ISO9001) and (ISO45001)
Fail to prevent disruption or damage to Torus IT systems.	<ul style="list-style-type: none"> • Financial loss. • Loss of/damage to data. • Reputational damage. • Regulator intervention. • Legal prosecution from ICO. 	<ul style="list-style-type: none"> • Group Disaster Recovery Plan. • Business Continuity Plan • ISO 27001 Accreditation. • Security Incident Management Policy. • Acceptable Use Policy.

STRATEGIC REPORT (continued)

KEY RISK AREA	POSSIBLE IMPACTS	KEY CONTROLS IN PLACE
	<ul style="list-style-type: none"> • Disruption to services 	<ul style="list-style-type: none"> • Cyber Essential Certification. • Back-up systems. • Cyber E-Learning module. • Multi-Factor authentication (MFA) • Data Centre Preventative Maintenance & Emergency Call Out Service • UPS Power Backups • Resilient SD-WAN Network • Substantial Assurance Cyber Security Internal Audit 2024/25
Failure to safeguard and manage the integrity of Tors data	<ul style="list-style-type: none"> • Loss of customer trust and satisfaction • Major reputational damage to Brand • Potential investigation by ICO and catastrophic fines • Regulatory downgrade or intervention by RSH. • Catastrophic financial losses due to costs to recover data. • Operational disruptions due to compromised data systems could lead to delays or complete stoppage in delivering services to customers. • Higher insurance premiums or difficulty in obtaining cyber insurance 	<ul style="list-style-type: none"> • Disaster Recovery Plan • Group Business Continuity Plan • Data Protection Policy and training • Cyber Essentials Certification • Data Loss Prevention (DLP) controls • Change management controls • Cyber security measures • Substantial Assurance Data Protection internal audit 2024/25

LANDLORD

Torus aims to become the leader in providing good, affordable homes and excellent Landlord services across the Northwest. The homes it provides will be of good quality and well maintained and the services aim to put the customer at the heart of everything by shaping the services provided around customers and enhancing the communities in which they live.

KEY RISK AREA	POSSIBLE IMPACTS	KEY CONTROLS IN PLACE
Failure to maintain the confidence, satisfaction and trust of customers and other stakeholders.	<ul style="list-style-type: none"> • Regulatory Intervention/Downgrade. • Increase in complaints and levels of dissatisfaction • Reduced appetite for partners to engage in collaborative initiatives. • Lack of customer support for future plans • Poor relationship with public hindering delivery of new projects. • Catastrophic H&S failings • Increased costs of delivering projects/services. 	<ul style="list-style-type: none"> • Service Standards, colleague values and behaviours. • Tenant Voice Strategy and engagement framework • Tenant Satisfaction Measures • Transactional surveys • Customer Complaints Policy • Tenant Scrutiny Panel, Tenant Inspectors & Mystery Shoppers • DAHA accreditation and associated workstreams • Customer Excellence accreditation. • Asset Investment Strategy • Substantial assurance Customer Hub Internal Audit 2024/25

STRATEGIC REPORT (continued)

	<ul style="list-style-type: none"> • Services being reactive instead of proactive impacting service delivery • Breach of Consumer Standards • Customers disengage from services due to loss of trust • Catastrophic financial loss due to legal costs/fines • Legal proceedings or criminal charges 	<ul style="list-style-type: none"> • Reasonable Assurance Customer Complaints internal audit 2024/25 • Substantial Assurance Allocations and Lettings internal audit 2024/25. • Landlord Operations Committee performance reporting and deep dives. • Complaints Learning Circle and root cause analysis
Failure to provide homes that are good quality, safe and energy efficient	<ul style="list-style-type: none"> • Breach of Consumer Standards leading to potential downgrade • Breach of legislation leading to prosecution or fines • Loss of trust and confidence from customers • HSE intervention and prosecution • Financial and reputational implications • Reduced Tenant Satisfaction Measures 	<ul style="list-style-type: none"> • Building Safety Policies • Stock Condition Survey programme • Agreed Safety Plus Approach • Asset Management Strategy • Agreed standard specification for all improvement works. • Performance Management Framework • Tenant Satisfaction Measures and benchmarking • Substantial Assurance internal audit Asbestos and Legionella Framework • Reasonable Assurance for Building Safety Framework Preparedness • Substantial Assurance Stock Condition and Decent Homes internal audit 2024/25 • Substantial Assurance Investment Strategy internal audit 2024/25 • Substantial Assurance Property Compliance (foxed wire testing and lifts) internal audit 2024/25

TORUS DEVELOPMENTS

Torus aims to become a leading house builder and provider of landlord services in the North-West. With a strategic focus on driving growth and regeneration across Liverpool, St Helens, Warrington and neighbouring areas of significant potential, it will build the right homes for the right people in the right places to create better places to live and to support economic growth and regeneration.

KEY RISK AREA	POSSIBLE IMPACTS	KEY CONTROLS IN PLACE
Failure to deliver the development programme	<ul style="list-style-type: none"> • Increased costs of completion • Impairment • Delays in rental and sales income. • Legal action from buyers. • Financial loss due to fines/costs. • Loss of key staff to competitors. • Reputation damage with partners and contractors. • Loss of trust from customers and local communities. • HSE prosecution or Investigation. 	<ul style="list-style-type: none"> • Annual Development Programme. • Development Strategy. • Development Committee. • Performance reporting and monitoring. • Strategic delivery partner for Homes England. • Golden Rules • Reasonable Assurance for Development Counter Party Risk and Contractor Insolvency Internal Audit 2024/25

STRATEGIC REPORT (continued)

HMS

Torus will build on the existing strengths of its contracting arm to deliver quality, efficient and cost-effective construction and repair activities, ensuring it creates and maintains great homes in the North West. With a strategic focus on driving growth and regeneration across Liverpool, St. Helens, Warrington and neighbouring areas of significant potential. A target is to grow the business and deliver surpluses in excess of £5m per annum for gift aid to Torus Foundation.

KEY RISK AREA	POSSIBLE IMPACTS	KEY CONTROLS IN PLACE
Failure to deliver the HMS Business Plan	<ul style="list-style-type: none"> Financial milestones and targets not being met. Regulatory intervention or downgrade from RSH Inability to retain staff. HMS unable to gift aid to Torus Foundation. Risk of insolvency Failure to meet contractual obligations. 	<ul style="list-style-type: none"> Procurement and Performance Framework. Tolerated Exposure limits. ISO Accreditation. Customer Satisfaction. HMS Board. Staff Succession Planning. Prudent cash planning and forecasting Substantial Assurance for HMS Budget Management

TORUS FOUNDATION

Torus aims to become a leading growth and regeneration group for the North West. Its charitable organisation, the Torus Foundation, aims to be 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	POSSIBLE IMPACTS	KEY CONTROLS IN PLACE
Inability to deliver our Social Impact ambitions	<ul style="list-style-type: none"> Corporate objectives not delivered. Service delivery and negative impact on customers / local communities. Loss of customer trust from not delivering objectives. Impact on staff retention and morale. Reduced ability to win further funding and contracts. Financial penalties for breach of contract / grant condition. 	<ul style="list-style-type: none"> Grant Conditions tracker Fundraising Strategy HACT Insight Tool Heartlands partnership working. Partnership agreements with providers. Social impact evidence via CSR. Reasonable Assurance for Torus Foundation Tenant Support Fund. Internal Audit.

STRATEGIC REPORT (continued)

Tenant Satisfaction Measures

Introduction

How our customers feel about the services that we provide is essential to us and our continuous improvement. Before the TSM framework was introduced, we were already conducting regular customer feedback surveys, including the STAR survey, to hear how we were performing from our customers' perspective.

The TSMs are an integral part of the RSH's new proactive Consumer Regulation, which is designed to ensure the social housing sector is well-governed, transparent, and accountable to tenants, and able to deliver quality homes that meet a range of needs.

In place from April 2023, the RSH requires all registered social landlords to report in the same way, making it easier for social housing tenants to understand how landlords are performing against the key services that matter most.

Satisfaction Measure	Link to Corporate Plan	2024/25 Torus	2024/25 Benchmark Median	2024/25 Benchmark Upper Quartile
Overall service from Landlord	PEOPLE AND SERVICES	73.8%	67.7%	75.1%
Overall repairs service		76.3%	70.0%	76.7%
Time taken to complete their most recent repair		73.7%	67.8%	72.4%
Home is well maintained		72.8%	70.1%	74.7%
Home is safe		78.9%	78.9%	83.1%
Landlord listens to tenant views and acts upon them		62.2%	60.2%	64.8%
Landlord keeps them informed about things that matter to them		71.9%	69.2%	74.2%
Landlord treats them fairly and with respect		77.7%	78.3%	80.6%
Landlord's approach to complaints handling		37.1%	33.8%	40.8%
Landlord keeps communal areas clean and well maintained		64.5%	64.5%	68.3%
Landlord makes a positive contribution to the neighbourhood		58.9%	63.6%	65.6%
Landlord's approach to handling ASB		59.0%	59.0%	62.5%

STRATEGIC REPORT (continued)

Building Safety Measure	Link to Corporate Plan	2024/25 Torus	2024/25 Benchmark Median	2024/25 Benchmark Upper Quartile
% of homes for which all required gas safety checks have been carried out	HOMES AND COMMUNITIES	99.90%	99.90%	100%
% of homes for which all required fire risk assessments have been carried out		100.0%	99.92%	100%
% of homes for which all required asbestos management surveys or re-inspections have been carried out		100.0%	100.0%	100%
% of homes for which all required legionella risk assessments have been carried out		100.0%	100.0%	100%
% of homes for which all required communal passenger lift safety checks have been carried out		98.30%	99.96%	100%

Responsive Repairs Measure	Link to Corporate Plan	2024/25 Torus	2024/25 Benchmark Median	2024/25 Benchmark Upper Quartile
Proportion of homes that do not meet the Decent Homes Standard	HOMES AND COMMUNITIES	0.2%	0.36%	0.02%
Non-emergency repairs completed within target timescales		97.5%	77.7%	82.8%
Emergency repairs completed within target timescales		99.9%	93.8%	98.7%
Works-in-progress as a proportion of annualised responsive repairs		4.75%	-	-

Neighbourhood Management Measure	Link to Corporate Plan	2024/25 Torus	2024/25 Benchmark Median	2024/25 Benchmark Upper Quartile
Number of ASB cases, opened per 1,000 homes	HOMES AND COMMUNITIES	89.7	49.9	35.5
Number of ASB cases that involve hate incidents opened per 1,000 homes		2.8	0.90	0.50

STRATEGIC REPORT (continued)

Complaints Measure	Link to Corporate Plan	2024/25 Torus	2024/25 Benchmark Median	2024/25 Benchmark Upper Quartile
Number of stage one complaints received per 1,000 homes	PEOPLE AND SERVICES	57.8	70.1	56.5
Number of stage two complaints received per 1,000 homes		17.0	14.8	10.8
Stage 1 complaints responded to within the Handling Code timescales		93.8%	91.7%	94.0%
Stage 2 complaints responded to within the Handling Code timescales		98.5%	81.1%	92.8%

Value for Money

Introduction

Value for Money (VfM) means unlocking maximum social, financial and environmental value from the resources we have available. By putting VfM at the heart of every decision we make, Torus will ensure that we can deliver the best possible homes and services in communities, and support the Group's mission of 'growing stronger communities'.

VfM considerations will therefore play an essential part in all aspects of internal business planning, management and operation, and support the delivery of sector leading services, as well as the Group's broader growth and regeneration objectives.

Torus is committed to providing services that deliver Value for Money (VFM) for its customers and stakeholders. The Group Value for Money Strategy 2022 -2026 has been developed as an operational strategy to support the Group Corporate Plan, which has a goal to "Deliver excellent services driven by quality, value for money and changing demand".

This four-year strategy sets out the cross-cutting principles and approaches that will be adopted to achieve optimal value for money from Torus activities, as well as the actions needed to deliver VfM and the targets and measures that will confirm if we are on track. Seven core principles will underpin delivery:

- Maximise economy, efficiency and effectiveness across all aspects of service delivery
- Make best use of assets and resources
- Maximise social value
- Focus on performance, service quality and satisfaction
- Use insight and data intelligence to inform strategic business decisions
- Maintain regulatory compliance and long-term financial viability
- Enhance customer involvement, scrutiny and accountability structures

Value for Money has always been a priority for Torus and the emphasis on achieving VfM across all of the Group's activities has never been stronger. External forces including inflation, rising energy, materials and supplier prices, the cost-of-living crisis and restrictions on rent increases compared to cost inflation are putting increased pressure on budgets and financial planning. Yet Torus remains committed to the mandate of 'growing stronger communities' – supporting people and places through the challenges of today and tomorrow whilst pursuing broader growth and regeneration objectives.

STRATEGIC REPORT (continued)

The Group's focus on improving lives and supporting inclusive growth across communities focuses immediate VfM priorities on maximising housing and social impacts. However, the circular nature of the Torus operating model makes it vital that all parts of the organisation contribute equally to the Value for Money agenda – commercial profitability and streamlined corporate services' support are therefore essential parts of the 'where do we want to be?' section of our VfM strategy.

The fundamental drivers relating to Value for Money are:

- Optimise efficiency, targeting service improvements, wherever possible
- Strike the right balance between cost and quality
- Manage our assets and resources wisely
- Develop a strong internal culture around performance
- Embrace value-adding technologies, where appropriate
- Provide consistently high-quality services that improve lives and grow stronger communities

Internal Drivers

Torus' mission, which underpins each Group strategy, is one of 'growing stronger communities'. The Group vision is to 'support the development of economically vibrant communities and independent lives'. These core objectives sit at the centre of the Group Corporate Plan 2021-2026 and establish a 'golden thread' that weaves through the Torus family of strategies.

Value for Money is a cross-cutting strategy that will underpin, and enable, each Corporate Plan ambition. This strategy responds to the Corporate Plan's three strategic focuses of People and Services, Homes and Communities, and Viability and Sustainability. The Corporate Plan goals that connect explicitly to the three-year vision for VfM are:

People and Services

- Increase visibility in communities, supported by an enhanced neighbourhood housing offer and smaller, more focused officer patches;
- Understand customer needs from first contact, improving the customer experience and making processes more effective;
- Use data, customer and colleague feedback to design and improve inclusive services;
- Ensure rent and services charges provide value for money;
- Embed a sector-leading complaints team that advocates for tenants and resolves matters quickly and effectively when things go wrong;
- Drive a culture where colleagues are trained, are rewarded for living and breathing the Torus mission and values, and feel a sense of belonging;
- Prioritise keeping colleagues safe and well.

Homes and Communities

- Ensure every Torus home, whether existing or new-build, is safe, comfortable and well maintained;
- Continue to meet all legislative and statutory requirements, including The Building Safety Act and Decent Homes Standard;

STRATEGIC REPORT (continued)

- Work with tenants to improve satisfaction with homes, neighbourhoods and communal areas;
- Use the Torus operating model, specifically the skills of an accredited contractor, to enable the design and delivery of retrofit solutions at scale;
- Grow our diverse and specialist housing offer by responding to local need and collaborating with health and social care partners;
- Invest profits and social value levies into initiatives that exceed the traditional housing offer – focussing on facilities for young people, and support to improve health, wellbeing and finances;
- Use the LIFE model (lead, influence, follow, exit), to restrict developments to areas where we can lead or influence.

Viability and Sustainability

- Ensure operating costs are proportionate and affordable;
- Use a long-term outlook to shape strategic spending decisions;
- Align Group activity with Environmental, Social and Governance (ESG) criteria defined by the Sustainability Reporting Standard for social housing;
- Invest in energy efficiency, so that every Torus home is EPC C (and beyond where funding allows) by 2030;
- Make sure our systems and processes are fit for purpose, so that colleagues have the tools they need to deliver;
- Maximise value for money and social value wherever possible across the Group;
- Ensure core skills and professional standards are embedded and maintained at every level across the Group influence;

These critical aspirations provide clarity of direction and shape the change that Value for Money will deliver over the lifetime of this strategy, working in combination with other Torus Group Strategies including Procurement, Treasury, Environmental Sustainability, Asset Management, Developments and Customer Access.

External Drivers

Inflationary forces have had, and continue to have a dramatic, and sustained, impact on Torus tenants and communities, and on the business itself. While the inflation rate has fallen, prices are still at much higher levels than 3 years ago, and continue to rise, with energy prices in particular expected to increase again over the coming year.

Rising costs across the board, from fuel to construction materials, may be further exacerbated by differences in the inflation rate driving the rent review compared to the general level of cost inflation. At the same time, associations need to commit additional financial resources to both existing and new homes, to meet national and regional net-zero carbon targets, and to meet evolving building safety requirements, which brings additional, longer-term pressures on internal resources. Ambitions to vastly increase the volume of new housing to be built in the next 5 years will also add to this pressure.

Whilst the external environment remains fluid and subject to change, the factors outlined above are expected to remain significant issues for the foreseeable future, and therefore are cited as primary external drivers for the lifetime of this strategy.

STRATEGIC REPORT (continued)

The strategy also takes account of the expectations set out by the Regulator of Social Housing (RSH) in the Value for Money Standard (April 2018) and associated Code of Practice, as well as the Government's 'Charter for social housing residents: social housing white paper' (2020) and describes how Torus aims to exceed regulatory requirements through the implementation of our Seven Principles of Value for Money.

VfM performance is measured via the Torus Performance Management Framework and reported on a quarterly basis. Benchmarking is undertaken against other housing associations through reference to the Regulatory VFM and tenant satisfaction measures.

How our Group Structure provides VfM

The group structure of Torus62 Limited includes HMS Limited, Torus Developments and Torus Foundation. This structure supports the strategic direction of the group through intercompany activity which maximises the financial benefit to the group in support of our three strategic focuses of People and Services, Homes and Communities, and Viability and Sustainability. HMS provide Repairs and Maintenance Services to Torus62, Development planning, support and construction delivery services to Torus Developments. Torus Developments provides strategic planning, support and manages contracted delivery of construction projects to Torus62. In addition to any non-charitable activity within Torus62, both subsidiaries donate any profit, via gift aid, to Torus Foundation to further the charitable objectives of the Foundation and maximise the delivery of social value through its delivery of a wide range of essential support to Torus tenants and communities. The structure is tax efficient and enables VAT to be recovered wherever possible which maximises the donations provided to Torus Foundation. During 2024/25 a total of £1.6m VAT was recovered through Torus Developments.

2024/25 VFM Metrics

Torus has adopted the sector scorecard as a mechanism for measuring and comparing VFM Performance. This scorecard has been developed by the social housing sector to measure, benchmark and demonstrate VFM using a range of metrics that allow like for like comparison. They cover a range of areas to give an assessment of value across the activities undertaken across the social housing sector.

The Regulator of Social Housing has also identified seven metrics that measure VFM and there is an expectation that housing providers will measure and report their performance against these metrics, alongside other measures specific to each provider that link to its corporate aims and aspirations. The seven VFM metrics identified by the Regulator form part of the sector scorecard.

From 2023, the Regulator introduced a range of new metrics linked to consumer standards. These tenant satisfaction measures are measured and benchmarked. Torus uses both these measures and the VFM Metrics to demonstrate a balance between operational efficiency, financial health and effective delivery of services.

To provide transparency on performance, comparisons of the 2024/25 performance have been made against targets and 2023/24 performance. External comparisons have been made against the sector median and a specific peer group of providers. Torus has set its peer group as registered providers with over 30,000 units, who operate outside of London (also excluding providers who have over 90% of units in London, South East and South West region). Performance against metrics is set out below;

STRATEGIC REPORT (continued)

Metric	Backward Look		Current Performance		Forward Look		Comments
	2023-24 Actual	2023-24 Sector / Peer Group Median	2024/25 Actual	2024/25 Target	2025-26 Budget / Target	2026-27 Forecast / Target	
Reinvestment %	18.5%	7.7% / 9.4%	16.5%	18.3%	15.1%	13.9%	Reinvestment measures the investment in properties (existing and new supply) as a percentage of the value of total properties. Reinvestment compares well against peers and is attributable to the continued focus on development activity. Actual performance was lower than the previous year due to timing on some development sites. Forecasts reflect a prudent view as government policy regarding investment awaits clarification.
New Supply % (social)	2.1%	1.4% / 1.9%	2.4%	2.7%	2.7%	2.1%	New supply metrics demonstrate performance in terms of developing new units which is a key objective of housing providers and creates social value to communities. Development completions increased in 2024/25 to 1,003 units, which is the highest annual volume achieved for Torus, although behind target. This is due to a number of factors including contractor failure, and ongoing supply chain challenges. There is still an ambitious programme of development activity in future years, with a target to complete over 1,200 units in 2025/26. Performance also continues to compare favourably to the sector and peers.
New Supply % (non-social)	0.1%	0.0% / 0.0%	0.0%	0.1%	0.1%	0.0%	Focus in on delivery to social supply with minimal units developed for open market sale.
EBITDA MRI (interest cover) %*	83%	122% / 114%	203%	142%	156%	186%	EBITDA MRI (% of interest) is a key indicator of liquidity and investment capacity. The metric has increased in 2024/25 as operating margins have returned to previous levels following a challenging 2023/24 across the sector. This metric will reduce in future years as additional funding is put into place to support both existing asset investment and development activity. *The previous year figure was further influenced by a change to the RSH method of calculation which removed any grant related to major capital repairs. The calculation has reverted back to include this for 2024/25.

STRATEGIC REPORT (continued)

Metric	Backward Look		Current Performance		Forward Look		Comments
	2023-24 Actual	2023-24 Sector / Peer Group Median	2024/25 Actual	2024/25 Target	2025-26 Budget / Target	2026-27 Forecast / Target	
Gearing %	31.3%	45.6% / 46.7%	33.2%	36.0%	36.5%	38.8%	Gearing assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It can indicate a provider's appetite for growth. Gearing has increased to 33.2% in 2024/25. This reflects an increase in borrowing following the securing of additional RCF arrangements in the previous year to support the development programme. Underlying gearing is very low in comparison to the sector and peers. This low level is attributable to legacy organisations strong financial performance in previous years with little development activity as the organisation's priority was related to existing property investment after stock transfers from local authorities.
Operating Margin % (Overall)	10.4%	18.5% / 19.7%	22.3%	22.0%	21.2%	24.5%	Operating Margins demonstrate the profitability of operating assets. Performance in 2024/25 has returned to a more normal level when compared to the previous year. While still challenging to achieve against a backdrop of stubborn inflation, particularly in relation to contractor costs, utilities and insurances, we have seen demand for responsive repairs level off during the year. Torus maintains a focus on providing high quality safe homes and the costs associated with construction materials and building safety have an above inflation impact on margins. Performance has been affected by impairment charges in 2024/25, this is because of failure of a number of developers on our new property schemes, delaying projects and incurring higher costs to complete. Impairment was less of an impact than the previous year. Underlying performance is strong when compared to sector and peer group medians from 2023/24, however the challenges experienced in the previous year were experienced sector wide.
Operating Margin % (Social Housing)	13.8%	20.4% / 24.4%	28.0%	25.8%	26.1%	28.8%	

STRATEGIC REPORT (continued)

Metric	Backward Look		Current Performance		Forward Look		Comments
	2023-24 Actual	2023-24 Sector / Peer Group Median	2024/25 Actual	2024/25 Target	2025-26 Budget / Target	2026-27 Forecast / Target	
Social Housing Cost Per Unit £	£4,664	£5,136 / £4,648	£4,631	£4,818	£5,048	£4,925	Headline social housing cost per unit measures efficiency in terms of the management of social housing and includes costs of management, housing services, repairs and maintenance and capital investment in existing stock. Torus compares well to the sector and broadly in line with its peers, demonstrating efficiency in its housing management operations. Cost per unit in 2024/25 remained consistent to prior year largely due to increased investment in stock, ensuring homes are of high quality. Cost per unit is anticipated to remain at around £5,000 per unit, due to increased investment in stock, including the retrofitting of homes to meet decarbonisation targets.
Return on Capital Employed %	1.9%	2.8% / 2.9%	3.9%	3.8%	3.7%	3.8%	Return on Capital Employed measures operating surplus against fixed and net current assets and is used to assess the efficient investment of capital resources. Return has increased in 2024/25 due to the improvement in operating surplus. In the medium term, additional investment in repairs and maintenance to ensure Torus maintain decent homes will see returns below 4% before increasing in the longer term.

Torus is well placed to increase activity in future years; it has strategic partner status with Homes England with grant funding of £147.8m of funding through the Affordable Homes Programme 2021-2026.

There is also a strong pipeline in place with 2,763 units across 89 schemes on site at year end and another 850 units with the necessary Board approvals in place. The units on site include 1,091 units for shared ownership or outright sale. This activity will require additional borrowing with the current business plan forecasting an increase in borrowing from £550m to £1.1bn by 2034/35. As a result, gearing will increase steadily to 39% between 2026 and 2028.

STRATEGIC REPORT (continued)

Outcomes Delivered

Metric	Link to Corporate Plan	Backward Look		Current Performance		Comments
		2023-24 Actual	2023-24 Sector / Peer Group Median	2024/25 Actual	2024/25 Target	
Customer Satisfaction	People & Services	74.2%	71.3% / 74.6%	73.8%	79.0%	Customer satisfaction is derived from the Tenant Satisfaction Measures survey of tenants and measures the proportion of tenants who are very or fairly satisfied with their landlord's service overall, along with 11 other perception measures. Torus continues to monitor performance and complaints, identify issues of poor performance and put in place corrective actions. Policies and processes have been reviewed in light of the Social Housing white paper and Better Housing Review.
% of vacant properties available to let	Viability and Sustainability	1.6%	0.6% / 0.7%	1.3%	1.1%	Occupancy measures the effectiveness in letting and maintaining sustainable properties. Torus performance is slightly above that of the sector and its peers. There is strong demand for properties and lettings processes are a focus for Torus as we aim to minimise income lost through void properties. Increased specifications for void works will help maintain high demand levels. The reduction in voids remains a focus of our operational plan for 2025/26.
% of vacant properties unavailable to let		0.5%	0.6% / 0.8%	0.5%	0.5%	
Rent Collected		100.5%	99.4% / 99.2%	99.6%	98.5%	Rent collection in 2024/25 was 99.6%, which represents good performance against target and peer group comparison. The current economic climate continues to have an impact on our tenants. Supporting tenants to sustain tenancies and continue to pay rent is a priority. We continue to work with tenants to ensure that rents are affordable and to help them manage their money.

STRATEGIC REPORT (continued)
Performance Framework

In addition to the above metrics the Group Corporate Plan and its related strategies measure performance in order to demonstrate that Torus is delivering services in line with its goals and aspirations. Where services are not in line with plans, actions required to address performance are identified and implemented.

A performance management framework is in place whereby performance is scrutinised by officers and Boards. A suite of key performance indicators (KPIs) has been agreed which is reported to the Torus (Group) Board together with explanations of adverse performance and actions being taken to address any issues. This covers all aspects of activities across Torus. Performance in 2024/25 against a range of indicators was as set out in the following table;

Metric	Link to Corporate Plan	2023-24	2024 - 25	2024 – 25	Comments
		Actual	Actual	Target	
Average working days lost due to sickness	People and Services	10.7 days	9.3 days	7.6 days	Average working days lost at 9.3 days is higher than target, Colleague wellbeing and productivity remain key management priorities. A new Group People Strategy (2025-2028) reinforces Torus' commitment to clear, structured health and wellbeing programmes that support the physical, emotional, financial and social wellbeing of colleagues.
Voluntary Staff Turnover		14.5%	15.4%	12.0%	Voluntary staff turnover remains a key area of focus for management, with several actions underway to address it, including: <ul style="list-style-type: none">• A new Workforce/Succession Planning Toolkit, to be fully implemented in the next financial year aimed at supporting internal career progression and reducing turnover.• Embedding of competency framework across the employee lifecycle, starting a recruitment.• Comprehensive business process reviews of recruitment and onboarding, with cross-Group stakeholder involvement to ensure procedures meet organisational needs.

STRATEGIC REPORT (continued)

Metric	Link to Corporate Plan	2023-24	2024 - 25	2024 – 25	Comments
		Actual	Actual	Target	
RIDDOR accident frequency rates		0.4	0.1	0.5	The health and safety of colleagues continues to be a top priority. In 2024/25, Torus achieved a RIDDOR accident frequency rate of 0.1, significantly better than the target of 0.5 and down on the previous year, reflecting a strong safety performance.
Development starts on site		1,033	851	800	Development activity remains strong with some delays still impacting timing of delivery on some development sites. Approved schemes are prioritised to meet programme deadlines, with ongoing reviews to identify opportunities to reduce delivery times wherever possible.
Number of Sales	Viability and Sustainability	272	358	327	
Sales Exposure		£23.8m	£31.5m	£38.5m	
Occupancy across all properties	Homes and Communities	98.4%	98.2%	99.2%	Occupancy at year-end stood at 98.2%, with 684 units unoccupied, an increase driven largely by the handover of new properties toward the end of the year. Reducing voids and void time remains a key focus for Torus, with void process streamlining forming a key part of the 2025/26 Group Operational Plan.
% of properties with valid Gas Safety certificate		99.9%	99.9%	100%	Compliance continues to be a top priority. Overall performance was robust with 43 gas certificates outstanding at year-end, persistent no-access remains an issue and a targeted evening and weekend access initiative has been introduced – this will continue as needed.
Fire Risk Assessments completed within target		100%	100%	100%	All Fire Risk Assessments were completed, meeting the set targets.
HMS Reactive Repairs completed within time	Viability and Sustainability	99.0%	98.6%	98.5%	While reactive repairs performance dipped slightly in 2024/25, it remained just above target, indicating continued strong delivery by HMS. Ongoing analysis of the full "life of a repair" supports the embedding of best practices at HMS and across the Group.

STRATEGIC REPORT (continued)

Metric	Link to Corporate Plan	2023-24	2024 - 25	2024 – 25	Comments
		Actual	Actual	Target	
HMS Vacant Properties completed within time		72.2%	78.5%	97.0%	The completion of vacant properties within target time improved by 6.3% over the year, reflecting enhanced processes and more efficient working practices. However, further progress is required to meet the 97% target. Organisational culture and collaboration with partners and contractors remain active areas of focus. As previously noted, void process streamlining is a core element of the Group's 2025/26 Operational Plan.
Number of people engaged in the employment and skills service		1,573	1,117	607	Performance across core services remains strong. In 2024/25, 1,117 people were supported through employment and skills programmes - significantly above the target of 607, demonstrating a valued service with an effective reach throughout communities.
Actual monetary gain to the tenant as a result of welfare benefits, budgeting or debt advice	Homes and Communities	£3.2m	£3.5m	£3.9m	The Foundation's welfare, budgeting and debt advice services generated £3.5 million in gains for tenants. While this fell short of the annual target, early reporting to meet statutory deadlines contributed to the shortfall. An expected overperformance in Q1 2025/26 has since addressed the gap. These services have produced many positive case studies throughout the year, providing clear evidence of their value to communities.
		£3.8m	£1.7m	£0.5m	In total, the Foundation secured £1.7 million in grant income to support charitable services throughout 2024/25. Whilst this is significantly down of 2023/24, it is still well above target and comes at a time when many charitable funds and awarding bodies are continuing to cut projects and are under significant financial pressure themselves.
Grant Income		£3.8m	£1.7m	£0.5m	

A full suite of compliance indicators is regularly presented to the Landlord Operations Committee and the Torus Group Board for scrutiny.

Performance Data is published on our website at the following location

<https://www.torus.co.uk/explore-torus/how-were-performing/performance-dashboards>

STRATEGIC REPORT (continued)

Future VfM activity - Where do we want to be?

The key building blocks for the future state that Torus will work to achieve within the lifetime of this strategy period, and beyond, in respect of the Value for Money agenda are set out below. We will:

- Maintain strong financial health with above median VfM metrics compared to peers;
- Achieve sustained improvements in customer satisfaction metrics as well as above median performance on new regulatory consumer metrics compared to peers;
- Generate a sustained return from Asset performance;
- Ensure strong performance across all Environmental, Social and Governance (ESG) themes against the Sustainability Reporting Standards;
- Strive to bring tenants and other customer groups closer to the decision-making and performance processes, ensuring that tenants are involved in shaping and prioritising services;
- Undertake full systems and process reviews, and deliver key improvements where needed, to maximise efficiency and streamlining of processes across the board; and
- Unlock commercial profits of £5m per annum through commercial activities for investment in social value projects.

This future state will be realised by implementing seven Principles of Value for Money across all Torus Group activities. The successful integration of these principles across the business therefore represents the overarching key objective of this strategy.

Financial Performance

2024/25 has been another challenging year with the impact of the latest economic conditions and expectations around building safety, quality of homes and customer responsiveness continuing to increase. There has been limited easing of the cost-of-living crisis, and materials costs and labour shortages are still having an impact.

The Shared Ownership market remained resilient in 2024/25 despite the economic factors that affected the market as a whole. Due to the market volatility, Torus has been able to purchase property from volume house-builders and offer these homes for Shared Ownership compared to the house builder offer of Outright Sale which is reflected in the increased turnover reported in the year.

Statement of Comprehensive Income	2025 £000	2024 £000	2023 £000
Turnover	277,076	245,597	226,609
Operating Costs	(180,295)	(188,226)	(162,618)
Cost of Sales	(35,080)	(31,896)	(25,614)
Gain on disposal of Assets	7,185	4,735	8,945
Operating Surplus	68,886	30,210	47,322
Share of surplus in JV	-	-	180
Interest Receivable	3,962	6,926	2,266

STRATEGIC REPORT (continued)

Statement of Comprehensive Income	2025 £000	2024 £000	2023 £000
Interest payable and financing costs	(10,254)	(15,998)	(9,492)
Movement in fair value of investment properties	880	(1,192)	(2,093)
Net surplus before taxation	63,474	19,946	38,183

Torus Group has delivered a strong financial performance for the year with increased turnover whilst managing its cost base well. The increased turnover was partly attributable to a rent increase of 7.7% in April 2024 in line with the current rent standard, and income from shared ownership sales in 2024/25 £29.8m (2024: £22.7m) due to an increase of development completions and properties available to sell. Demand remains strong for sales with 347 sales during the year (2024: 272).

An impairment charge of £6.2m (2024: £9.9m) has been recognised in operating costs, relating to historic development schemes which have suffered from contractor failure in previous years and the consequent delays incurring additional remediation works required to complete.

The reduction of interest receivable is relating to cash management moving to usage of RCF's.

Interest payable and financing costs saw a reduction 2024/25 due to an increase in capitalisation of interest on housing properties under construction in line with Torus development program.

Statement of Financial Position	2025 £000	Restated 2024 £000	2023 £000
Housing Properties, Net of depreciation	1,591,635	1,378,661	1,160,150
Other Fixed Assets	44,183	40,746	34,077
Fixed Assets net of Depreciation	1,635,818	1,419,407	1,194,227
Net Current Assets	116,339	174,723	277,234
Total Assets less current liabilities	1,752,157	1,594,130	1,471,461
Creditors, amounts falling due after more than one year	(902,598)	(805,054)	(702,346)
Pensions (Liability)	-	-	(23)
Provision for Liabilities	(791)	(976)	(801)
Total Net Assets	848,768	788,100	768,291
Revenue Reserve	848,638	787,842	768,086
Restricted Reserve	130	258	205
Total Reserves	848,768	788,100	768,291

The Group's Statement of Financial position shows a continuing increase in net assets in line with the Groups growth plans of investment in new properties. The increase in Creditors reflects the usage of RCF funds and deferred grant received in year not yet released to income, the rest of the investment in new properties has been funded from within existing resources.

STRATEGIC REPORT (continued)

Cash Balances have reduced but remain healthy with sufficient cash available to meet short term commitments, and sufficient security to raise funds and meet long term commitments.

The pensions liability represents the liabilities accruing due to participation in the Merseyside and Cheshire Pension Funds, defined benefit schemes. The net liability has remained at £Nil during the year (2024: £Nil). The current market conditions mean changes in underlying assumptions are having a positive impact on the value of scheme liabilities. The increase in discount rate has a positive impact on the valuation. Valuations indicate a pension surplus, however this has not been recognised as an asset, as it cannot be recovered through a refund or reduction in contributions.

Treasury Management

Treasury Policy

Torus has a formal Treasury Policy approved by the Board. The purpose of the policy is to ensure Treasury Management activities are controlled effectively, ensuring there are processes in place for identification, monitoring and control of risk. The treasury policy addresses funding and liquidity risk, interest rate management, together with reporting and management arrangements.

The Group has not entered into any standalone derivative arrangements. The policy allows Torus to enter such arrangements, but they would be sourced, when required, from creditworthy counterparties under advice from our treasury and legal advisers and will be entered into only after a full assessment of the costs, benefits and any risks has been presented to the Board.

Surplus Funds can only be invested with bank, building societies and money market funds that are authorised by the Bank of England. Deposits can only be made for a maximum 12 months and no more than £30m can be invested with a single institution. The approved counterparty list is given in Appendix A to the Group Treasury Policy. Given that it is likely that the Group will hold higher levels of cash when the AHGS issue is finalised, our treasury advisors recommended that a temporary increase in the counterparty limits is put in place (until 31st December 2025) increasing from £30m per counterparty to £45m on the basis that a minimum of £30m is held on an instant access basis at all times. This temporary extension was approved by Torus (Group) Board in May 2025.

The Group has adopted an interest policy of maintaining a minimum of 60% of its total drawn funds at fixed rates or otherwise hedged against the effect of interest rate increases. At the balance sheet date 31 March 2025, 92.7% of drawn funds are at fixed rates.

Treasury Strategy 2024-2025

A high-level annual treasury strategy was updated and approved by the Torus (Group) Board in May 2024. This sets out the principles and actions that underpin a proactive, insight and partnership driven approach to treasury activities. These principles are:

- Liquidity, ensuring facilities are secured ahead of investment need;
- Value for Money, attracting investment at lowest cost available in the markets;
- Managing Risk, ensuring activities are in line with the torus risk appetite and comply with funder, regulatory and statutory requirements; *and*
- Transparency, promoting Torus in an ethical, open and honest manner.

STRATEGIC REPORT (continued)

Debt Structure

All loan facilities are held by the Group parent Torus62 Limited. The Group now has seven lenders: Royal Bank of Scotland / NatWest, Nationwide, Santander, Barclays, The Housing Finance Corporation, bLEND (a subsidiary of the Housing Finance Corporation) and Saltaire Finance.

During 2024/25 all the key objectives in the 2024/25 Treasury Strategy were completed. In September 2024 £217.5m of new 3 and 5 year Revolving Credit Facilities (RCFs) were put in place with Barclays (£42.5m), NatWest (£40m), RBS (£60m) and Santander (£75m). The negotiation of the new RCFs included further improvement to existing financial covenants to fully move the new facilities over to a flat EBITDA measure for interest cover and further relaxation of the intra group support provision. This now ensures that Torus's bank covenants are consistent.

Torus historically had three legacy Security Trust Deeds (STDs). These were not consolidated at amalgamation in 2019 due to the amount of work required to achieve consolidation at the same time as the completion of the amalgamation. The consolidation of the three legacy STDs took place in March 2025 into one new STD in the name of Torus62 Limited. This consolidation will ensure Torus is in a good security position for any future bond or private placement it might want to seek in the future. It will also streamline the administration of the property allocations. At the time of the completion of the STDs Torus currently had 29,873 properties charged to M&G across the three STDs that were allocated to Funders as per the table below

Allocation	Total Torus	Legacy Golden Gates)	Legacy Helena Housing	Legacy LMH
Barclays	3,811	-	-	3,811
Nationwide	1,685	-	1,685	-
NatWest / RBS	5,893	-	2,291	3,602
Santander	10,160	7,936	2,224	-
Saltaire Finance (AHGS)	3,858	-	3,858	-
Unallocated	4,466	-	4,325	141
Total	29,873	7,936	14,383	7,554

Additionally, there are 5,127 charged directly to THFC for the THFC and bLEND loan facilities and the remainder of approx. 4,933 properties not charged under any security arrangement.

A summary of loans and bonds, as at 31 March 2025 is shown below:

Provider	Total Facility (£m)	Undrawn Facility (£m)	Drawn Facilities (£m)
Royal Bank of Scotland/ NatWest	153.7	60.0	93.7
Nationwide	67.8	50.0	17.8
Santander	183.0	125.0	58.0
Barclays	95.0	52.5	42.5
The Housing Finance Corporation	38.0	-	38.0

STRATEGIC REPORT (continued)

Provider	Total Facility (£m)	Undrawn Facility (£m)	Drawn Facilities (£m)
bLEND	100.0	-	100.0
Saltaire Finance	200.0	-	200.0
Total	837.5	287.5	550.0
Bond Premia			23.4
Fair Value adjustment			8.4
Issue Costs			(4.1)
Net Debt (Note 26)			577.7

All drawn facilities are at fixed rates with terms ranging from 4 to 31 years, with final instalments due to be repaid between 2026 and 2054. Interest Rates range from 2.92% to 7.06%.

The undrawn facilities of £287.5m are the four RCFs which expire from September 2027 (RBS 3year), Nationwide (5 year RCF) November 2028, and Barclays, RBS / NatWest and Santander (5 year RCFs) in September 2029.

During 2024/25 NatWest provided a pension bond to Merseyside Pension Fund to cover termination costs should Torus default on its obligations. At year end bonds totalled £3.8m (2024: £3.8m). The NatWest pension bond is fully against part of the security charged to NatWest.

Loans and Pension Bonds are fully secured by fixed charges on individual properties.

THFC and bLEND proceeds included an issue premium which is written off over the life of the loan. AHGS proceeds included an issue discount which is written off over the life of the loan. The balance at year end was £23.4m.

The Statement of Financial Position includes £8.4m in respect of fair value adjustments of loans. These have arisen due to categorisation of a cancellable loan as non-basic, in accordance with FRS102, requiring it to be held at fair value. In addition, the refinancing of loans relating to former Liverpool Mutual Homes in 2017/18 and former Golden Gates Housing Trust in 2018/19 were treated as a derecognition event, requiring the revised loans to be revalued at their fair value. These fair value costs were initially charged as finance charges in the statement of comprehensive income. They will subsequently be amortised over the term of the loans in order that interest and financing charges reflect the market rates for these loans.

Current Liquidity

It is the Group's normal policy not to hold significant cash balances but to ensure that loan facilities are in place to fund future liquidity requirements. The Group currently holds cash balances amounting to £55.8m (2024: £113.1m) mainly arising from the utilisation of the prior year funding from Saltaire Finance to fund development activities. Development activity continues to increase, and loan facilities will continue to be utilised to fund development requirements.

Facilities are sufficient to meet the Group's requirements until 2026/27. New facilities will be required after this date with peak debt projected at £1.1bn in 2034/35. The Group has been working with its Treasury advisors on a Treasury funding plan to address its long-term funding requirements to prepare for further long-term debt raising over the next 2 years.

STRATEGIC REPORT (continued)

Future Prospects

The social housing sector continues to face a number of challenges, namely the economic climate and associated inflationary and interest rate pressures, increased scrutiny on quality of homes and building safety requirements along with the need to ensure tenants are the focus for the business in line with the social housing white paper. There is therefore a need to balance the need to invest in homes and services with a requirement to maintain long term financial viability.

Despite these challenges, the future prospects for Torus remain positive. A skilled and experienced Board is in place with a five-year Group Corporate Plan established in 2023/24 which is now in its second year and sets out the mission, goals and aspirations for the business. This has three focuses:

People and Services: Central to our mission is the delivery of high-quality services for all our customers, alongside a commitment to supporting and empowering our colleagues.

Homes and Communities: We aim to address the critical need for housing by strategically building homes where they are most needed, while actively contributing to the creation of vibrant, thriving communities.

Viability and Sustainability: Ensuring the long-term viability and sustainability of our operations is essential for driving enduring success and positive impact.

Each focus area is accompanied by clear targets and performance indicators, providing a roadmap for accountability and success, geared towards ensuring that we will continue to demonstrate value for money in the services we provide to our communities.

A Programme management office is in place to support and drive forward organisational change ensuring activities meet corporate plan objectives and deliver value for money.

Governance and risk management processes are in place ensuring Torus complies with its legal and regulatory duties and can deliver its objectives.

Torus has adopted a rent policy in line with the Government rent policy. Rents have been increased by CPI +1% (2.7%) in 2025 and then, in the business plan, by CPI +1% to 2029 and by CPI only thereafter. Torus has chosen to apply rent flexibilities and set rents for void properties at the government formula rent plus 5% for General needs properties and plus 10% for sheltered properties. Affordability for tenants is a key consideration when annual rent increases are considered by the Torus Board.

It is vital that Torus provides homes that meet building safety standards, aligned with tenant requirements and that demand remains high. Component lifecycles and specifications are regularly reviewed with appropriate funding put in place to deliver revised requirements within the business plan. Funding was put in place to address demand pressures seen in 2023/24. There has been a continued focus on disrepair and damp and mould issues to ensure properties remain fit for purpose and meet tenant aspirations. In 2024/25 an independent stock condition survey has resulted in over 90% of stock now having a SCS done within 5 years and a rolling programme in place to maintain this position. Investment plans are revised accordingly.

STRATEGIC REPORT (continued)

Decarbonisation and meeting net zero targets by 2050 is a key focus for Torus and a Sustainability Strategy was approved in 2021/22. Net additional costs of £520m until 2050 have been factored into the business plan to fund decarbonisation works on Torus properties.

Torus has strategic partner status with Homes England, and this provides £79m of grant under the WAVE2 programme and £141m under its affordable homes programme 2021-2026, to support the delivery of its development and business plan targets. This status also provides opportunities for influence across the region and the ability to lead on large scale development schemes. Partner status and availability of grant has seen a shift in emphasis toward social rent, affordable rent and shared ownership products which make up 94% of the overall programme. The exposure to market rent or sales products is, therefore, limited.

A financial plan is in place which has been updated to take account of the current inflationary pressures and investment requirements. The plan has been stress tested and indicates that it can withstand financial losses of up to £2m per annum without breaching golden rules, or £4.3m per annum to breach financial covenants. Assumptions include:

- rent increases in line with government policy i.e. 2.7% (CPI + 1%) in 2025/26 and for the next 4 years to 2029/30 followed by CPI only increases;
- void Losses at 1.28% per annum;
- costs increasing by CPI plus 0.5% from 2028/29 at 2.5% overall for the long term;
- pay inflation at 2.5% 2025/26 and CPI + 0.5% thereafter;
- repairs and maintenance inflation at 2.5% in 2025/26, CPI +1.0% to 2028/29 and CPI +0.5% thereafter;
- specific cost increases included for insurances, energy costs, stock condition survey work and transformation programme investment;
- rent collection assumptions at a prudent 98.5% per annum;
- interest rates on new debt in the long term at 5.5%;
- development costs to increase by CPI + 1.0% per annum to 2028/29 and CPI +0.5% thereafter;
- no inflation on sales value in 2025/26 followed by increases at 1% per annum, falling to 0.5% long term; and
- development programme of 7,829 units completed by 2038/39.

Mitigations have been agreed by the Board to address the economic pressures and these include a rephasing of development programme to 2034/35 and decarbonisation works to 2050, together with an assumption that a review of service charges will generate an additional £4m per annum, phased in from 2026/27. The business plan indicates that surpluses will be generated throughout its 30-year timeframe and funders covenants complied with at all times.

In future years overall margins are expected to remain below 25% per annum in the medium term as Torus continues to invest in services (updated IT solutions and infrastructure); this will be further impacted from 2040 as increased investment in decarbonisation in addition to component replacement investment, begins to depreciate. Margins are expected to recover towards the end of the 30 year plan driven by increased rents and new units together with efficiencies from investment in systems and reduced maintenance costs following significant investment in the stock. It is anticipated that EBITDA MRI will remain below 200% as a result of increased investment in existing stock and increasing interest payments due to new debt.

STRATEGIC REPORT (continued)

Borrowing of up to £1.1bn is required by 2034/35 to fund the business plan. Facilities of £837.5m are in place, of which £287.5m is undrawn. In addition, cash balances of £55.8m are available. These will be used alongside grant and sales proceeds to meet the capital commitments of £577m as set out in note 34. The Group has strong liquidity, low gearing, and sufficient security to meet its long-term ambitions.

The current economic uncertainty characterised by high inflation, increasing interest rates and supply chain difficulties, the impact of the change in government, policy and delay in communicating the Comprehensive Spending Review, have had an impact on our cost base and will impact on customers potentially affecting rental income and demand for Shared Ownership products. There is, therefore, a medium-term risk to surplus. Stress testing has been undertaken on an extended economic downturn and recovery plans are in place to address such scenarios.

Subsidiaries do not hold substantial cash balances and Torus is committed to supporting these in the short to medium term to meet any issues they may encounter. Torus has the inherent financial strength to meet these challenges and continue to deliver high quality services to its customers. As Torus monitors the impact of the economic environment, it will review and adjust its Group Corporate Plan, operating model and business plan as appropriate.

Statement of Compliance

In preparing this Strategic Report and Board Report, the Board has followed the principles set out in the Statement of Recommended Practice (SORP): Accounting for registered social housing providers 2018 update.

A handwritten signature in black ink, appearing to read 'M. Emmerich', with a horizontal line underneath.

Mike Emmerich
Chair

Date: 19th August 2025

REPORT OF THE BOARD OF DIRECTORS

Principal Activities

The Group's principal activities are the development, maintenance and management of affordable housing.

Charitable Status

Torus62 Limited became an exempt charity on 1 January 2019, following the amalgamation between the former Torus62 Limited, Golden Gates Housing Trust Limited, Helena Partnerships Limited and Liverpool Mutual Homes Limited. The Co-operative and Community Benefit Society registration number is 7973.

Business Changes

No business changes took place during 2024/25.

During 2022/23 Torus Developments entered into a Joint Venture with Countryside Partnerships for the development of new properties for outright sale in Peel Hall, Warrington.

Business Review

Details of the Group's performance for the year and its future activities are set out in the strategic Report.

Financial Performance and Reserves

The Group achieved a net surplus before tax of £63.5m (2024: £19.9m), with total reserves at year end amounting to £848.8m (2024: £788.1m). Further details of performance are set out in the Strategic Report and Financial Statements.

Post Balance Sheet Events

There are no post balance sheet events since the year end that would have a significant impact on Torus' financial position.

Employees

The Group's employees are its greatest asset and it is only through their contribution and commitment that the Group can achieve its Corporate plan objectives.

The Group engages with its employees via a variety of means utilising face to face meetings with senior management, employee focus groups through to social media messages.

The Group recognises Trade Unions and regular meetings take place at Torus and subsidiary levels between senior management and trade union representatives on matters affecting employees.

Torus is committed to continuous development of its employees and has put in place a workforce development strategy to drive forward people and organisational performance.

REPORT OF THE BOARD OF DIRECTORS (continued)

Qualifying Third party indemnity provision

Torus provides Directors and Officers liability insurance to cover against claims made against individuals acting in their capacity as directors or officers. No claims were made in 2024/25.

Equality, Diversity and Inclusion

The Group is committed to equal opportunities with regard to its employees and its operations. A revised inclusion strategy is in place and action plan has been developed to ensure the Group complies with its duties and provides services that meet the requirements of all staff and customers.

The Group seeks to ensure there is equality in treatment and pay of men and women. Torus has published its median gender pay gap figure as at 31 March 2024 (the latest data available): 13.3% (2023: 13.3%). The HMS median pay gap was 15.8% (2023: 12.5%). The gap is closing and reflects the impact of the collective actions that continue to be taken to close the gender pay gap across the Torus Group, including increased representation of women in our overall workforce and in our leadership roles, through improved recruitment practices and campaigning. We are continually working to encourage females into construction and raising awareness of the industry as a viable and rewarding career pathway for females remains a priority at HMS.

Health and Safety

The Board is aware of its responsibilities on all matters relating to health and safety. Regular reports on performance are presented to Boards and the Group Audit and Risk Committee.

The Group operates employee Health and Safety Committees across the Group, alongside a Health and Safety Steering Group, who are responsible for monitoring all health and safety activities and reporting on these.

The Group has also prepared detailed health and safety policies and provides training and education on health and safety matters.

Environmental, Social and Governance Reporting

Torus is committed to ensure its activities have a positive impact for the communities it serves and wider society. Torus has become an adopter of the Sustainability Reporting Standard for Social Housing as a mechanism to demonstrate its environmental, Social and Governance (ESG) credentials to customers, stakeholders and investors. Torus will publish its ESG report in September 2025.

Streamlined Energy and Carbon Reporting Statement

Whilst Torus is not obliged to report under the SECR regulations, we maintain a policy of transparency and voluntarily provide the information.

Global Greenhouse Gas emissions summary

	Reporting Year 2024/25	Reporting Year 2023/24
Scope 1	6,987.32 tonnes CO ₂ e	5,204.79 tonnes CO ₂ e
Scope 2	1,137.68 tonnes CO ₂ e	1,169.41 tonnes CO ₂ e
Scope 3	92,566.39 tonnes CO ₂ e	89,351.26 tonnes CO ₂ e
Total	100,691.39 tonnes CO₂e	95,725.46 tonnes CO₂e

REPORT OF THE BOARD OF DIRECTORS (continued)

Consumption and energy use data

	Reporting Year 2024/25	Reporting Year 2023/24
Energy Consumption used to calculate emissions	Gas: 26,109,336 kWh Electricity: 5,494,725 kWh Transport Fuel: 8,716,471 kWh Business miles: 599,313 kWh Total: 40,919,845 kWh	Gas: 15,697,626 kWh Electricity: 5,647,306 kWh Transport Fuel: 9,765,686 kWh Business miles: 637,636 kWh Total: 31,748,254 kWh
Emissions from combustion of gas tCO ₂ e (scope1)	4,775.40 tonnes CO ₂ e	2,871.55 tonnes CO ₂ e
Emissions from combustion of fuel for transport purposes tCO ₂ e (scope1)	2,211.92 tonnes CO ₂ e	2,333.24 tonnes CO ₂ e
Emissions from purchased electricity CO ₂ e (scope 2)	1,137.68 tonnes CO ₂ e	1,169.41 tonnes CO ₂ e
Intensity Ratio based on scope 1 and 2 above	207.65 kgCO ₂ e per home managed (excl office emissions) Office intensity: 22.65 kgCO ₂ e per m ²	163.84 kgCO ₂ e per home managed (excl office emissions) Office intensity: 26.65 kgCO ₂ e per m ²
Emissions from generation of electricity that is consumed in a transmission and distribution system for which Torus does not own (scope 3)	100.55 tonnes CO ₂ e	101.17 tonnes CO ₂ e
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (scope 3)	144.75 tonnes CO ₂ e	154.76 tonnes CO ₂ e
Emissions from employee business travel (scope 3)	2.85 tonnes CO ₂ e	2.73 tonnes CO ₂ e
Estimated Emissions from housing stock (scope 3)	92,318.24 tonnes CO ₂ e	89,092.60 tonnes CO ₂ e
Intensity ratio – total scope 1,2 and 3 tCO ₂ e / homes managed	2.62 tonnes CO ₂ e per home managed	2.52 tonnes CO ₂ e per home managed
Methodology	Information produced using SHIFT Environment methodology SECR and ESOS reporting SHIFT Environment Using Defra (2024) Conversion Factors in line with Environmental Reporting Guidelines (2019) as the majority of the financial year falls into the calendar year 2024.	

As part of the Groups commitment to the installation of energy efficient heating solutions, Torus will complete the delivery of its SHDF Wave 2.1 Retrofit Schemes in September 2025, these were full retrofit works to 745 properties in Torus communities totalling approximately £31m in work.

REPORT OF THE BOARD OF DIRECTORS (continued)

With regards to the Works Completed in this financial year, Torus Group installed:

- | | |
|--------------------------------|-------------------------|
| • 691 Windows | • 715 Ventilation |
| • 590 Doors | • 626 Loft Insulation |
| • 656 Cavity Wall Insulation | • 53 Low Carbon Heating |
| • 200 External Wall Insulation | • 60 Solar |

Resident Involvement

The Group is committed to resident involvement in its activities and the governance structure includes a Landlord Operations Committee which includes tenants within its membership. A scrutiny panel is also in place providing in depth scrutiny of performance and action plans.

Torus has signed up to the National Housing Federation 'Together with Tenants' Charter and developed a tenant voice strategy to ensure tenants have greater involvement and influence over our services and activities.

Complaints

The Group complaints policy is in line with the Housing Ombudsman complaint handling code. The complaints policy and process has been designed to make it easy for customers to provide feedback on its services. Listening to feedback and taking appropriate action will help Torus continually improve services.

Statement of Internal Control

The internal controls in place across the Torus Group form an integral part of the Group's Risk and Assurance Framework. A Group Strategic Risk Register is reported to the Torus (Group) Board and to the Group Audit and Risk Committee for scrutiny and review. The Board acknowledges its role and responsibility for ensuring that the Group has an effective system of internal controls and for reviewing its effectiveness.

Whilst every effort has been made to ensure that these controls manage all key business risks, it should be noted that risks cannot always be eliminated. Consequently, whilst the Board is satisfied that the existing internal controls provide a substantial level of assurance, such assurance is not absolute.

The Torus (Group) Board confirms that the processes for identifying, evaluating and managing the significant risks facing the Group are ongoing, and have been implemented throughout the year. Regular assurances on the adequacy and implementation of these processes have been provided by the Group Audit and Risk Committee throughout 2024/25. The Board's approach is to minimise risk through a suitable system of controls, such that the residual risk after any mitigating actions can be borne without serious damage to the Group.

The assurance framework has been developed to give assurance on the effectiveness of the key internal controls which are set out below:

REPORT OF THE BOARD OF DIRECTORS (continued)

Source	Internal Control Operating	Evidence
Governance and Management Structures	Torus has a documented and formally constituted Board and Committee Structure.	Governance Documentation - Group Standing Orders, Terms of Reference and Board and Committee minutes.
	The reporting lines from subsidiaries to Torus (Group) Board are delivered through subsidiary reports to the Torus (Group) Board and a Board escalation procedure. Group Board also has membership on each Subsidiary Board.	
	All subsidiaries have their own internal control procedures.	
	Landlord and subsidiaries operate in accordance with a formal Intra-Group Agreement which sets out the operating and reporting arrangements between the entities within the Group.	Intra-Group Agreement, reports and minutes
	The Group has adopted the NHF Code of Governance 2020 and each Subsidiary Board and Committee of the Group Board has formal Articles or Terms of Reference in place to support arrangements.	Board minutes and reports.
	An internal audit of the Group's compliance with the NHF Code in 2024/25 provided a substantial assurance rating.	
	The Group undertakes annual self- assessments of compliance with the NHF Code, the Merger Code and Regulatory Standards which are reported to Torus (Group) Board.	
	Torus Board and committee members have been appointed on the basis of their skills and are supported by a comprehensive appraisal and training process to ensure any gaps are identified and training needs are met.	Group Board and Remuneration and Nominations Committee minutes and documentation.
	A revised Corporate Plan (2024-2029) has been agreed and approved by the Torus (Group) Board.	Board minutes, Corporate Plan and supporting documents.
	Annual Operational Plans are prepared by the Group Leadership Team and are approved by the Group Executive Management Team and Torus (Group) Board.	
Governance and Management Structures	Responsibility is allocated to lead officers for each task, supported and driven by monthly reporting, using the Group's performance management software, (Pentana).	
	Group Standing Orders, Financial Regulations and Scheme of Delegation are in place, providing accountability and decision-making structure. These are subject to annual review.	Board minutes, reports and supporting documents
	Additional formal procedures have been developed and mapped onto SharePoint for ease of access and use.	Policy Framework and Board reports and minutes.
	Communication of policies and procedures to staff, (also available via SharePoint).	Copies of communications minutes, e-mails.
	Multi-disciplinary Group Executive Management Team (GEMT) and Group Leadership Team (GLT) operate to promote and deliver the required culture, continuous improvement and effective risk management.	Meeting agendas, minutes and reports.
	There is a Group Performance Management Framework in place to monitor the Operational Plans to deliver the Corporate Strategy. All performance and resulting actions are monitored,	Board, Committee & GEMT minutes and performance reports.

REPORT OF THE BOARD OF DIRECTORS (continued)

Source	Internal Control Operating	Evidence
Performance Reporting	at the appropriate level, through the Group's Performance Management System and reported at all levels. This includes monthly performance reports to Group Directors Performance Board. Quarterly reports are submitted to the Torus (Group) Board, Subsidiary Boards and Committees, identifying performance against annual targets.	
	Bespoke reports are sent to Torus (Group) Board, Subsidiary Boards and to Committees recommending action required to address areas of poor performance, where appropriate.	Board and Committee minutes.
	Responsibility for Performance KPIs is allocated to lead officers. This is supported by integrated performance management software, (Pentana).	Identified within performance reports.
Risk Management	A Risk and Assurance Framework has been approved, by Torus (Group) Board, setting out the Group's approach to risk management. Strategic and operational risks are monitored by Group Audit and Risk Committee and Subsidiary Boards and reviewed annually by Group Board.	Board and Group Audit and Risk Committee minutes. Risk Management and Assurance Framework.
	Group Audit and Risk Committee monitors risk management processes including near misses and crystallised risks at each meeting to ensure that the business takes appropriate action to ensure lessons are learned and controls are effective.	Group Audit and Risk Committee minutes.
	An internal audit plan based on strategic risks and corporate plan is agreed and overseen by Group Audit and Risk Committee.	Group Audit and Risk Committee minutes.
	Completion of Internal audit actions are monitored by Group Leadership Team and reported to Group Audit and Risk Committee	Group Audit and Risk Committee minutes and Group Leadership Team reports.
	Annual external audit reviews and reports on the effectiveness of existing internal controls are provided in the annual audit management letter.	Audit management letter.
	Health and Safety Management – a monthly report is considered by GEMT, quarterly by the Health & Safety Assurance Group and by Group Audit and Risk Committee. Health and Safety Committees meet quarterly within each Group entity to review health and safety issues.	Committee minutes.
	An annual review is completed on the suitability of insurance arrangements, ensuring that our insurance provides adequate cover for the Group. The insurance arrangements were subject to competitive tender in 2020/21 with Group Audit and Risk Committee involvement in the selection process, this is due for re-procurement in 2025. A property restatement valuation exercise was undertaken in 2022/23 to ensure property cover is appropriate.	Group Board and Group Audit and Risk Committee minutes.
	Torus, Torus Foundation, Torus Developments and HMS are all separately registered with the Information Commissioner's Office.	Group Audit and Risk Committee minutes and Policy.

REPORT OF THE BOARD OF DIRECTORS (continued)

Source	Internal Control Operating	Evidence
	The introduction of a new system (One Trust) coupled with resource via a Data Protection Apprentice will strengthen this area of compliance.	
Internal Audit	TIAA have been appointed as the Torus Group's Internal Auditor for the period 2024/25 – 2026/27 to provide an independent opinion on the effectiveness of Torus' control assurance and risk management frameworks.	Board minutes and appointment letter.
	All 2024/25 Internal Audit reports from TIAA were considered by the Group Audit and Risk Committee.	Committee Minutes and reports.
	An Internal Audit recommendation tracker system is in place with performance reported to the Group Audit and Risk Committee on a quarterly basis. TIAA also separately provide evidence that all audit recommendations have been implemented.	Committee Minutes and reports.
	2024/25 Annual Internal Audit report from TIAA provides assurance that the Group has an adequate and effective framework for risk management, governance and internal control.	Committee minutes and reports.
	Internal Audit Programme is based on a combined assurance framework and is prioritised with reference to the Risk Register.	Committee minutes and reports.
External Audit	BDO were appointed as Torus Group's external auditor following formal tender in 2019/20 for a 3 year period to provide assurance on the accuracy of Torus annual statement of accounts and the internal systems that support the accounts. Group Audit and Risk Committee agreed to retain BDO as external auditor for 2024/25.	Board minutes and appointment letter.
	BDO report to the Board, via their Audit Findings Report, which comments on the accuracy of Torus Group's 2024/25 Statement of Accounts.	Appointment letter. Notes of meetings. BDO's audit report.
Financial Reporting & Control	Board considers an Annual review of Financial Regulations and Scheme of Delegation which identifies the financial framework under which expenditure may be incurred and income should be recovered.	Board minutes and documentation.
	Board scrutiny of financial papers – Board members include qualified accountants and members with significant financial experience and expertise in senior management positions.	Board member CVs and Board and Committee skills matrix.
	Annual Business Plans approved by the Torus (Group) Board include comprehensive stress testing to provide assurance on financial strength. Annual budgets are also approved by Torus (Group) Board. Subsidiary business plans, associated stress tests, and budgets are approved by the subsidiary boards.	Board minutes and reports.
	Financial Review Reports are considered monthly by Torus Group Executive Management Team, and quarterly by Torus (Group) Board. These reports identify financial performance against budget and financial covenants.	Group Executive Management Team and Board papers and minutes
	Group Treasury Management Strategy and Policy approved by Torus (Group) Board and reviewed annually. Internal Audit	Board minutes and reports.

REPORT OF THE BOARD OF DIRECTORS (continued)

Source	Internal Control Operating	Evidence
	review of Treasury Management provided Substantial Assurance.	
	Property Investment Plans subject to regular review throughout the year, identifying annual investment requirement for housing stock.	Existing Homes, Board minutes and reports.
Regulatory	Regulatory compliance evidenced via self-assessment against the Regulator for Social Housing's Regulatory Standards.	Self-Assessment Report and Board minutes.
Anti-Fraud Measures	Anti-Fraud Policy in place and regular reporting to Group Audit and Risk Committee.	Board and Committee minutes and reports.
	Probity, Anti-Bribery and Whistle-Blowing Policies and Board and Employee Code of Conduct in place.	Policies.
	Hospitality and declarations of interest register and procedures in place.	Registers and procedures.

The list of controls set out in the table above is not exhaustive but represents the key elements of the system of internal controls in place across the Group.

The Strategic Risk Register identifies the strategic risks which may affect the Group. In the current year there are a number of external factors affecting the UK economy, housing sector and Torus. These include ongoing volatility in the global economic environment and the continued impact of this on inflation, in particular energy prices and fiscal policy leading to high interest rates which impact long term investment planning.

Regular and comprehensive reporting arrangements to Torus (Group) Board and Committee members were put in place following the tragic events at Rochdale Boroughwide Housing in relation to damp, mould and condensation.

It is anticipated that the ongoing challenges arising from external factors will continue to have an impact on the sector. Sector risks are provided to Committee and discussed in more detail within that paper. The broad risks are:

- Economic outlook - manifesting in changes to unemployment levels, inflation, interest rates, welfare reform and availability of grant;
- Political change - changes in policy on development and regeneration, regulation, grant availability and policy, welfare reform, rent policy, housing strategy and the new Labour Government;
- Funding - costs of finance, interest rate instability and risk, credit rating;
- Cost and Income stability - changes in inflation, labour availability, cost of imported materials, energy and labour; and
- Property prices - fluctuation in property pricing may need to be factored into new scheme appraisals, particularly schemes with affordable rent, shared ownership or resale options.
- Legislation risk – for example, Leasehold Reform Act, Procurement Act and the Social Housing (Regulation) Act.

REPORT OF THE BOARD OF DIRECTORS (continued)

These potential impacts are reflected in a number of the strategic risks identified in the Group's Strategic Risk Framework including the following:

- Inability to adapt to a changing external environment
- Failure to manage our long-term financial resilience
- Ineffective identification and management of safety and compliance obligations
- Fail to deliver the Development programme that addresses the needs of those living in our key geographical areas

Each of these strategic risks is monitored and reviewed by the Group Audit and Risk Committee on a regular basis and reported to the Torus Board where any additional controls are warranted. On an annual basis, the Torus Group produces a 30-year business plan based on a range of key economic factors and assumptions approved by Board. This prudent plan is stress tested to review the impact of changes in these economic factors such as fluctuations in inflation or interest rates. To ensure business continuity and flexibility, Torus has mitigation plans for any scenarios which adversely affect the plan.

To allow the Torus Board to fully assess these internal controls they receive an Annual Internal Audit Report, an Annual Report from the Group Audit and Risk Committee and the report of the External Auditors on the accuracy of Torus Annual Statement of Accounts and the internal systems that support the accounts.

The Torus Board is satisfied with the adequacy of the internal controls in place for the year ending March 2025, and for the period to date of signing the financial statements.

Going Concern

The Groups business activities, its current financial position and factors likely to affect its future development are set out in the Strategic Report.

The Group continues to face a range of pressures and uncertainties linked to inflationary pressures, supply chain issues, decarbonisation and requirements to maintain the highest standards of safety and quality within our housing stock. Pressures on the cost of living for tenants also creates risks around rental income. The business plan has been reviewed taking into account the latest economic conditions and impact on service delivery. The plan indicates that operating surplus in 2025/26 will remain strong at £64.2m (22.2%) with net profit at £59.2m (20.0%).

The Group currently holds cash balances amounting to £55.8m and long term debt facilities (including £287.5m of undrawn facilities) which provide adequate resources to address pressures and enable it to continue to finance committed property refurbishment and improvement programmes, and new developments along with the Group's day to day operations. The plan also shows that Torus has sufficient resources to service existing and planned debt facilities.

Cross default clauses exist for all entities in the Group and the greatest risk lies with subsidiaries who do not hold significant cash balances, as surpluses are usually donated via gift aid in line with the Torus operating model. Subsidiaries inherently remain sound and successful businesses and Torus has put in place measures to support its subsidiaries through provision of intra group loan facilities. The economic uncertainty has impacted on profits from commercial subsidiaries, reducing gift aid donations to the Torus Foundation. As a result a savings plan was put in place to ensure cash balances are in line with its reserves policy.

REPORT OF THE BOARD OF DIRECTORS (continued)

After making appropriate enquiries, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the preparation of the financial statements. In this context reference should be made to the Strategic Report and Financial Statements.

Regulatory Compliance

Torus fully complies with the Governance and Viability Standard published by the Regulator of Social Housing and there are no areas of non-compliance. Torus complies with all elements of the Regulatory Standards (Economic and Consumer Standards) and a self-assessment is presented to the Torus Board on an annual basis. Torus has reviewed the new consumer standards and put in place arrangements to ensure compliance.

An in-depth assessment of Torus was carried out during 2024/25 and the Regulator issued a G1/V1/C2 status of Torus in its Regulatory Judgement published on 14 May 2025. As part of its compliance with the Governance and Viability Standard, Torus has adopted the NHF 2020 code of practice from 1 April 2021. Torus complies with all elements of the code. A self-assessment the NHF Code of Governance take place on an annual basis.

In addition, Torus has adopted the NHF Code on Mergers, Partnerships and Group Structures which supports the Code of Governance to ensure that Torus operates effectively, efficiently and economically.

Statement of the Responsibilities of the Board for the Report and Financial Statements

Board members' responsibilities

Board members are responsible for preparing the report of the board and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law and social housing legislation require the board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements, the board members 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 and the Statement of Recommended Practice: Accounting by registered social housing providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and association will continue in business.

Board members are responsible for keeping adequate accounting records that are sufficient to show and explain the group and association's transactions and disclose with reasonable accuracy at any

REPORT OF THE BOARD OF DIRECTORS (continued)

time the financial position of the group and association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the group and association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Board is responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018.

Financial statements are published on the group and association's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group and association's website is the responsibility of the board members. The board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Annual General Meeting

Torus' Annual General Meeting will take place on 25th September 2025.

External Auditors

A resolution to re-appoint BDO as auditors for the year ending 31 March 2026 will be proposed at the AGM.

Approval

The report of the Board was approved by the Board on 19th August 2025 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'M. Emmerich', with a horizontal line underneath.

Mike Emmerich
Chair
Date: 19th August 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS62 LIMITED

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2025 and of the Group's and the Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, and the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

We have audited the financial statements of Torus62 Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2025 which comprise the Consolidated and Association statement of comprehensive income, the Consolidated and Association statement of financial position, the Consolidated and Association statement of changes in reserves, the Consolidated cash flow statement 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 Group and the Parent Association in accordance with the ethical requirements that are 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 relating to going concern

In auditing the financial statements, we have concluded that the Board members' 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 Group's and of the Parent Association'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 Board with respect to going concern are described in the relevant sections of this report.

Other information

The Board are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and,

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS62 LIMITED (continued)

Other information (continued)

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required by the Co-operative or Community Benefit Societies Act 2014 to report to you if, in our opinion:

- the Society has not kept proper books of account;
- the Society has not maintained a satisfactory system of control over its transactions;
- the financial statements are not in agreement with the Society's books of account; or
- we have not received all the information and explanations we need for our audit.

Responsibilities of the Board

As explained more fully in the Board members responsibilities statement, the Board is 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 Board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible for assessing the Group and the Association'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 Board either intend to liquidate the Group or the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS62 LIMITED (continued)

respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance including Audit Committee; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations;

Extent to which the audit was capable of detecting irregularities, including fraud(cont'd)

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

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

Our procedures in respect of the above included:

- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations;
- review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- review of financial statement disclosures and agreeing to supporting documentation;
- involvement of tax specialists in the audit; and
- review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

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

- enquiry with management and those charged with governance also considered Audit Committee, regarding any known or suspected instances of fraud;
- obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORUS62 LIMITED (continued)

Our procedures in respect of the above included:

- testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- assessing significant accounting estimates and judgements made by management for bias in particular in relation to the following:
 - whether indicators of impairment exist
 - useful economic lives of housing property components
 - Assumptions used in calculating pension liabilities; and
- Setting expectation of common revenue journal posting and investigate any journal outside of our expectations, tracing journal entry to appropriate supporting documents.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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 members of the Association, as a body, in accordance with the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association'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 Association and the members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

BDO LLP

Statutory Auditor

3 Hardman Street, Manchester, United Kingdom

M3 3AT

Date: 22 August 2025

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

Consolidated Statement of Comprehensive Income

	Note	2025 £'000	2024 £'000
Turnover	3	277,076	245,597
Operating expenditure	3	(180,295)	(188,226)
Cost of sales	3	(35,080)	(31,896)
Surplus on disposal of fixed asset housing properties	6	7,185	4,735
Operating surplus	3, 5	68,886	30,210
Interest receivable	7	3,962	6,926
Interest payable and financing costs	8	(10,254)	(15,998)
Movement in fair value of investment properties	16	880	(1,192)
Surplus before taxation		63,474	19,946
Taxation	13	(1,571)	1,096
Surplus for the year		61,903	21,042
Actuarial gain in respect to pension schemes	29	(1,235)	(1,233)
Total comprehensive income for the year		60,668	19,809

All amounts relate to continuing activities.

The notes on pages 59 to 102 form part of these financial statements.

The financial statements were authorised and approved by the Board on 19th August 2025.



Mike Emmerich
Chair



Steve Coffey
Group Chief Executive



Catherine Fearon
Company Secretary

Consolidated Statement of Financial Position

	Note	2025 £'000	Restated 2024 £'000
Fixed assets			
Tangible fixed assets-housing properties	14	1,591,635	1,378,661
Other tangible assets	15	19,212	19,536
Investment properties	16	24,723	20,962
HomeBuy loans receivable	17	194	194
Other investments	18	54	54
		<u>1,635,818</u>	<u>1,419,407</u>
Current assets			
Stock	22	999	1,120
Properties held for sale	21	75,282	65,033
Debtors - receivable after one year	23	28,743	18,811
Debtors - receivable within one year	23	21,574	30,756
Investments	23	1,170	7,420
Cash and cash equivalents		<u>55,799</u>	<u>113,101</u>
		<u>183,567</u>	<u>236,241</u>
Creditors: amounts falling due within one year	24	<u>(67,228)</u>	<u>(61,518)</u>
Net current assets		<u>116,339</u>	<u>174,723</u>
Total assets less current liabilities		<u>1,752,157</u>	<u>1,594,130</u>
Creditors: amounts falling due after more than one year	25	(902,598)	(805,054)
Defined benefit pension liability	29	-	-
Provisions for liabilities	30	<u>(791)</u>	<u>(976)</u>
Total net assets		<u>848,768</u>	<u>788,100</u>
Reserves			
Revenue reserve		848,638	787,842
Restricted reserve		<u>130</u>	<u>258</u>
Total reserves		<u>848,768</u>	<u>788,100</u>

The notes on pages 59 to 102 form part of these financial statements.


These financial statements were approved by the Board on 19th August 2025 and were signed on its behalf by:



Mike Emmerich
Chair



Steve Coffey
Group Chief Executive



Catherine Fearon
Company Secretary

Consolidated Statement of Changes in Reserves

	Revenue reserve £'000	Restricted reserve £'000	Total £'000
Balance at 31st March 2023	768,086	205	768,291
Surplus for the year	20,989	53	21,042
Actuarial gains on defined benefit pension scheme (note 28)	(1,233)	-	(1,233)
Total comprehensive income	19,756	53	19,809
Balance at 31st March 2024	787,842	258	788,100
Surplus for the year	62,031	(128)	61,903
Other comprehensive income	-	-	-
Actuarial losses on defined benefit pension scheme (note 28)	(1,235)	-	(1,235)
Other comprehensive costs	-	-	-
Reserves transfer - reallocation of reserves	-	-	-
Total comprehensive income	60,796	(128)	60,668
Balance at 31st March 2025	848,638	130	848,768

The notes on pages 59 to 102 form part of these financial statements.

Consolidated Statement of Cash Flows

	Note	2025 £'000	Restated 2024 £'000
Net cash generated from operating activities	33	104,301	204,141
Cash flow from investing activities			
Purchase of tangible fixed asset properties		(241,607)	(243,943)
Purchase of other tangible fixed assets		(2,621)	(2,706)
Investment property additions		(2,881)	(8,787)
Proceeds from sale of tangible fixed assets		11,255	10,256
Grants received		62,945	49,474
Current asset investment movement		6,250	28,324
Interest received		3,027	5,772
Loans to joint ventures		(9,526)	3,643
		<u>(173,158)</u>	<u>(157,967)</u>
Cash flow from financing activities			
Interest paid		(28,445)	(27,755)
New secured loans	26	40,000	70,000
Repayments of borrowings		-	(12,925)
		<u>11,555</u>	<u>29,320</u>
Net change in cash and cash equivalents		<u>(57,302)</u>	<u>75,494</u>
Cash and cash equivalents at beginning of the year		<u>113,101</u>	<u>37,607</u>
Cash and cash equivalents at end of the year	39	<u><u>55,799</u></u>	<u><u>113,101</u></u>

The notes on pages 59 to 102 form part of these financial statements.

Association Statement of Comprehensive Income

	Note	2025 £'000	2024 £'000
Turnover	3	268,246	235,358
Operating expenditure	3	(186,241)	(191,094)
Cost of sales	3	(28,789)	(20,307)
Surplus on disposal of housing properties	6	7,185	4,735
Other operating income	3	7,261	6,384
Donations	9	(495)	(676)
Operating surplus	3	67,167	34,400
Share of operating surplus in JV or Associate	20	-	-
Interest receivable	7	6,633	8,669
Interest payable and financing costs	8	(9,472)	(15,285)
Movement in fair value of investment properties	16	880	(1,192)
Surplus before taxation		65,208	26,592
Taxation	13	-	-
Surplus for the year		65,208	26,592
Actuarial loss in respect to pension schemes	29	(1,198)	(1,222)
Total comprehensive income for the year		64,010	25,370

All amounts relate to continuing activities.

The notes on pages 59 to 102 form part of these financial statements.

The financial statements were authorised and approved by the Board on 19th August 2025.



Mike Emmerich
Chair



Steve Coffey
Group Chief Executive



Catherine Fearon
Company Secretary

Association Statement of Financial Position

	Note	2025 £'000	2024 £'000
Fixed assets			
Tangible fixed assets-housing properties	14	1,586,806	1,374,720
Other tangible assets	15	18,395	18,597
Investment properties	16	24,723	20,962
HomeBuy loans receivable	17	194	194
Other investments	18	54	54
Investment in subsidiary	19	3,050	3,050
Investment in associates		-	-
		<u>1,633,222</u>	<u>1,417,577</u>
Current assets			
Stock	22	32	32
Properties held for sale	21	68,899	54,098
Debtors - receivable after one year	23	55,409	50,853
Debtors - receivable within one year	23	19,370	22,951
Investments	23	1,170	7,420
Cash and cash equivalents		<u>38,349</u>	<u>99,453</u>
		183,229	234,807
Creditors: amounts falling due within one year	24	<u>(57,082)</u>	<u>(54,507)</u>
Net current assets		<u>126,147</u>	<u>180,300</u>
Total assets less current liabilities		<u>1,759,369</u>	<u>1,597,877</u>
Creditors: amounts falling due after more than one year	25	(902,598)	(805,054)
Defined benefit pension liability	29	-	-
Provisions for liabilities	30	<u>(791)</u>	<u>(853)</u>
Total net assets		<u>855,980</u>	<u>791,970</u>
Reserves			
Revenue reserve		855,980	791,970
Restricted reserve		-	-
Total reserves		<u>855,980</u>	<u>791,970</u>

The notes on pages 59 to 102 form part of these financial statements.

These financial statements were approved by the Board on 19th August 2025 and were signed on its behalf by:



Mike Emmerich
Chair



Steve Coffey
Group Chief Executive



Catherine Fearon
Company Secretary

Association Statement of Changes in Reserves

	Revenue reserve £'000
Balance at 31st March 2023	766,600
Surplus for the year	26,592
Actuarial gains on defined benefit pension scheme (note 29)	<u>(1,222)</u>
Total comprehensive income	25,370
Balance at 31st March 2024	791,970
Surplus for the year	65,208
Actuarial losses on defined benefit pension scheme (note 29)	<u>(1,198)</u>
Total comprehensive income	64,010
Balance at 31st March 2025	<u>855,980</u>

The notes on pages 59 to 102 form part of these financial statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025

1. Legal status

Torus62 Limited is registered under the Co-operative and Community Benefit Societies Act 2014 as a Community Benefit Society, registered with the Financial Conduct Authority. It has charitable status.

On 1 January 2019, the following entities amalgamated to form the society Torus62 Limited, registered under the Co-operative and Community Benefit Societies Act 2014:

- The former Torus62 Limited.
- Liverpool Mutual Homes Limited.
- Helena Partnerships Limited.
- Golden Gates Housing Trust Limited.

Torus62 Limited has five subsidiaries all incorporated in England and Wales. Housing Maintenance Solutions Limited provides repairs and maintenance services. Torus 62 Developments Ltd and Torus Living Ltd provide construction services. Torus Living Ltd has now ceased trading. Torus Foundation is a registered charity providing support to its communities and Torus tenants. Torus62 Commercial Services Ltd provides specialised construction services to external clients. In July 2019 Housing Maintenance Solutions Limited purchased Torus62 Commercial Services Limited and amalgamated ongoing service contracts with external customers, together with any existing assets and liabilities.

2. Accounting policies

Basis of accounting

The financial statements of the Group and Association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers (2018 Update) and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019.

Torus62 Limited is a public benefit entity in accordance with FRS 102.

The financial statements are prepared on an historical cost basis of accounting and are presented in £ sterling.

Disclosure exemptions

Individual accounts of the Association have adopted the following disclosure exemptions per FRS 102:

- The requirement to present a statement of cash flows and related notes.
- Financial instrument disclosures, including:
 - categories of financial instruments:
 - items of income, expense, gains or losses relating to financial instruments; *and*
 - exposure to and management of financial risks.

Going concern

The Groups business activities, its current financial position and factors likely to affect its future development are set out in the Strategic Report.

The Group faces a range of pressures and uncertainties linked to inflationary pressures, supply chain issues, decarbonisation and requirements to maintain the highest standards of safety and quality within our housing stock. Pressures on the cost of living for tenants also creates risks around rental

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)

income. The business plan has been reviewed in light of these uncertainties and impact on service delivery. The plan indicates that operating profit surplus in 2025/26 will remain strong at £64.2m (22.2%) with net profit at £59.2m (20.0%).

The Group currently holds cash balances amounting to £55.8m and long term debt facilities (including £287.5m of undrawn facilities) which provide adequate resources to address pressures and enable it to continue to finance committed property refurbishment and improvement programmes, and new developments along with the Group's day to day operations. The plan also shows that Torus has sufficient resources to service existing and planned debt facilities.

Cross default clauses exist for all entities in the Group and the greatest risk lies with subsidiaries who do not hold significant cash balances, as surpluses are usually donated via gift aid in line with the Torus operating model. Subsidiaries inherently remain sound and successful businesses and Torus has put in place measures to support its subsidiaries through provision of intra group loan facilities. The economic uncertainty has impacted on profits from commercial subsidiaries, reducing gift aid donations to the Torus Foundation. As a result a savings plan was put in place to ensure cash balances are in line with its reserves policy.

After making appropriate enquiries, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the preparation of the financial statements. In this context reference should be made to the Strategic Report and Financial Statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Association and entities (including special purpose entities) controlled by the Group (and its subsidiaries). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

In the consolidated accounts, interests in joint ventures and associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate.

Significant management judgements and estimation uncertainty

The preparation of the financial statements may require management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements and estimates are relevant in the statements:

- Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)

- Impairment

Impairment assessments are prepared annually, which consider whether there have been any indications of impairment. If an impairment trigger is identified a full impairment review is conducted, considering whether the recoverable value is higher than the carrying value.

As part of the Group's continuous review of the performance of their assets, management identify any homes, or schemes that have increasing void losses, are impacted by policy changes or where the decision has been made to dispose of the properties. These factors are considered to be an indication of impairment. Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any impairment losses are charged to operating surpluses. As a result, the recoverable amount of the housing properties were estimated as follows:

- (a) Determined the level at which the recoverable amount is to be assessed (i.e., the asset level or cash-generating unit (CGU) level). The CGU level was determined to be an individual scheme.
- (b) Estimated the recoverable amount of the cash-generating unit;
- (c) Calculated the carrying amount of the cash-generating unit; *and*
- (d) Compared the carrying amount to the recoverable amount to determine if an impairment loss has occurred.

Based on this assessment, the Depreciated Replacement Cost (DRC) of each social housing property scheme were calculated to be the recoverable amount, using appropriate construction costs and land prices. Where the DRC is less than the carrying amount, an impairment is taken to reduce the carrying amount to the DRC. For Development schemes that are under construction the value in use is determined as the present value of the future cash flows expected to be derived from the asset or cash-generating unit. This is compared to the cost to construct and the difference impaired.

- Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets including any components. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain IT equipment and changes to decent homes standards which may require more frequent replacement of key components.

- Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets including investment properties. This involves developing estimates and assumptions consistent with how market participants would price the instrument or asset. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices.

Fair value measurements are applied to significantly modified loans following loan restructures.

Fair value measurements are applied to investment properties in the year.

- Defined benefit obligation

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 FOR THE YEAR ENDING 31 MARCH 2025
(continued)

- Arrears provision

Rental arrears are provided for based on the age of debt, as this is considered to be a reasonable indication of recoverability.

The Group provides for all current rent arrears more than or equal to 60 days. Former tenant arrears are provided at 100%.

Judgements

- Classification of loans

Torus62 has two cancellable loans, which are cancellable quarterly at the option of the banks. If the banks exercise their option to cancel these loans would revert to LIBOR rate loans. Judgement has been made by management to classify the loans as non-basic and therefore they are held at fair value.

- Supporting people

Management judgement is applied in determining the extent to which the risks and benefits are transferred to the Association when considering the income to be recognised.

- Investment properties

Based on the guidance provided in FRS102, depots owned by Torus62 Limited and leased to Housing Maintenance Solutions Limited are deemed to be Tangible Fixed Assets in both Association and Group accounts.

Investments are stated at fair value.

Turnover

Turnover represents rental and service charge income, income from shared ownership first tranche sales, revenue-based grants receivable (except where such grants are reimbursement or part reimbursement of specific items of expenditure) and other income.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

Income from first tranche sales is recognised at the point of legal completion of the sale.

Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met.

Other social income is recognised according to the level of social investment activity undertaken and commission earned for collection of water rates, based on actual charges levied.

Other non-social income is recognised based upon the practical completion of works from external contracts.

Gift aid

Gift aid is recognised at the earlier of the point there is a legal obligation or when paid. Amounts recognised in the current and prior financial period have been recognised on payment.

Service charges

Service charge income and costs are recognised on an accruals basis. The Group operates both fixed and variable service charges on a scheme-by-scheme basis in full consultation with residents. Where

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)

variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered, they are held as creditors or debtors in the Statement of Financial Position.

Where periodic expenditure is required a provision may be built up over the years, in consultation with the residents; until these costs are incurred this liability is held in the Statement of Financial Position within long term creditors.

Housing properties

Housing properties are reflected on the Statement of Financial Position at historic cost less depreciation. Former LMH properties were initially recognised at deemed cost on transition to FRS102.

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties held for rent. Costs include the cost of acquiring the land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Works to existing housing properties

Provision for major repairs is only made where a contractual liability exists for work undertaken. Due to the establishment of regular programmes of repair and maintenance, the Group does not make provision for cyclical repairs, but charges actual cost incurred to the Statement of Comprehensive Income.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements. When an existing component is replaced, the component is disposed of and the new component is added.

Below is a list of components that are capitalise:

- Roofs
- Windows
- doors
- kitchens
- bathrooms (including aids and adaptations full bathroom replacements)
- lifts
- central heating (boilers and distribution systems)
- electrical rewires
- wall ties and repointing
- Building envelope render systems
- Environmental and communal works

Any other expenditure capitalised would be subject to a de-minimis of £500 and form part of a capital improvement programme

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)

Investment property

Investment property includes commercial and other properties not held for the social benefit of the Group. Investment property is measured at cost on initial recognition and subsequently at fair value at the reporting date. Fair value is determined periodically by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in the Statement of Comprehensive Income.

Government grants

Government grants include grants receivable from Homes England, local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

Grants relating to revenue -are recognised in income and expenditure over the same period as the expenditure to which they relate once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received.

Grants due from government organisations or received in advance are included as current assets or liabilities.

Government grants received for housing properties are subordinated to the repayment of loans by agreement with the Homes England. Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the Statement of Financial Position in creditors.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in income and expenditure.

Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to income and expenditure.

Other grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the Association is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as deferred income.

Sales of housing properties

Sales of housing properties, including Right to Buy and Right to Acquire sales, are taken into account on completion of contracts. Due to the nature of the transfer agreements with Liverpool City Council, St Helens Metropolitan Borough Council and Warrington Borough Council (the "Councils"), it is not possible to identify separately the original cost of each property sold. Instead, an average cost plus actual capitalised costs since transfer is eliminated from housing properties and is charged to the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)

As part of the transfer agreement with the Councils, the Group agreed to retain a proportion of the Right to Buy proceeds with the balance being due to the relevant Council.

Depreciation of housing properties

Freehold land is not depreciated. The Group separately identifies the major components which comprise its housing properties, and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight-line basis, over its estimated useful economic life. The Group depreciates the major components of its housing properties at the following annual rates:

Structure	60-100 years
Non-traditional construction	30 years
Bathrooms	30 years
Kitchens	20 years
Windows and doors	30 years
Electrical systems	30 years
Roofs	60-75 years
Heating – Boilers	15-18 years
Heating - Distribution system	30-36 years
Lifts	40 years
Wall ties and repointing	40 years
Building envelope render systems	40 years
Environmental and communal works	20 years

Other tangible fixed assets

Other tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line basis over the expected useful economic lives of the asset over the following periods.

Freehold Property	40 years
Leasehold Properties	Over life of lease
Computers and Office Equipment	3-5 years
Furniture, Fixtures and Fittings	3-10 years
Motor Vehicles	3-10 years

Useful economic lives of all tangible fixed assets are reviewed annually.

Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Group recognises annual rent expense equal to amounts owed to the lessor. The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)

First tranche shared ownership sales

Shared ownership properties are split proportionally between current and fixed assets based on the first tranche proportion. First tranche proportions are accounted for as current assets and the related sales proceeds shown in turnover. The proportion of the asset remaining in the Group's ownership is accounted for as a fixed asset and included in housing properties at cost less any provisions for depreciation or impairment, so that any subsequent sale is treated as a part disposal of a fixed asset.

Properties for sale

Shared ownership first tranche sales completed properties for outright sale and property under construction are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads.

Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Provisions for liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate.

The Group recognises a provision for annual leave accrued by employees as a result of service rendered in the current period, and which employees are entitled to carry forward and use within the next financial year. The provision is measured at the salary cost payable for the period of absence.

Bad and doubtful debts

Provision is made on an aged basis against rent arrears and other debts to the extent that they are considered potentially irrecoverable.

Corporation Tax

HM Revenue and Customs has accepted that the Association is a charity for tax purposes and therefore its charitable activities are not subject to Corporation Tax. The Association's subsidiaries, Housing Maintenance Solutions Limited, Torus62 Commercial Services Limited, Torus Living Limited and Torus62 Developments Limited, have no such exemption and their activities are chargeable to Corporation Tax. Torus Foundation is a registered charity and its activities are not subject to Corporation Tax.

Deferred taxation

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)

will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed. Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the Group is able to control the reversal of the timing difference; *and*
- it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference. Deferred tax is measured on an undiscounted basis. With the exception of changes arising on the initial recognition of a business combination, the tax expense/(income) is presented either in income and expenditure, other comprehensive income or reserves depending on the transaction that resulted in the tax expense/(income). Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Deferred tax assets and deferred tax liabilities are offset only if:

- the Group has a legally enforceable right to set off current tax assets against current tax liabilities; *and*
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Value Added Tax (VAT)

The Group is partially exempt in relation to Value Added Tax (VAT) and accordingly is able to recover from HM Revenue & Customs part of the VAT incurred on expenditure. At the year-end VAT recoverable or payable is included in the Statement of Financial Position. Irrecoverable VAT is accounted for in the Statement of Comprehensive Income.

Investments

Investments are stated at historic cost less accumulated impairment losses.

Interest Payable

Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of the development if it represents either:

- a) interest on borrowings specifically financing the development programme after deduction of social housing grant (SHG) received in advance; *or*
- b) a fair amount of interest on borrowings of the Group as a whole after deduction of SHG received in advance to the extent that they can be deemed to be financing the development programme; *or*

Other interest payable is charged in the Statement of Comprehensive Income in the year.

HomeBuy loans

HomeBuy loans are treated as concessionary loans. They are initially recognised as a loan at the amount paid to the purchaser and are subsequently updated to reflect accrued interest and any impairment loss is recognised in income and expenditure to the extent that it cannot be offset against

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)

the HomeBuy grant. The associated HomeBuy grant is recognised as deferred income until the loan is redeemed.

Stocks

Stocks are stated at the lower of cost or net realisable value.

Financial Instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historic cost model. Management has reviewed the Group's loan agreements and has deemed the majority to be basic financial instruments, with the exception of two non-basic loans, which will be fair valued each period in accordance with FRS 102, with the movements posted to interest payable and financing costs within the Statement of Comprehensive Income.

Where a loan agreement is subject to a substantial modification per FRS 102, the Group will calculate a fair value of the loan via a Net Present Value calculation, discounted by an agreed treasury market rate. Any discrepancies between the loan amount and the fair values are recognised within interest payable and financing costs within the Statement of Comprehensive Income.

Debtors

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

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at transaction price and are measured subsequently at amortised cost using the effective interest method.

Retirement benefits

The surpluses or deficits of the pension schemes are recognised in full. The movements in the scheme's surpluses/deficits are included in the Statement of Comprehensive Income and shown in the Statement of Changes in Reserves - under the heading actuarial gains and losses.

Pension Cost

The Group participates in the Merseyside Pension Fund and the Cheshire Pension Fund, part of the Local Government Pension Scheme, both of which are a multi-employer defined benefit scheme.

The difference between the realisable value of the assets held in the Group's defined benefit pension schemes and the schemes' liabilities measured on an actuarial basis using the projected unit method are recognised in the Group's 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 Group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)

Changes in the defined benefit pension schemes asset or liability arising from factors other than cash contribution by the Group are charged to the Statement of Comprehensive Income 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 Group 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 Group establishes restricted reserves for specific purposes where their use is subject to external restrictions.

- **Revenue reserve**

Revenue reserves relate to historic surpluses and deficits from Group activities.

- **Restricted reserve**

Restricted reserves represent funds earmarked for a specific use. Reserves are restricted on receipt of specific donations to the Group's charity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025 (continued)

3. Particulars of turnover, cost of sales, operating costs and operating surplus

Group	2025					2024				
	Turnover £'000	Cost of Sales £'000	Operating Costs £'000	Operating Surplus £'000	Turnover £'000	Cost of Sales £'000	Operating Costs £'000	Operating Surplus £'000		
Social Housing Activities										
Income and expenditure from lettings	231,699	-	(166,838)	64,861	208,895	-	(179,983)	28,912		
Other Social Housing Activity										
First tranche low cost home ownership sales	29,794	(28,789)	-	1,005	22,679	(20,307)	-	2,372		
Other income & expenditure	4,859	-	(8,643)	(3,784)	4,017	-	(7,134)	(3,117)		
	34,653	(28,789)	(8,643)	(2,779)	26,696	(20,307)	(7,134)	(745)		
Non-Social Housing Activities										
Market sales	2,826	(2,525)	-	301	2,400	(1,885)	-	515		
Lettings income and expenditure	1,999	-	(1,059)	940	1,720	-	(1,109)	611		
Other income and expenditure	5,899	(3,766)	(3,755)	(1,622)	5,886	(9,704)	-	(3,818)		
	10,724	(6,291)	(4,814)	(381)	10,006	(11,589)	(1,109)	(2,692)		
Net total	277,076	(35,080)	(180,295)	61,701	245,597	(31,896)	(188,226)	25,475		
Gain on disposal of fixed assets (Note 6)				7,185				4,735		
Other operating income				-				-		
Operating surplus				68,886				30,210		

Particulars of turnover, cost of sales, operating costs and operating surplus (continued)

71

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025 (continued)

Particulars of income and expenditure from social housing lettings

	2025					2024
	General Needs Housing	Temporary Social Housing	Supported & Housing for Older People	LCHO	Outright Sale	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Rent receivable net of identifiable service charges	188,772	66	20,925	5,695	-	215,458
Charges for support services	2	-	221	12	-	235
Service charge income	4,221	160	8,211	783	780	14,155
Net rents receivable	192,995	226	29,357	6,490	780	229,848
Amortised government grants	1,522	1	188	86	54	1,851
Turnover from Social Housing Lettings	194,517	227	29,545	6,576	834	231,699
Expenditure						
Management	35,598	19	4,403	2,013	1,267	43,300
Services	11,443	1	10,134	490	371	22,439
Support services	-	-	211	-	-	211
Routine maintenance	27,775	13	4,064	157	-	32,009
Planned maintenance	11,653	1	761	2	-	12,417
Major repairs expenditure	12,469	-	391	7	-	12,867
Bad debts	1,244	1	154	70	44	1,513
Depreciation on housing properties	29,585	15	3,534	1,616	-	34,750
Impairment of investments / housing properties	6,195	-	-	-	-	6,195
Other costs	1,123	-	14	-	-	1,137
Operating expenditure on Social Housing Lettings	137,085	50	23,666	4,355	1,682	166,838
Operating surplus/(deficit) on Social Housing Lettings	57,432	177	5,879	2,221	(848)	64,861
Void losses	(2,767)	(37)	(1,179)	(10)	-	(3,993)
						(3,922)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025 (continued)

Income and Expenditure from Social Housing Lettings (continued)

	2025						2024
	General Needs Housing	Temporary Social Housing	Supported & Housing for Older People	LCHO	Outright Sale	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Rent receivable net of identifiable service charges	188,772	66	20,925	5,695	-	215,458	194,867
Charges for support services	2	-	221	12	-	235	227
Service charge income	4,221	160	8,211	783	780	14,155	12,160
Net rents receivable	192,995	226	29,357	6,490	780	229,848	207,254
Amortised government grants	1,522	1	188	86	54	1,851	1,641
Turnover from Social Housing Lettings	194,517	227	29,545	6,576	834	231,699	208,895
Expenditure							
Management	35,598	19	4,403	2,013	1,267	43,300	43,903
Services	11,443	1	10,134	490	371	22,439	22,113
Support services	-	-	211	-	-	211	295
Routine maintenance	33,686	13	4,064	157	-	37,920	38,902
Planned maintenance	11,653	1	761	2	-	12,417	11,956
Major repairs expenditure	12,469	-	391	7	-	12,867	20,086
Bad debts	1,244	1	154	70	44	1,513	1,590
Depreciation on housing properties	29,585	15	3,534	1,616	-	34,750	31,753
Impairment of investments / housing properties	6,195	-	-	-	-	6,195	9,921
Other costs	8,384	-	14	-	-	8,398	7,483
Operating expenditure on Social Housing Lettings	150,257	50	23,666	4,355	1,682	180,010	188,002
Operating surplus/(deficit) on Social Housing Lettings	44,260	177	5,879	2,221	(848)	51,689	20,893
Void losses	(2,767)	(37)	(1,179)	(10)	-	(3,993)	(3,922)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)**

4. Accommodation in management and development

All accommodation is managed and developed by the parent. At the end of the year accommodation in management for each class of accommodation was as follows:

	Association					
	At start of period	Units developed or newly built units acquired	Units sold / demolished	Other movements	Transfers and acquisitions	Period end
Social housing units owned						
Social rent general needs housing	29,380	10	(188)	-	3	29,205
Affordable rent general needs housing	3,864	327	(5)	-	-	4,186
Intermediate rent general needs housing	513	134	-	-	-	647
Social rent supported housing	161	-	-	-	8	169
Affordable rent supported housing	66	102	-	-	-	168
Social rent housing for older people	3,383	-	-	3	-	3,386
Affordable rent housing for older people	418	87	-	-	-	505
Low Cost Home Ownership	1,590	343	(15)	(3)	10	1,925
Total social housing units owned	39,375	1,003	(208)	-	21	40,191
Social housing units managed						
Total social housing units managed but not owned	78	-	-	-	-	78
Total social housing units owned and managed	39,453	1,003	(208)	-	21	40,269
Non-social rental housing units owned						
Non-social rental housing units owned	77	-	-	-	-	77
Total non-social housing units owned	77	-	-	-	-	77
Non-social rental housing units managed						
Total non-social rental housing units managed by others	-	-	-	-	-	-
Total non-social rental housing units managed	-	-	-	-	-	-
Leasehold units						
Leasehold units owned	1,205	-	-	9	(3)	1,211
Total leasehold units owned	1,205	-	-	9	(3)	1,211

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)**

5. Operating surplus

The operating surplus is arrived at after charging/(crediting):

	Group		Association	
	2025	Restate d 2024	2025	Restate d 2024
	£'000	£'000	£'000	£'000
Depreciation	34,029	32,062	33,885	31,940
Impairment	6,195	9,921	6,195	9,921
Operating lease rentals (as lessee):				
- Land and buildings	547	546	463	463
- Other	2,353	3,031	67	54
Operating lease rentals (as lessor)	(688)	(706)	(688)	(706)
Auditors remuneration (excluding VAT):				
Fees payable to the Association's auditors for the audit of the parent and Group financial statements	104	99	99	99
Fees payable to the Association's auditors for the audit of the accounts of subsidiaries	45	43	-	-
Fees payable to the Association's auditors for non-audit services:				
- Tax compliance services	-	-	-	-
- Tax advisory services	-	-	-	-
- All other assurance services	7	22	7	22

6. Surplus on disposal of fixed assets

Group and Association	2025			Restated 2024
	Proceeds	Costs	Surplus	Surplus
	£'000	£'000	£'000	£'000
Right to buy	5,400	(1,559)	3,841	2,622
Right to acquire	5,159	(622)	4,537	2,076
Staircasing	1,882	(1,364)	518	305
Other property sales	909	(484)	425	954
Other fixed assets sales	58	(41)	17	29
	13,408	(4,070)	9,338	5,986
Less share of proceeds due to Local Authorities/Homes England	(2,153)	-	(2,153)	(1,251)
Group share of proceeds	11,255	(4,070)	7,185	4,735
Less transfer to Recycled Capital Grant Fund	-	-	-	-
Surplus on disposal of fixed assets	11,255	(4,070)	7,185	4,735

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)

7. Interest receivable and other income

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Bank interest receivable	3,027	6,104	2,902	6,046
Defined benefit pension interest	59	64	58	62
Inter-company interest	-	-	3,673	2,561
Interest receivable from the JV	876	758	-	-
	<u>3,962</u>	<u>6,926</u>	<u>6,633</u>	<u>8,669</u>

8. Interest payable and financing costs

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Loans and bank overdraft	26,912	24,812	26,130	24,099
Amortisation of loan premiums	(667)	(642)	(667)	(642)
Non-utilisation fees	531	835	531	835
Other fees	834	2,087	834	2,087
Unwinding of discount on NPV	(1,783)	(1,633)	(1,783)	(1,633)
Fair value adjustments on refinance	-	-	-	-
Interest on RCGF/DPF	27	38	27	38
	<u>25,854</u>	<u>25,497</u>	<u>25,072</u>	<u>24,784</u>
Capitalised interest on housing properties under construction	<u>(15,600)</u>	<u>(9,499)</u>	<u>(15,600)</u>	<u>(9,499)</u>
	<u>10,254</u>	<u>15,998</u>	<u>9,472</u>	<u>15,285</u>
Capitalisation interest rates	5.26%	4.61%	5.26%	4.61%

Rates are based upon weighted average cost of funds.

9. Gift aid

	Association	
	2025	2024
	£'000	£'000
Gift aid paid to Torus Foundation	<u>(495)</u>	<u>(676)</u>
	<u>(495)</u>	<u>(676)</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)**

10. Employees

	Group		Association	
Full Time Equivalents	2025 Average Number	2024 Average Number	2025 Average Number	2024 Average Number
Administration	239	255	166	162
Assets, development and maintenance	852	831	106	101
Housing, support and care	411	405	357	350
	<u>1,502</u>	<u>1,491</u>	<u>629</u>	<u>613</u>

The average monthly number of persons, expressed in full time equivalents (calculated based on a standard working week of 37 hrs).

	Group		Association	
Employee costs	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Wages and salaries	56,963	53,804	25,613	23,747
Social security costs	5,500	5,154	2,570	2,338
Other pension costs	4,955	4,985	2,820	2,798
	<u>67,418</u>	<u>63,943</u>	<u>31,003</u>	<u>28,883</u>

The Association's and subsidiaries' employees are members of the Merseyside Pension Fund (MPF), Cheshire Pension Fund (CPF) or Aviva Defined Contribution Scheme. Further information on each scheme is given in note 28.

	Group	
The full-time equivalent number of staff who received remuneration (excluding directors):	2025	2024
	£'000	£'000
£60,001 to £70,000	50	53
£70,001 to £80,000	25	28
£80,001 to £90,000	12	11
£90,001 to £100,000	12	10
£100,001 to £110,000	6	3
£110,001 to £120,000	2	1
£120,001 to £130,000	1	2
£130,001 to £140,000	2	3
£140,001 to £150,000	2	-
£150,001 to £160,000	1	-
£160,001 to £170,000	-	1
£170,001 to £180,000	-	1
£180,001 to £190,000	1	-

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)**

11. Board members and Executive Directors

The remuneration paid to the Directors of the company (the Board and Executive Directors, including the Chief Executive) for the year was:

Directors and Board	2025			2024	
	Basic £'000	BIK £'000	Pension £'000	Total £'000	Total £'000
Chief Executive					
Steve Coffey	271	16	57	344	325
Executive Directors					
Peter Fieldsend	197	11	41	249	233
Catherine Murray-Howard	191	11	11	213	202
Chair of the Board					
Graham Burgess	-	-	-	-	15
Mike Emmerich	33	-	-	33	17
Board Members (non-executive)					
Andrew Gray	19	-	-	19	19
Christine Fallon	17	-	-	17	14
Duncan Craig	9	-	-	9	19
Gordon Hood	-	-	-	-	9
Robert Hepworth	9	-	-	9	19
Sarah Jane Saunders	19	-	-	19	19
Christine McLoughlin	3	-	-	3	6
Alistair Hollows	4	-	-	4	6
Katie Dean	-	-	-	-	3
Stephanie Donaldson	7	-	-	7	6
Waqas Butt	17	-	-	17	14
Lisa Greenhalgh	19	-	-	19	16
Mark Bousfield	7	-	-	7	-
Natasha Johnson	7	-	-	7	-
Zamila Skingsley	7	-	-	7	-

The aggregate remuneration of the executive officers was £807k (2024: £760k).

The remuneration of the highest paid director, the Chief Executive of Torus, excluding pension contributions, was £287k (2024: £271k). Pension contributions of £57k (2024: £54k) were paid.

Pension costs are shown as contributions paid on the executive officer's behalf. The current Chief Executive is a member of Merseyside Pension Fund. He is an ordinary member of the pension scheme and no enhanced or special terms apply. The Association does not make any further contribution to any individual pension arrangement for the Chief Executive.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)**

12. Key management personnel

The aggregate remuneration for key management personnel, which includes the Group Executive Management team and the Group Leadership Team, charged in the year is:

Key management personnel	Group	
	2025	Restated 2024
	£'000	£'000
Basic salary	2,504	2,493
Benefits in kind	170	124
Employers NIC	314	313
Pension contributions	235	276
	<u>3,223</u>	<u>3,206</u>

*Prior year restated to include Group Executive Management team.

13. Tax on surplus on ordinary activities

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Analysis of charge in the period				
Current Tax:				
UK corporation tax on surplus for the year	1,571	(1,096)	-	-
Adjustments in respect of prior years	-	-	-	-
Deferred Tax:				
Origination and reversal of timing differences				
- current year	-	-	-	-
- other	-	-	-	-
Tax on surplus on ordinary activities	<u>1,571</u>	<u>(1,096)</u>	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 25% (25% 2024). The differences are explained below:

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Surplus on ordinary activities before tax	63,474	19,946	65,208	26,592
Theoretical tax at the standard rate of corporation tax in the UK of 25%	15,869	4,986	16,302	6,648
Effects of:				
Charitable income	(14,566)	(5,022)	(16,302)	(6,648)
Income not taxable	(138)	(370)	-	-
Prior year movement of current tax for gift aid	406	(690)	-	-
Total tax charge	<u>1,571</u>	<u>(1,096)</u>	<u>-</u>	<u>-</u>

Deferred tax has been calculated on the rate substantively enacted at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)

14. Tangible Fixed Assets – Housing Properties

	Group				
	Low Cost Home Ownership		Completed	Under Construction	Total
	Held for Letting	Under Construction			
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1st April 2024 (Restated)*	1,265,536	191,206	154,998	81,243	1,692,983
Enhancements to existing properties	53,453	-	-	-	53,453
Additions	295	145,645	-	57,587	203,527
Transfer (to)/ from other fixed assets	109	-	-	-	109
Transfer (to)/from investment properties	(153)	-	-	-	(153)
Transfer (to)/from current assets	255	-	-	-	255
Reclassification	(279)	-	279	-	-
Schemes completed	125,979	(125,979)	59,881	(59,881)	-
Demolitions	(1,202)	-	-	-	(1,202)
Disposals of sales	(3,256)	-	(1,407)	-	(4,663)
Disposals of components	(9,581)	-	-	-	(9,581)
At 31 March 2025	1,431,156	210,872	213,751	78,949	1,934,728
Depreciation and impairment					
At 1st April 2024	293,008	17,928	3,386	-	314,322
Depreciation	29,770	-	1,437	-	31,207
Impairments	(1,173)	7,368	-	-	6,195
Transfer (to)/from investment properties	(64)	-	-	-	(64)
Reclassification	(151)	-	151	-	-
Schemes completed	2,165	(2,165)	-	-	-
Demolitions	(1,202)	-	-	-	(1,202)
Released on disposal of sales	(1,194)	(85)	(50)	-	(1,329)
Accelerated depreciation on disposal of components	(6,036)	-	-	-	(6,036)
At 31 March 2025	315,123	23,046	4,924	-	343,093
Net book value at 31 March 2025	1,116,033	187,826	208,827	78,949	1,591,635
At 31 March 2024	972,528	173,278	151,612	81,243	1,378,661

* Prior year brought forward updated to reflect incorrectly classified assets held in properties held for sale see note 40 prior year adjustment note.

Capitalised interest is calculated based on FRS102 using the weighted average cost of borrowing. The Interest rate used in 2024/25 was 5.26% (2023/24: 4.61%).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)

	Association				
	Social Housing		Low Cost Home Ownership		Total
	Held for Letting	Under Construction	Completed	Under Construction	
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1st April 2024	1,266,144	189,742	154,998	78,158	1,689,042
Enhancements to existing properties	53,453	-	-	-	53,453
Additions	295	144,757	-	57,587	202,639
Transfer (to)/ from other fixed assets	109	-	-	-	109
Transfer (to)/from investment properties	(153)	-	-	-	(153)
Transfer (to)/from current assets	255	-	-	-	255
Reclassification	(279)	-	279	-	-
Schemes completed	125,979	(125,979)	59,881	(59,881)	-
Demolitions	(1,202)	-	-	-	(1,202)
Disposals of sales	(3,256)	-	(1,407)	-	(4,663)
Disposals of components	(9,581)	-	-	-	(9,581)
At 31 March 2025	1,431,764	208,520	213,751	75,864	1,929,899
Depreciation and impairment					
At 1st April 2024	293,008	17,928	3,386	-	314,322
Depreciation	29,770	-	1,437	-	31,207
Impairments	(1,173)	7,368	-	-	6,195
Transfer (to)/from investment properties	(64)	-	-	-	(64)
Reclassification	(151)	-	151	-	-
Schemes completed	2,165	(2,165)	-	-	-
Demolitions	(1,202)	-	-	-	(1,202)
Released on disposal of sales	(1,194)	(85)	(50)	-	(1,329)
Accelerated depreciation on disposal of components	(6,036)	-	-	-	(6,036)
At 31 March 2025	315,123	23,046	4,924	-	343,093
Net book value at 31 March 2025	1,116,641	185,474	208,827	75,864	1,586,806
At 31 March 2024	973,136	171,814	151,612	78,158	1,374,720

Housing properties in relation to former Liverpool Mutual Homes Limited are stated at deemed cost as the Association elected to take transitional relief when it adopted FRS 102.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)

The net book value of housing properties may be further analysed as:

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Freehold	1,281,243	1,073,796	1,281,243	1,073,796
Long Leasehold	44,345	50,952	44,345	50,952
	<u>1,325,588</u>	<u>1,124,748</u>	<u>1,325,588</u>	<u>1,124,748</u>

Expenditure on works to existing properties

	Group		Association	
	2025	Restated 2024	2025	2024
	£'000	£'000	£'000	£'000
Amounts charged to revenue	57,293	69,309	63,204	70,944
Amounts capitalised	53,453	40,171	53,453	40,171
	<u>110,746</u>	<u>109,480</u>	<u>116,657</u>	<u>111,115</u>

Finance costs

	Group and Association	
	2025	2024
	£'000	£'000
Aggregate amount of finance costs included in the cost of housing properties	<u>57,523</u>	<u>41,923</u>
Rate used for finance costs capitalisation	<u>5.26%</u>	<u>4.61%</u>

Social housing assistance

	Group and Association	
	2025	2024
	£'000	£'000
Total accumulated social housing grant received or receivable at 31 March:		
Recognised in the Statement of Comprehensive Income	145,518	143,667
Held as deferred income	<u>321,946</u>	<u>261,071</u>
	<u>467,464</u>	<u>404,738</u>

Amounts recognised in the SoCI includes a deemed cost release relating to stock transfer properties.

Impairment

The group considers individual schemes to be separate cash generating units when assessing impairment in accordance with FRS102 requirements. The impairment in year relates to historic development schemes which have suffered from contractor failure in previous years and the consequent delays incurring additional remediation works required to complete.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)

15. Tangible Fixed Assets - Other

	Group					
	Freehold Buildings	Leasehold Properties	Computers & Office Equipment	Furniture, Fixtures & Fittings	Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1st April 2024	7,842	9,001	11,938	7,467	6,036	42,284
Additions	1,033	-	816	1,364	-	3,213
Transfer (to) / from Housing properties	(199)	-	-	-	-	(199)
Transfer (to) / from Investment properties	(877)	-	-	-	-	(877)
Disposals	-	-	(1,212)	(834)	(121)	(2,167)
At 31st March 2025	7,799	9,001	11,542	7,997	5,915	42,254
Depreciation						
At 1st April 2024	2,647	1,707	9,810	4,783	3,801	22,748
Charge for the year	209	225	877	962	549	2,822
Transfer (to) / from Housing properties	(90)	-	-	-	-	(90)
Transfer (to) / from Investment properties	(312)	-	-	-	-	(312)
Disposals	-	-	(1,212)	(834)	(80)	(2,126)
At 31st March 2025	2,454	1,932	9,475	4,911	4,270	23,042
Net book value at 31st March 2025	5,345	7,069	2,067	3,086	1,645	19,212
Net book value at 31st March 2024	5,195	7,294	2,128	2,684	2,235	19,536

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)**

Tangible Fixed Assets – Other (Continued)

	Association					
	Freehold Buildings	Leasehold Properties	Computers & Office Equipment	Furniture, Fixtures & Fittings	Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1st April 2024	7,842	9,001	11,252	5,890	6,036	40,021
Additions	1,032	-	807	1,352	-	3,191
Transfer (to) / from Housing properties	(199)	-	-	-	-	(199)
Transfer (to) / from Investment properties	(877)	-	-	-	-	(877)
Disposals	-	-	(1,165)	(834)	(121)	(2,120)
At 31st March 2025	7,798	9,001	10,894	6,408	5,915	40,016
Depreciation						
At 1st April 2024	2,647	1,707	9,422	3,847	3,801	21,424
Charge for the year	209	225	856	839	549	2,678
Transfer (to) / from Housing properties	(90)	-	-	-	-	(90)
Transfer (to) / from Investment properties	(312)	-	-	-	-	(312)
Disposals	-	-	(1,165)	(834)	(80)	(2,079)
At 31st March 2025	2,454	1,932	9,113	3,852	4,270	21,621
Net book value at 31st March 2025	5,344	7,069	1,781	2,556	1,645	18,395
At 31 March 2024	5,195	7,294	1,830	2,043	2,235	18,597

The group had no assets held under finance leases at either year end.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)

16. Investment properties held for letting

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
At 1st April 2024	20,962	13,367	20,962	13,367
Additions	2,227	7,948	2,227	7,948
Transfer from housing properties	89	839	89	839
Transfer from tangible fixed assets: other	565	-	565	-
Increase/(Decrease) in fair value	880	(1,192)	880	(1,192)
At 31st March 2025	24,723	20,962	24,723	20,962

Acquired properties have been assessed for fair value based on external valuations performed by Savills. The valuation report included the following clause:

Developed properties have been assessed for fair value taken on a direct valuation based on current market yields and shop rental units have been assessed for fair value based on a current year valuation.

Transfers from housing properties relates to properties where the intention is to let them at market rent in the long-term. They have therefore been classed as investment properties.

If investment properties had been accounted for under the historical cost accounting rules the properties would have been measured as follows:

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Historical cost	26,818	23,873	26,818	23,873
Accumulated depreciation	(1,180)	(895)	(1,180)	(895)
Impairment	-	-	-	-
	25,638	22,978	25,638	22,978

17. HomeBuy loans

Eight shared equity loans have been issued to date originally by Helena Partnerships Limited.

Group and Association	2025	2024
	£'000	£'000
At 1st April 2024	194	194
Redeemed in year	-	-
At 31st March 2025	194	194

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)

18. Other investments

Group & Association	2025	2024
	£'000	£'000
Other	54	54

Other represents a shareholding in MORHomes PLC, a funding vehicle established by a number of social housing providers.

19. Investment in subsidiaries

The financial statements consolidated the results of Housing Maintenance Solutions Ltd (HMS), Torus62 Developments Ltd (TD), Torus Living Ltd (TL), Torus62 Commercial Services Ltd (TCS) and Torus Foundation. At the year end the Association owned 100% of issued share capital in HMS, TD, TL and TCS. The Association controls Torus Foundation and its right to appoint and remove Trustees.

Housing Maintenance Solutions Limited provides repairs and maintenance services. Torus62 Commercial Services Ltd provides specialised construction services to external clients. In July 2019 Housing Maintenance Solutions Ltd purchased Torus62 Commercial Services Ltd and amalgamated ongoing service contracts with external customers, together with any existing assets and liabilities. They are incorporated in England and Wales.

Torus62 Developments Ltd and Torus Living Ltd provide construction services. Torus62 Developments Limited now acts as the development company for the group and contracts held by Torus Living Ltd have been novated to Torus62 Developments Ltd. Torus Living Ltd has therefore ceased to trade. They are incorporated in England and Wales.

Torus Foundation is a registered charity providing support to its communities and Torus tenants. It is incorporated in England and Wales.

The registered office of the subsidiaries is the same as that of Torus62 Ltd.

	Investment in subsidiaries	
	2025	2024
	£'000	£'000
Cost and net book amount		
At 1 April	3,050	3,050
Additions	-	-
At 31 March	3,050	3,050

Association investment in subsidiaries relates to £2.8m for HMS and £250k for Torus Developments.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)**

During the year the Association had recharged the following amounts to subsidiaries:

Investment in subsidiaries (continued):

	2025	2024
	£'000	£'000
Amounts recharged to HMS Ltd		
Management services	4,809	4,077
Recharge of rent on property (lease agreement)	90	90
Vehicles (lease agreement)	597	609
	<u>5,496</u>	<u>4,776</u>
Amounts recharged to Torus 62 Developments Ltd		
Management services	1,680	1,502
Amounts recharged to Torus Foundation		
Management services	772	804

20. Investment in jointly controlled entities

Torus62 Developments became a member of Peel Hall JV LLP on 12 January 2023. This is a Joint Venture (registered company number OC444261), 50% owned by Torus62 Developments Limited and 50% by Countryside Properties (UK) Ltd from 5 July 2024 (previously Vistry Partnerships Limited), established in order to develop properties for outright sale at Peel Hall in Warrington, Cheshire. No equity is held in the Joint Venture and £nil profits or losses were recognised in the period ending 31 March 2025 (2024: £nil). Note 23 refers to a loan owed to the Group by the Joint Venture in the year.

21. Properties held for sale

Shared Ownership	Group		Association	
	2025	Restated 2024	2025	2024
	£'000	£'000	£'000	£'000
Completed properties	19,803	14,939	19,803	14,939
Under construction	42,434	32,386	41,197	30,725
	<u>62,237</u>	<u>47,325</u>	<u>61,000</u>	<u>45,664</u>
Properties developed for outright sale				
	2025	Restated 2024	2025	2024
	£'000	£'000	£'000	£'000
Under construction	5,146	9,274	-	-
	<u>5,146</u>	<u>9,274</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)

Land held for sale	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Land	7,899	8,434	7,899	8,434
	<u>7,899</u>	<u>8,434</u>	<u>7,899</u>	<u>8,434</u>
Total properties held for sale	<u>75,282</u>	<u>65,033</u>	<u>68,899</u>	<u>54,098</u>

22. Stock

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Raw materials	967	1,088	-	-
Consumables	32	32	32	32
	<u>999</u>	<u>1,120</u>	<u>32</u>	<u>32</u>

23. Debtors and current asset investments

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Due within one year				
Arrears of rent and service charges	13,030	14,072	13,030	14,072
Less: Provision for bad and doubtful debts	(10,631)	(10,308)	(9,503)	(10,037)
	<u>2,399</u>	<u>3,764</u>	<u>3,527</u>	<u>4,035</u>
Other debtors	2,445	5,775	1,983	4,672
Prepayments and accrued income	16,730	21,217	13,860	14,092
Amounts owed by Group undertakings	-	-	-	152
	<u>21,574</u>	<u>30,756</u>	<u>19,370</u>	<u>22,951</u>
Due after more than one year				
Inter-company revolving loan facility	-	-	43,587	39,437
Peel Hall JV LLP loan and interest	16,921	7,395	-	-
Leaseholder sinking fund arrears	941	1,165	941	1,165
Liquidity Reserve Fund	10,881	10,251	10,881	10,251
	<u>28,743</u>	<u>18,811</u>	<u>55,409</u>	<u>50,853</u>
Total Debtors	<u>50,317</u>	<u>49,567</u>	<u>74,779</u>	<u>73,804</u>
Current asset investments				
Cash deposits	1,170	7,420	1,170	7,420
	<u>1,170</u>	<u>7,420</u>	<u>1,170</u>	<u>7,420</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)

The intra group loan facility relates to 3 facilities from Torus62 Ltd to:

- Torus Developments £30m facility for a working capital loan to support outright sales activity at an interest rate of 4.25% above Bank of England base rate. It is a revolving credit facility ending 31 March 2030 with a current balance drawn of £26.4m (2024: £26.9m).
- Torus Developments £19m facility to be repaid by 30 June 2031 to fund the investment into the Peel Hall joint venture. At the year-end £15.2m (2024: £6.6m) had been drawn against this facility.
- HMS £6m facility to support working capital at an interest rate of 3.0% above Bank of England base rate repayable on 31 March 2028. The current balance drawn is £2.0m (2024: £6.0m).

The liquidity reserve fund represents cash security against the Association's borrowing.

Cash deposits relate to short term investments that cannot be realised within a 90 day period and have therefore been classified as current asset investments.

24. Creditors: Amounts falling due within one year

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Trade creditors	10,614	7,030	2,400	2,064
Rent and service charges received in advance	5,824	5,193	5,824	5,193
Amounts owed to Group undertakings	-	-	30,114	31,629
Deferred income	15	144	-	-
Other tax and social security	1,303	1,442	778	759
Local Government Pension Scheme	305	324	305	324
Other creditors	299	354	48	60
Deferred capital grants (Note 27)	1,996	1,580	1,996	1,580
Accruals and deferred income	45,707	45,162	15,617	12,898
Corporation tax	1,165	289	-	-
	<u>67,228</u>	<u>61,518</u>	<u>57,082</u>	<u>54,507</u>

25. Creditors: Amounts falling due after more than one year

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Leaseholder sinking fund *	3,859	3,030	3,859	3,030
Debt - housing loan (Note 26)	577,933	541,389	577,933	541,389
Deferred capital grants (Note 27)	319,950	259,492	319,950	259,492
Recycled capital grant (Note 28)	391	771	391	771
Other creditors	465	372	465	372
	<u>902,598</u>	<u>805,054</u>	<u>902,598</u>	<u>805,054</u>

*A sinking fund for repairs has been established for shared ownership leaseholders and reflects contributions from residents in relation to their future commitments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)

26. Debt Analysis

Security

Local authority and other loans are secured by fixed charges on individual properties. The bank loans are secured by a floating charge over the assets of the Association and by fixed charges on individual properties.

	Group and Association	
	2025	2024
	£'000	£'000
Due within one year		
Bank loans	-	-
Less issue costs	(269)	(128)
	<u>(269)</u>	<u>(128)</u>
Due after more than one year		
Bank loans	212,000	172,000
Bond	338,000	338,000
Premium/Discount on bond issue	23,382	24,049
Fair value adjustment	8,347	10,130
Less issue costs	(3,796)	(2,790)
	<u>577,933</u>	<u>541,389</u>
Total borrowings	<u>577,664</u>	<u>541,261</u>

The bank and other loans are at fixed rates of interest ranging from 2.92% to 7.06%. The instalments are to be repaid in the period 2026 to 2054.

The bond loan amount of £338m relates to:

- £38m maturity date October 2043 with an interest rate of 5.2%. It carries an effective interest rate of 3.07% which has resulted in a premium on bond issue of £13.5m.
- £100m maturity date of April 2054 with an interest rate of 2.9%. It carries an effective interest rate of 2.17% which has resulted in a premium on bond issue of £17.2m.
- £200m maturity date of March 2053 with an interest rate of 4.809%. £130m. The effective interest rate of 5.238% resulted in a discount on bond issue of £4.5m.

In 2024/25 £0.6m was amortised and to date £2.8m has been amortised with a remaining balance of £23.4m.

Terms of repayment and interest rates

	Group and Association	
	2025	2024
	£'000	£'000
On demand	4,574	4,574
Within one year	-	-
One year or more but less than two years	25,000	-
Two years or more but less than five years	88,000	73,000
Five years or more	432,426	432,426
	<u>550,000</u>	<u>510,000</u>
Premium/Discount on bond issue	23,382	24,049
Fair value adjustments	8,347	10,130
Less issue costs	(4,065)	(2,918)
	<u>577,664</u>	<u>541,261</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)**

The fair value adjustments are in respect of the following:

	2025	2024
	£'000	£'000
Financial liabilities measured at fair value through surplus or deficit	116	212
Restatement of loans held at amortised cost	6,733	8,171
Adjustment to recognise loans at amortised cost and reflect an effective interest rate	1,498	1,747
	<u>8,347</u>	<u>10,130</u>

The fair value adjustments have been accounted for in compliance with FRS102.

- £0.3m movement in non-basic financial instruments measured at fair value through surplus or deficit, as referenced in the accounting policy, which have an outstanding principal amount of £4.6m and a carrying amount of £4.7m.
- £1.5m relates to an adjustment to recognise the effective rate of interest in relation to basic loans.

27. Deferred capital grant

	Group and Association	
	2025	2024
	£'000	£'000
At 1 April	261,071	210,391
Grant received in year	63,086	52,573
Released to income	(1,851)	(1,641)
Grant recycled	(360)	(252)
At 31 March	<u>321,946</u>	<u>261,071</u>
Amounts to be released within one year	1,996	1,580
Amounts to be released in more than one year	319,950	259,491
	<u>321,946</u>	<u>261,071</u>

28. Recycled capital grant fund (RCGF)

	Group and Association	
	2025	2024
	£'000	£'000
At 1 April	771	811
Grants recycled	360	252
Interest accrued	27	38
New build	(767)	(330)
	<u>391</u>	<u>771</u>
Repayment of grant	-	-
At 31 March	<u>391</u>	<u>771</u>
Amount of grant due for repayment	-	-
Amounts three years or older where repayment may be required	-	-

There were no withdrawals from the recycled capital grant fund during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025 (continued)

29. Pensions

The group 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.

Admission agreements in place are:

Employer	Pension fund	Employer contribution rate
Torus62	MPF	21.1%
Torus62	CPF	38.0%
Torus Foundation	MPF	23.1%
Torus Foundation	CPF	30.5%

Employer contribution rates were reset at 1 April 2023, based on the triennial actuarial valuation for the respective funds which was based on information as at 31 March 2022. The latest valuation took place on 31 March 2022 and new contribution rates came into effect from 1 April 2023. These are Torus62 MPF (21.1%), Torus62 CPF (38.0%), Torus Foundation MPF (23.1%), Torus Foundation CPF (30.5%).

Total employer contributions were £3.1m (2024: £3.4m).

Net pension asset / (liability)	2025					2024	
	Torus 62 Cheshire	Torus 62 Merseyside	Association Total	Torus Foundation Cheshire	Torus Foundation Merseyside	Group Total	Group Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation net of plan assets	27,470	49,701	77,171	1,284	271	78,726	53,777
Effect of asset ceiling	(27,470)	(49,701)	(77,171)	(1,284)	(271)	(78,726)	(53,777)
	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025 (continued)

Analysis of amounts recognised in operating costs

	2025					2024	
	Torus 62 Cheshire £'000	Torus 62 Merseyside £'000	Association Total £'000	Torus Foundation Cheshire £'000	Torus Foundation Merseyside £'000	Group Total £'000	Association Total £'000
Current service cost	(680)	(1,181)	(1,861)	(62)	(32)	(1,955)	(2,032)
Past service (costs)	-	-	-	-	-	-	(3)
Administration costs	-	(38)	(38)	-	(1)	(39)	(40)
Curtailments	-	-	-	-	-	-	(6)
Net operating loss	<u>(680)</u>	<u>(1,219)</u>	<u>(1,899)</u>	<u>(62)</u>	<u>(33)</u>	<u>(1,994)</u>	<u>(2,075)</u>

Analysis of amounts recognised in other finance costs

	2025					2024	
	Torus 62 Cheshire £'000	Torus 62 Merseyside £'000	Association Total £'000	Torus Foundation Cheshire £'000	Torus Foundation Merseyside £'000	Group Total £'000	Association Total £'000
Expected return on pension scheme assets	3,056	9,756	12,812	118	109	13,039	11,833
Interest effect of net asset ceiling	(1,006)	(1,630)	(2,636)	(51)	(2)	(2,689)	(2,138)
Interest on pension scheme liabilities	(2,032)	(8,086)	(10,118)	(66)	(107)	(10,291)	(9,633)
Net finance cost	<u>18</u>	<u>40</u>	<u>58</u>	<u>1</u>	<u>-</u>	<u>59</u>	<u>64</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025 (continued)

<i>Reconciliation of defined benefit obligation</i>	2025						2024	
	Torus 62 Cheshire £'000	Torus 62 Merseyside £'000	Association Total £'000	Torus Foundation Cheshire £'000	Torus Foundation Merseyside £'000	Group Total £'000	Group Total £'000	Association Total £'000
Opening defined benefit obligation	(40,606)	(164,995)	(205,601)	(1,285)	(2,150)	(209,036)	(206,729)	(203,340)
Current service cost	(680)	(1,181)	(1,861)	(62)	(32)	(1,955)	(2,137)	(2,032)
Past service cost	-	-	-	-	-	-	(3)	(3)
Interest cost	(2,032)	(8,086)	(10,118)	(66)	(107)	(10,291)	(9,792)	(9,633)
Contributions by members	(255)	(520)	(775)	(21)	(11)	(807)	(844)	(810)
Benefits paid	805	7,061	7,866	2	56	7,924	6,995	6,792
Actuarial gains	7,150	20,087	27,237	239	280	27,756	3,480	3,425
Curtailments	-	-	-	-	-	-	(6)	-
Transfer of members from Group	-	-	-	-	-	-	-	-
Closing defined benefit obligation	<u>(35,618)</u>	<u>(147,634)</u>	<u>(183,252)</u>	<u>(1,193)</u>	<u>(1,964)</u>	<u>(186,409)</u>	<u>(209,036)</u>	<u>(205,601)</u>
Reconciliation of the impact of the asset ceiling								
	2025						2024	
	Torus 62 Cheshire £'000	Torus 62 Merseyside £'000	Association Total £'000	Torus Foundation Cheshire £'000	Torus Foundation Merseyside £'000	Group Total £'000	Group Total £'000	Association Total £'000
Impact of asset ceiling at start of period	(20,122)	(32,592)	(52,714)	(1,022)	(41)	(53,777)	(45,481)	(44,556)
Effect of the asset ceiling included in net interest cost	(1,006)	(1,630)	(2,636)	(51)	(2)	(2,689)	(2,182)	(2,138)
Actuarial losses (gains) on asset ceiling	(6,342)	(15,479)	(21,821)	(211)	(228)	(22,260)	(6,114)	(6,020)
Impact of asset ceiling at end of period	<u>(27,470)</u>	<u>(49,701)</u>	<u>(77,171)</u>	<u>(1,284)</u>	<u>(271)</u>	<u>(78,726)</u>	<u>(53,777)</u>	<u>(52,714)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025 (continued)

Reconciliation of the fair value of plan assets

	2025						2024	
	Torus 62 Cheshire	Torus 62 Merseyside	Association Total	Torus Foundation Cheshire	Torus Foundation Merseyside	Group Total	Group Total	Association Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening fair value of plan assets	60,728	197,587	258,315	2,307	2,191	262,813	252,187	247,896
Interest income	3,056	9,756	12,812	118	109	13,039	12,038	11,833
Administration cost	-	(38)	(38)	-	(1)	(39)	(41)	(40)
Contributions by employee	255	520	775	21	11	807	844	810
Contributions by employer	1,449	1,590	3,039	94	37	3,170	3,379	3,235
Benefits paid	(805)	(7,061)	(7,866)	(2)	(56)	(7,924)	(6,995)	(6,792)
Actuarial gains/(losses)	(1,595)	(5,019)	(6,614)	(61)	(56)	(6,731)	1,401	1,373
Transfer of members from Group	-	-	-	-	-	-	-	-
Closing fair value of plan assets	63,088	197,335	260,423	2,477	2,235	265,135	262,813	258,315

Analysis of amounts recognised in actuarial gain/(loss) relating to pension schemes

	2025						2024	
	Torus 62 Cheshire	Torus 62 Merseyside	Association Total	Torus Foundation Cheshire	Torus Foundation Merseyside	Group Total	Group Total	Association Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Actuarial gains/(losses) on assets	(1,595)	(5,019)	(6,614)	(61)	(56)	(6,731)	1,401	1,373
Actuarial gains arising on the scheme liabilities	7,150	20,087	27,237	239	280	27,756	3,480	3,425
Effect of movement of asset ceiling	(6,342)	(15,479)	(21,821)	(211)	(228)	(22,260)	(6,114)	(6,020)
Transfer of obligations on cessation of admitted body status	-	-	-	-	-	-	-	-
Transfer of assets on cessation of admitted body status	-	-	-	-	-	-	-	-
Actuarial gain/(loss) recognised	(787)	(411)	(1,198)	(33)	(4)	(1,235)	(1,233)	(1,222)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)**

Principal actuarial assumptions: Financial assumptions

	2025				2024
	Torus 62 Cheshire	Torus 62 Merseyside	Torus Foundation Cheshire	Torus Foundation Merseyside	Prior year range
	%	%	%	%	%
Discount rate	5.9	5.9	5.9	0.0	5.0
Future salary increases	3.8	3.8	3.8	3.8	3.8
Future pension increases	2.8	2.8	2.8	2.8	2.8
Inflation assumption	3.0	3.0	3.0	2.8	2.8

Mortality assumptions

The post-retirement mortality assumptions adopted to value the benefit obligation at March 2025 and March 2024 are based on the PA92 series. The assumed life expectations on retirement at age 65 are:

	2025				2024
	Torus 62 Cheshire	Torus 62 Merseyside	Torus Foundation Cheshire	Torus Foundation Merseyside	Prior year range
	No of years	No of years	No of years	No of years	No of years
Retiring today:					
Males	20.7	20.8	20.9	20.8	20.6 -20.8
Females	23.2	23.5	23.9	23.5	23.2 -23.7
Retiring in 20 years:					
Males	20.9	22.1	19.8	22.1	19.4 - 21.7
Females	24.4	25.2	25.2	25.2	24.0 - 24.8

Major categories of plan assets as a percentage of total plan assets

	2025				2024
	Torus 62 Cheshire	Torus 62 Merseyside	Torus Foundation Cheshire	Torus Foundation Merseyside	Range
	%	%	%	%	%
Equities	42	41	42	41	40-45
Gilts/bonds	43	22	43	22	26-41
Properties	14	9	14	9	9-14
Cash	1	6	1	6	0-4
Other	-	21	-	21	0-21

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)

30. Provisions for liabilities

Group	2025	2024
	£'000	£'000
Insurance claims	670	852
Shared Ownership repairs	121	-
Other	-	124
At 31st March 2025	791	976

Association	2025	2024
	£'000	£'000
Insurance claims	670	853
Shared Ownership repairs	121	-
At 31st March 2025	791	853

31. Deferred tax asset

	Group	
	2025	2024
	£'000	£'000
At 1 April 2024	25	25
Adjustment in respect of prior years	-	-
At 31 March 2025	25	25
Accelerated capital allowance	-	-
Short term timing differences	25	25
At 31 March 2025	25	25

32. Non-Equity Share Capital

There are two classes of shareholders: Tenant Shareholders and Independent Shareholders. Each share has the nominal value of one pound which shall carry no right to interest, dividend or bonus. The independent shareholders are the independent Board members. Tenants are eligible to become shareholders, which provides them with the right to vote at general meetings. Tenant shareholders have 51% of total votes available at general meetings. At 31 March 2025 there were 47 tenant shareholders.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)**

33. Cash Flow from Operating Activities

	Group	
	2025	Restated 2024
	£'000	£'000
Surplus for the year	61,903	21,042
<i>Cash flows from operating activities:</i>		
Depreciation of housing properties	34,752	28,694
Depreciation of other fixed assets	2,822	3,368
Amortised government grants	(1,851)	(1,641)
Impairment charge	6,195	9,921
Movement in fair value of investment properties	(880)	1,192
Decrease in trade and other debtors	8,705	119,076
Increase in trade and other creditors	3,100	3,473
(Increase)/Decrease in properties held for resale	(10,732)	20,217
(Decrease)/Increase in provisions	(185)	175
Decrease in stock	121	5
Pension costs less contributions payable	(1,235)	(1,256)
Taxation charge	1,571	(1,096)
<i>Adjustments for investing or other financing activities:</i>		
Net gain on sale of fixed assets	(7,185)	(4,735)
Fair value adjustment/refinancing	(2,450)	(6,757)
Interest payable	12,677	18,235
Interest received	(3,027)	(5,772)
Net cash generated from operating activities	104,301	204,141

*Prior year restated to categorise loan in joint venture from increase in debtors to cashflow from investing activities and to show accelerated depreciation within depreciation for housing properties.

** Prior year restated for reclassified assets previously held in properties held for sale.

34. Capital commitments

	Group and Association	
	2025	2024
	£'000	£'000
<i>Capital expenditure:</i>		
Expenditure contracted for but not provided in the accounts	185,135	174,438
Expenditure authorised by the Board, but not contracted	392,100	540,452
	577,235	714,890
<i>Financed by:</i>		
Social housing grant	39,253	78,641
Proceeds from sale of properties	164,908	219,533
Committed loan facilities and cash	373,074	416,716
	577,235	714,890

The above figures include the full cost of shared ownership properties contracted for.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)

35. Contingent Liabilities

The admission agreements with Merseyside Pensions Fund require Torus62 Ltd to provide bonds to cover any potential risks on the pension fund. Bonds in place at 31 March 2025 were £3.8m (2024: £3.8m) in respect of the Merseyside Pension Fund.

As part of the establishment of pension arrangements at 1 January 2019, Torus62 Ltd has provided a guarantee to Merseyside Pension Fund that it will meet any liabilities in connection with Torus Foundation pension obligations should Torus Foundation be unable to meet them.

36. Leasing commitments

Operating Leases

The Group leases out some of its other land and buildings. The future minimum lease payments under non-cancellable leases are as follows:

As lessor

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Less than one year	772	789	688	706
Between one and five years	587	581	250	250
More than five years	226	288	226	288
	<u>1,585</u>	<u>1,658</u>	<u>1,164</u>	<u>1,244</u>

The Group is committed to a number of leases in relation to other land and buildings, vehicles and office equipment.

As lessee

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Less than one year	530	517	530	517
Between one and five years	488	916	488	916
More than five years	72	131	72	131
	<u>1,090</u>	<u>1,564</u>	<u>1,090</u>	<u>1,564</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)

37. Related Parties

Torus62 Limited as the parent provides group services to subsidiaries under an Intra Group Agreement. The recharge methodology reflects appropriate allocations of costs to each subsidiary. The value of charges is set out in note 19.

Torus62 trades with Housing Maintenance Solutions Limited, a wholly owned subsidiary of Torus62, who provide repairs and maintenance, planned environmental works and development projects on Torus62 properties. Torus62 also trades with Torus 62 Developments Limited, a wholly owned subsidiary of Torus62 Limited, who develops new build properties for Torus62.

Torus62 Developments is a member of Peel Hall JV LLP, a Joint Venture (registered company number OC444261), 50% owned by Torus62 Developments Limited and 50% by Countryside Properties (UK) Limited from 5 July 2024 (previously Vistry Partnerships Limited), established in order to develop properties for outright sale at Peel Hall in Warrington, Cheshire. Torus62 Developments recognised £nil profit from its Peel Hall JV LLP joint venture in the year (2024: £nil).

The Association had no tenant Board members as at 31 March 2025 (2024: none). At the 31 March 2025 £nil (2024: £nil) amounts were outstanding.

38. Financial assets & liabilities

	Group and Association	
	2025	2024
	£'000	£'000
<i>Categories of financial assets and financial liabilities</i>		
Financial assets that are measured at amortised cost	107,342	161,738
Financial liabilities measured at fair value through surplus or deficit - debt instruments	(4,690)	(4,786)
Financial liabilities measured at amortised cost - debt instruments	(572,974)	(536,475)
Total debt instruments	(577,664)	(541,261)
Other liabilities measured at amortised cost	(62,944)	(58,487)
<i>Financial liabilities measured at fair value through surplus or deficit</i>		
The amount of change during the period attributable to changes in the credit risk	-	-
The difference between the financial liability's carrying amount and the amount the entity would be contractually obliged to pay at maturity	(116)	(212)
<i>Financial assets</i>		
Cash at bank	55,799	113,101
Financial assets on which no interest is earned	51,543	48,637
	107,342	161,738

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)

Financial liabilities excluding trade creditors – interest rate risk profile

Fixed rate	577,933	541,389
Floating rate	-	-
Total borrowings	577,933	541,389
<i>Borrowing facility</i>		
Expiring in more than two years	577,933	541,389

The Group has undrawn committed borrowing facilities. The facilities available at 31 March 2025 in respect of which all conditions precedent had been met are above.

As at 31 March 2025, The Group had £4.6m of cancellable fixed rate loans provided by Nationwide Building Society and the Royal Bank of Scotland. Under these arrangements, the lenders have the option to cancel these arrangements every three months. If these options were exercised, the loans would revert to a variable rate basis, which would increase the level of interest rate risk. These loans are managed in accordance with the Group's treasury policy, which requires that at least 60% of drawn funds be on fixed interest rates or otherwise hedged against the effects of interest rate increases. The position is considered annually when the Board sets the annual treasury strategy. The Group takes independent advice on treasury management and with rising variable interest rates there is an increased risk that these options will be exercised, although this did not occur after the year end. As at 31 March 2025, 92.7% of the Group's drawn loans were on fixed rates of interest. If these cancellable loans had been converted to variable rates, the percentage fixed would have been 91.9%.

Cash at bank and in hand includes £226k held for leaseholder sinking fund, which can only be used for the reasons specified.

39. Net debt reconciliation

	Cash at Bank and In Hand £'000	Current asset investments - cash deposits £'000	Liquidity reserve funds held as security £'000	Bank Loans (including issue costs) £'000	Fair Value element of debt £'000	Net Debt £'000
1st April 2024	113,101	7,420	10,251	(531,131)	(10,130)	(410,489)
Cash flows	(57,302)	(6,250)	-	(40,000)	-	(103,552)
Other non-cash changes	-	-	630	1,814	1,783	4,227
31st March 2025	55,799	1,170	10,881	(569,317)	(8,347)	(509,814)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025
(continued)

40. Prior Period Adjustment

Due to a prior period mis-classification properties being developed by Torus62 were incorrectly classified as properties held for outright sale. This has been corrected as follows:

Note 21

- Reduction Properties Held for outright sale by £11,281k
- Reclassify Shared ownership Held for sale from outright sale of £1,661k

Note 14

- Increase opening balance under construction by £9,620k

Cashflow impact of above adjustment:

- Decrease in properties held for resale, has increased Net cash generated from operating activities by £9,620k to £204,141k
- Inventories movement on purchase of tangible fixed asset properties has increased the net cash outflow from investing activities by £9,620k to (£157,967k).



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