

Charity Registration No. 1012053

Company Registration No. 02200394 (England and Wales)

TOUCHSTONE - LEEDS

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023**

CONTENTS

CHARITY INFORMATION	PAGE 3-4
TRUSTEES' REPORT	PAGE 5-20
STATEMENT OF TRUSTEES' RESPONSIBILITIES	PAGE 21
INDEPENDENT AUDITOR'S REPORT	PAGE 22-25
STATEMENT OF FINANCIAL ACTIVITIES	PAGE 26
BALANCE SHEET	PAGE 27
STATEMENT OF CASHFLOWS	PAGE 28
NOTES TO FINANCIAL STATEMENTS	PAGE 29-45

TOUCHSTONE – LEEDS

LEGAL AND ADMINISTRATIVE INFORMATION

Touchstone-Leeds is constituted as a Registered Company Limited by Guarantee and is registered as a Charity.

Full Name: Touchstone – Leeds
Charity Registration Number: 1012053
Company Registration Number: 02200394

Registered Office: Touchstone House
2-4 Middleton Crescent
Leeds
LS11 6JU

Trustee	Appointed	Resigned
Jeremy Horsell (Chair)		
Janet Reynolds		
Philip Gleeson		
Sue Timothy		
Tom Stanley		
Sam Cheverton		
Andrea Beever		
Stephen Bailey		
Sally Anderson	26/10/2022	
Prof Edgar Meyer		01/10/2023
Dr Iwi Ugiabe-Green		01/10/2023
Solomy Chawatama		21/09/2022
Katie Gleghorn		30/05/2022

Key Management Personnel:

Arfan Hanif	Chief Executive
Kathryn Hart	Deputy Chief Executive and People & Culture Director
Sharon Brown	Business Development Director
Sophie Hailwood	Operations Director
Dave Pickard	Operations Director
Zoe Bridge	Finance Director – Resigned 31 May 2023
Khalil Rehman	Interim Finance Director from 1 June 2023.

Company Secretary: Khalil Rehman – from 1 Dec 2023.

TOUCHSTONE – LEEDS

LEGAL AND ADMINISTRATIVE INFORMATION

Auditor: Sagars Accountants Ltd
Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG

Bankers: The Co-operative Bank
19-20 Commercial Street
Leeds
LS1 6AL

Virgin Bank
The Penny Hill Centre
1 Church St
Hunslet
Leeds
LS10 2AP

The trustees present their report and financial statements for the year ended 31 March 2023 for Touchstone – Leeds also known as Touchstone.

OBJECTIVES, ACTIVITIES AND PUBLIC BENEFIT

Objectives and Activities

The charitable objects (purpose) defined in the Memorandum are “to relieve sickness and promote the fostering of positive physical and mental health and the prevention of breakdown among members of the community by establishing guiding and supporting, the promotion of self-help groups, and provision of personal counselling, housing and other practical facilities and by the advancement of education for the public benefit of lay and professional health care workers”.

More particularly, Touchstone’s vision statement is “Inspiring communities, transforming lives” and this is underpinned by seven values:

- Leadership and Learning
- Inclusion and Diversity
- Value for Money
- Quality and Continuous Improvement
- Integrity and Respect
- Recovery
- Co-Production

Key services Touchstone provided in the year are:

- **Accommodation and Housing Support** – supported housing is provided in individual tenancies, as appropriate to individual need and support to people in shared living environments.
- **Daytime Activities and Support** – provided through drop-in services and more structured programmes and in settings appropriate to the needs of diverse communities. Principally these services are provided in Leeds from the Support Centre in north Leeds and Touchstone House in south Leeds, and across West Yorkshire from smaller offices shared with partners in other locations. Includes Cognitive Behavioural Therapy – talking therapy offered to people from Leeds, with a particular specialism working with BME communities, as part of the IAPT (Improving Access to Psychological Therapies) initiative in partnership with the NHS, Community Links and Northpoint Wellbeing known as the Leeds Mental Wellbeing Service, and Mental Health advocacy work in Kirklees – delivering both the community mental health advocacy service and Independent Mental Health Advocacy (IMHA) statutory service; Liaison & Diversion services in Leeds and Wakefield in partnership with Wakefield Youth Offending Team, Together Women Project, Leeds Police and Leeds Youth Offending Service.
- **Assertive Outreach and Support** – providing support to people in community settings including those with clear needs but who are reluctant to engage with services. This is the main area of work for the Community Support Team.
- **Community Development Work** – improving access to mental health services for people from disadvantaged communities including Black and minority ethnic communities. This work is undertaken by a number of Touchstone Community Development Services such as the Being You Leeds service which works with a number of diverse groups and communities.
- **Neighbourhood Support** – provided by the Sikh Elders’ Neighbourhood Service to improve the health and wellbeing of older people in Leeds’ Sikh communities.
- **Employment and Education:** Supporting people with mental health issues, including offenders on probation, to develop skills for and to retain employment.

Activities

Primarily Touchstone provides services for people with mental health difficulties, those vulnerable to such problems and to their carers. Through this work and seeking to ensure services were available to the whole of our diverse community, Touchstone has developed a particular strength working with Black and Minority Ethnic (BME) communities. This now gives a secondary focus that has evolved into more general health promotion work and neighbourhood support.

Key Performance Indicators are designed around the Critical Success Factors identified for each individual service, usually in consultation with the commissioners of the service, and are used to assess ongoing service performance by staff, management, trustees and relevant external stakeholders as appropriate.

Public Benefit

The trustees recognise their duties under the Charities Act 2011 and have referred to the Charity Commission's guidance on public benefit when reviewing Touchstone's activities and compiling this report.

The activities described above, and explained in more detail in the following sections, are consistent with Touchstone's values and aims which, in turn, derive from its charitable objects. They seek to deliver public benefit by improving the physical and, especially, mental health of the communities either directly or through improving people's experience of other services and their acceptance within the community. All new and potential developments are assessed for consistency with the strategic business plan and, therefore, for their contribution to public benefit.

Access to Touchstone services is generally through referral processes determined by objective criteria based on need and, to the extent that most services are funded by statutory bodies, residence within the relevant geographic boundaries.

Volunteers

Volunteers supported individual service users in reducing isolation/loneliness, building their confidence and self-esteem, offering a listening ear, enabling them to make friends, supporting them with budgeting, attending social activities, going shopping, walking and reducing anxiety when going out. They supported service users benefit forms as well as attending the assessments and appeal hearings.

This helped address anxiety issues. Not only do people benefit from the contributions of volunteers, but some also take on the role themselves. Service users have expressed they would not have been able to cope if it were not for the volunteer/befriender. Volunteer support helped with managing their mental health and therefore prevented deteriorations and setbacks.

The contribution of the volunteers is not included in the statement of financial activities as it's not possible to put a reliable value on their contribution.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Accommodation and Housing Support

Housing and Accommodation Services

The Beacon Housing Service operates city-wide in Leeds from its base at Touchstone House in Beeston. The carefully planned and innovative accommodation-based Support Service in Leeds offers service users furnished self-contained single tenancies in dispersed units across the city.

We are contracted to provide housing support to 41 people under a subcontract with the lead provider, Turning Lives Around. The support is provided in Touchstone tenancies (in association with several RSLs and private landlords). In 2022/23 we provided support to a total of 77 individuals.

Housing support is mainly funded through a Support Contract with Leeds City Council. Rent is charged for properties managed by Touchstone; this is eligible for housing benefit so no potential service users are excluded.

Assertive Outreach and Support

The Community Support Team (CST)

The Team operates from Touchstone House in Beeston (Leeds). It works city wide to support people with mental health difficulties who have been excluded from other existing services, due to the complexity of their needs or their difficult behaviours.

The Team works on an 'assertive outreach' basis, engaging and supporting service users in the community. It also provides some activities of a more social nature, particularly at weekends, and through the Outlook Group.

The Outlook group has developed into a focused programme run in partnership with Assertive Outreach which supports group activities both within our services and the wider community. Our main CST service has helped people with a variety of issues from supporting asylum seekers, parents developing access to their children, to attending training courses and overcoming agoraphobia.

80% of referrals for the CST service must come from Community Mental Health Teams who we work in close partnership with to provide a step down from statutory services back into community participation and life.

In 2022/23 we provided support to a total of 227 individuals.

Rehabilitation and Recovery Project

The Rehabilitation and Recovery project aims to support service users in both the Recovery Centre to make the challenging transition to living in the community. The project is unique in that the voluntary sector work alongside NHS staff on the wards developing a proportional and joined up approach to supporting people in recovery in a holistic way. It benefits from different agencies working together in partnership-Leeds York Partnership NHS Foundation Trust, Touchstone, Community Links and Leeds Mind sharing good practice and promoting innovation.

Blossom Service

Blossom is an NHS-funded pilot to work with women who have been subject to Female Genital Mutilation (FGM) across the North of England. The service is a partnership with Leeds Community Healthcare who provide nurses to perform medical procedures whilst Touchstone employs an advocate with lived experience and a mental health support worker.

In 2022/23 we provided support to a total of 21 individuals.

Community Development Work

Mentally Healthy Leeds

Mentally Healthy Leeds (MHL) is a city-wide service commissioned by Public Health since April 2018. MHL builds on the former Community Development Service that worked successfully to build the mental health resilience of BME communities across Leeds. MHL extends this anti-stigma approach across Leeds, offering support and advice to people and employers around mental health promotion and accredited suicide prevention training via our partner, Community Links.

In 2022/2023, the total number of service users supported by MHL was 314.

Better Together

This service is a partnership of 5 organisations working together across North East Leeds to promote good health and wellbeing via group and individual support it is hosted and managed as part of MHL and East Leeds Health for All (ELHfA). The separate number of service users supported by Better Together in 2022/2023 was 315.

Wellbean Hope in a Crisis Café

Leeds

The Wellbean Café works to reduce hospital admissions, reduce factors associated with the inappropriate use of statutory services and provide a safe alternative to NHS mental health support. In 2019, the café was extended to Touchstone House using Winter Pressures funding and has now been commissioned by the Clinical Commissioning Group for 7 nights across Leeds. The three sites are: Touchstone House, Lincoln Green Community Centre and New Wortley Community centre. A total of 69 service users were supported across the three Leeds Cafes during 2022/2023. To note, due to the nature of this service and other crisis cafes, it is used by many 'regular visitors' which gives context to the numbers accessing within the year.

Kirklees

We continue to operate another WellBean Café in Kirklees which operates across two sites, Huddersfield and Dewsbury.

Wakefield Safe Space Crisis Café

Touchstone in partnership with GASPED and Spectrum People was awarded the contract to run Wakefield Safe Space Crisis Café from October 2020, initially for 3 nights and has now been commissioned for 7 nights a week, to operate across Wakefield district until October 2022 with the option to extend by 1 year. Core aim of the service is to:

- Provide a safe, high-quality response for both physical and virtual visitors of the Safe Space to de-escalate the presenting crisis; Support visitors of the Safe Space to continue with other Community Sector Providers by making the necessary warm transfers and referrals using a social prescribing approach.
- Encourage the use of Safe Space when required as part of crisis escalation plans. Due to challenges with recruitment the service has not yet been able to move to 7 nights a week. The total number of service users supported during 2022/2023 was 100.

Daytime Activities and Support

Live Well Leeds

This is a city-wide service for people with mental health difficulties in Leeds. The service is a partnership with 18 other charities and it has been designed to increase access to people from specific communities of interest such as Gypsy Travellers, Asian women, people who are Deaf and visually impaired, sex workers and from Black Minority Ethnic communities. It runs 7 days a week both from premises owned by Leeds City Council and leased at a peppercorn rent and across the city in premises owned/run by sub-contracted partners. The service is a pioneer for Leeds City Council's Adult Social Care Department, and we are regularly featured as exemplars of good practice in commissioning to other local authorities and in the media. The service has an embedded befriending and volunteer offer and many of our volunteers go on to formal volunteering and employment with Touchstone and other organisations.

Referrals are a short telephone or one to one conversation which incorporates a short risk assessment. Anyone can attend a welcome café to become a service user but they will be assessed by a Trusted Assessor (from across all 19 delivery partners) for access to 1-2-1 support, otherwise the offer is group work, befriending or volunteering.

All aspects of the service follow a holistic approach, which is service user-led, including integrating people with mild to moderate mental health problems back into mainstream services and employment. All groups offer educational and therapeutic activities. This service also incorporates "Dosti" which means friendship in Urdu, Hindi, Punjabi, and Gujarati and is a support service for South Asian women.

Live Well Leeds is based at the Support Centre which is also a hub for many services as it hosts Touchstone's Sikh Elders Service, Association of Blind Asians, and Dial House @ Touchstone. During 2022/2023, 1,786 service users were supported by Live Well Leeds (across the consortium.)

Black, Minority Ethnic (BME) Dementia Service

The BME Dementia Service provides specialist support to people living with memory problems or a diagnosis of dementia and their carers from ethnic minorities. Our aim is to raise awareness of dementia within BME communities by breaking down the barriers that exist about dementia and bring it out into the open so that people can access the support they need while meeting their language, cultural and religious needs.

We provide culturally appropriate Dementia awareness talks within community settings such as Day centres, local community groups or religious centres in English, Punjabi, Hindi, or Urdu languages. We also run a fortnightly South Asian Dementia Café, Hamari Yaadain (Our Memories) on the first and third Thursday of every month from 1pm to 3pm. The café is for South Asian people with memory issues and their carers and run in a mother tongue. The total number of service users supported by the BME Dementia Service in 2022/2023 was 114.

Kirklees Advocacy Service

The IMHA (Independent Mental Health Advocacy) service continues to provide vital statutory support to people detained in hospital, alongside the Community Advocacy service.

In late 2018, Touchstone won the contract to deliver IMCA, DoLS and Care Act advocacy and these services were integrated into the Kirklees Advocacy Service throughout 2019 under the new name of ASK for Advocacy, which is a partnership with Leeds-based charity, Advonet.

In 2022/2023 we provided support to a total of 1,924 individuals.

Kirklees Peer Brokerage

The Peer Led Brokerage Service has continued to deliver its innovative service, with individuals being supported by staff and peers to maximize the benefits of their self-directed support personal budgets from Kirklees Council, and "self-funding" individuals. This service not only supports individuals on their recovery pathway but also has an important role to play in sharing good practice and spreading awareness of how effective mental health services should be delivered.

Liaison & Diversion

Liaison and Diversion (L&D) services identify people who have mental health, learning disability, substance misuse or other vulnerabilities when they first come into contact with the criminal justice system as suspects, defendants or offenders.

The service can then support people through the early stages of criminal justice system pathway, refer them for appropriate health or social care or enable them to be diverted away from the criminal justice system into a more appropriate setting, if required.

The West Yorkshire contract is delivered in partnership with Wakefield Council, Together Women Project, Leeds Police and Leeds Youth Offending Service, the service is now offered across Leeds, Bradford, Kirklees, Calderdale and Wakefield. In West Yorkshire the total number of service users supported across L&D was 1,155.

In South Yorkshire, Touchstone provides the peer volunteering and support element of Liaison and Diversion, in partnership with South West Yorkshire Partnership Foundation Trust and our staff are based in Barnsley, working across Sheffield, Barnsley and Doncaster.

Coproduction Rehabilitation Service

This is a new service that was commissioned in October 2019 for coproduction peer support workers to identify the needs of people held in secure accommodation and co-produce alternative provision to enable them to live more/independently in the community. We now have a Female Coproduction worker and a male coproduction worker which work with individuals to gain the voice of users to strengthen their experience with services.

Crisis Resolution Intensive Support Service (CRISS)

The Crisis Resolution and Intensive Support Service is a multidisciplinary and multi-agency service made up of staff from Leeds Yorkshire Partnership NHS Foundation Trust, Adult Social Care, Harm reduction workers and Community Links. The service aims to provide immediate Crisis interventions, safety planning and ongoing referral for community-based services or for hospital admission.

Since 2020 Touchstone has provided the peer support workers with lived experience to this service. They provide peer support and practical assistance to people in order for them to take control over their own lives and engage actively in their unique recovery process.

West Yorkshire Health and Social Care System (ICS) Workforce Support

This service is offered through Touchstone as lead 3rd sector organisation and expertise in supporting recruitment, retention and diversity workforce strategies in health and social care roles, including giving one to one employment support to people.

Leeds Mental Wellbeing Service (LMWS)

The Leeds Mental Wellbeing Service (LMWS) was established in November 2019 bringing together existing primary care mental health services including Improving Access to Talking Therapies (IAPT) under one single five-year contract led by the Leeds Community Healthcare NHS Trust (LCH).

The aim of the service is to provide integrated, primary care based, mental health support for people with mild/moderate and complex Common Mental Health Disorders (CMHD) and stable Serious Mental Illness (SMI). The IAPT service delivery element continues within this integrated primary care mental health service which also includes peer support and coproduction initiatives, the latter elements being led by Touchstone.

In 2022/23 we provided support to a total of 2,536 individuals.

SHAFIA

Shafia is a Touchstone project working across West Yorkshire and South Yorkshire. Shafia means renewal, restoration and healing in Urdu. Touchstone's approach is to work with people who have offended from the South Asian community based on a recovery and strengths-based approach.

Staff work with South Asian people who have committed offences to resettle them within their communities across West Yorkshire providing a comprehensive and unique range of consultancy and cultural interpretation services.

Self-Directed Support (SDS)

SDS is for people with usually, Adult Social Care, personal budgets who opt for Touchstone to provide them with the kind of support that meets their goals, whenever, wherever and however they choose. SDS is provided by a group of bank and permanent staff who work with individuals who "buy" their services according to their agreed support plan objectives.

In 2022/23 we provided support to a total of 31 individuals.

Employment & Education

Workplace Leeds

Our employment support worker/job retention work with the Workplace partnership, has continued to develop in collaboration between Leeds Mind, ourselves and Community Links to support people with mental health needs to retain and find work opportunities in Leeds.

Neighbourhood Services

The Sikh Elders' Service

This service is modelled on Leeds' network of Neighbourhood Services for Older People but takes account of the identity and needs of Sikh elders. It aims to develop a variety of projects to benefit the social, physical, and mental well-being of Sikh elders; develop projects that will respect cultural and religious need; promote independent living; reduce isolation; and promote privacy, dignity, and choice. Services are provided both to groups in the community and to people in their own homes.

The focus of the service is to extend befriending opportunities to older Punjabi speaking people across Leeds and for transport support to reduce social isolation. 105 service users were registered with the service in 2022/23.

Organisation-wide performance and achievements

Good progress has been made in achieving the objectives set out in the Strategic Business Plan. The trustees are particularly pleased to note:

- Growth of organisation (services and staff) e.g., new footprint in Rotherham and Wakefield (Safe Space), developing our work with men (Men's Unlocked and Men in Health services) and continued growth in the Leeds Mental Wellbeing Service
- Ranked 56th on Stonewall's Top 100 Employers List 2023 and achieved a Gold Award
- We gained 2* accreditation for "Outstanding Staff Engagement" from Best Companies to Work for.
- In the Top 100 Best Companies to Work for 2023, we came Fifth Best Charity to Work for and 58th Best Large Company to Work For in the UK, and 22nd Best Company to Work for in Yorkshire and the Humber.
- We are 3rd in the UK's Top 50 Most Inclusive Employers List
- We gained Disability Confident Leader accreditation.
- Further development of BME, Neurodiversity and Disability staff peer support groups during the year.
- Touchstone actively involved in West Yorkshire ICS Health Partnership e.g., Recruitment & Inclusion

Financial Review

Performance

Total income for the year was £9,778,026 (2022: £8,453,357) an increase of £1.324m (15.7%). Touchstone has managed to maintain excellent growth through the extension of existing contracts and winning successful new contracts through the hard work of the business development team and directors.

Expenditure in year was £9,295,751 (2022: £8,417,673) and surplus of £479,078 (2022: £63,601). The surplus position was significantly enhanced through one off financial gains on risk reward arrangements with our LMWS contract and a substantial unrestricted legacy donation.

At the year-end, Touchstone had Net Asset position of £2,359,966 (2022: £1,880,887) of which £190k are restricted funds.

Current Asset Investments

There was a small loss on investments (£3,197) – (2022: £27,917 gain)

Touchstone intends its investment decisions to achieve the best financial return available consistent with the ethical principles reflecting the charity's aims.

Touchstone recognises that all financial investments carry a level of risk and that the likely rewards of each investment rise in relation to the perceived level of risk.

Touchstone intends to take a prudent approach, mitigating the specific risks of individual investments by ensuring diversification of investments, between classes of investment and individual investments, and by avoiding high risk investments entirely.

The charity continues to invest with COIF Charities Investment Fund, the fund has limited ethical exclusions and has therefore, been determined as and promoted as a responsible fund.

Future Plans 2023-2024

Our major digital transformation programme supported by 'agile' working will continue and bring about more efficiencies and resources which can then be better channelled into front line services. Service users will remain at the heart of plans to better align our resources to service delivery priorities.

A three-year investment programme to build up infrastructure capacity is underway for 2022-2025 and this will support the organisation's central services and resources to better enable efficient, effective and sustainable service delivery.

Touchstone's expertise and track record around Diversity, Inclusion and Co-Production initiatives will provide a competitive edge in business development and growth as well as enhancing our reputation local, regional and national reputation.

We have continued to grow over the last few years and anticipate a continued emphasis on bidding competitively for new and existing contracts that funders and commissioners announce.

Touchstone is actively involved in strategic health partnerships arising out of the Health and Social Care Act 2022 which includes Touchstone taking the 'systems' lead in Community Mental Health Transformation, Men's Health and Inclusive recruitment best practice.

Specific direction is set out in Touchstone's Strategic Business Plan 2021 – 2026, which had a fundamental refresh in March 2022 and is reviewed and updated annually. The Plan sets out five strategic objectives up to 2026 with detailed steps for the next three years and an indication of the actions for subsequent years.

Touchstone main objectives for 2023-24 are set out below:

Sustain and grow high quality support services for those most vulnerable to mental health issues across Yorkshire.

We will do this by:

- Identifying need amongst the most vulnerable groups and communities we work with and developing high quality bids to deliver services to meet that need.
- Influencing and developing systems level collaborative relationships with commissioners and decision-makers to invest in the groups/communities we identify using case studies, data and insight reporting.
- Delivering growth through our Business Development Strategy to ensure we have the infrastructure to support our teams, grow our reserves in line with our reserves policy and are sustainable for the future.
- Invest in support services infrastructure to ensure there is capacity supporting and enabling good sustainable quality service delivery.
- Having a sustainable reserves strategy better aligned to the organisation's strategic business plan priorities.

Become a partner of choice and develop sustainable relationships with the statutory, public, private and voluntary sectors. We will do this by:

- Continuing to highlight the contribution of Touchstone to the elimination of health inequalities via delivery of our annual Communications Strategy and plan.
- Developing 10 new local and strategic partnerships throughout the year
- Participating in emerging systems level 'Collaboratives' and to explore potential opportunities from this.
- Investing in maintaining existing partnerships both through contractual relationships and through skills share and other generous leadership initiatives.
- Showcasing Touchstone's expertise in coproduction and sharing this with partners.

To maintain a just, safe and reflective culture to continuously improve our stakeholder experience. We will do this by:

- Providing high quality and respectful services measured by achievement of at least 95% satisfaction rate in the annual service user survey
- Reporting and reviewing 100% complaints received throughout the year alongside a service user audit panel and undertaking lessons learned reviews where required.
- Completing 100% safeguarding self-audits and auctioning all recommendations during the year.
- Developing and implementing a robust Information Governance/Security Strategy

Embed co-production to involve service users and carers in all aspects of service delivery and design.

We will do this by:

- Providing high quality and respectful services measured by achieving a target of 95% satisfaction rate in the annual service user survey
- Embedding the role of a new Co-Production and Service Users Involvement Coordinator
- Developing a Service User Leadership Academy to support better involvement of service users in decision making.
- To increase the capacity and number of service user consultants.

Engagement with Employees (including disabled persons)

We aspire to be an employer of choice; recognising and continuously developing our people as valued and essential leaders in the delivery of quality services. We are already recognised for our approach and achievements in our ambition (see page 13). We will strengthen this further by:

- Applying the best leadership and people management practices
- Maintaining high level of Inclusive Companies and Stonewall accreditations
- Being a Top national Investors in People Platinum Employer
- Maintaining a happy and healthy workforce as evidenced by levels of sickness absence of 4% or less and maintaining or improving the wellbeing scores in our annual Best Company staff survey. To develop a wellbeing strategy in line with IIP Platinum recommendations.
- Developing and implementing an organisational wide volunteering strategy to support people to develop and thrive in Touchstone and gain the required skills/experience to be able to apply for job roles within Touchstone as well as complement service delivery.
- Celebrating the diversity and difference of our staff through ongoing engagement, improved representation, investment in development opportunities and benchmarking against national best practice standards e.g., inclusive Companies, Stonewall Employers list
- Continuing to invest in the work of our staff Green Group, implementing the Climate Emergency Policy actions, alongside them.

We regularly review our recruitment policies to ensure they are equitable and support applications from disabled persons. Alongside we plan to review our Access to Work policy to support employees that have a disability or become disabled. We have increased our support for strengthening our staff network groups and ensure regular communication across the organisation led by the Chief Executive and senior managers.

Principal Funding Sources

The accommodation services are funded through rent charges to individual tenants, the majority of which, in practice, are received as directly paid Housing Benefit, and through support funding paid under a contract with Leeds City Council as part of a consortium with Turning Lives Around and Foundation. Touchstone also provides volunteer elements of the contract on behalf of other consortium partners.

Other services are mainly funded through statutory sources. Leeds City Council (Adult Social Care) provide block contract funding for Live Well Leeds Sikh Elders Service, Mentally Healthy Leeds, Your Space, Better Together (East Leeds Health for All -ELHfA) and part of the income for the Community Support Team (CST).

NHS Leeds CCG continues to fund services - Leeds Mental Wellbeing Service, a majority contribution to the Community Support Team, and Wellbean Café – Hope in a Crisis.

NHS Kirklees CCG funds the Kirklees Wellbean Café and contribution towards the Kirklees Ask for Advocacy service.

Leeds Yorkshire Partnership NHS Foundation Trust continue to fund elements of the wider CST portfolio including Rehab and Recovery, CRISS, Complex Rehab and CREST services.

Income from self-directed support (SDS), provided on individual contracts for each service user, continues to fluctuate, mainly provided by Leeds City Council for people eligible for personal budgets.

The Ask for Advocacy and Peer Support Services are funded through Kirklees Council.

NHS England fund the Liaison and Diversion Services, via contracts with Wakefield Council in West Yorkshire and South and West Yorkshire Partnerships Foundation NHS Trust (SWYFT) in South Yorkshire.

Reserves Policy

The Board has agreed as policy that the free reserves of the organisation, defined as the net current assets that are neither restricted nor designated for specific purposes, should be sufficient to provide a reasonable working balance to meet commitments as they become due whilst recognising the possible delays in receipt of grants and other income due. The Board has assessed that, under current circumstances, the free reserves should be the equivalent of 3 months' total anticipated expenditure.

Our restricted funds are £190,669 (2022: £185,029) – note 16 provides further details.

Based on the 2023/24 organisation budget and expenditure, free reserves should be £2,927k. As at 31 March 2023, free reserves (excluding unrestricted fixed assets) stood at £2,056k. Due to ensuring our contracts deliver a minimum of 2.5% contribution towards reserves, the charity has increased free reserves by 33%, however the reserves are £871k from the target level, our strategic business plan and budgeting will aim to reduce the gap over the medium term.

The Board's reserves policy also requires the trustees to reassess any designated funds annually when reviewing its reserves so that no funds are needlessly designated and excluded from the calculation of reserves. Our designated funds, which are set aside to meet agreed essential future spending remain at £64,777 and are primarily earmarked for maintenance and service user projects – note 18 provides further details.

Trustees are currently reviewing the reserves policy of the charity to ensure that it is fit for purpose and ensures that the charity is able to utilise its funds to achieve its objectives.

The trustees have assessed the major risks to which the charity is exposed to and are satisfied those systems are in place to mitigate exposure to the major risks.

STRUCTURE GOVERNANCE AND MANAGEMENT

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 30 November 1987, and a registered charity. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Appointment of Trustees

Trustees serve on the Board in the capacity of both Company Director and Charity Trustee. They receive no remuneration and any expenses reclaimed are set out in Note 7 to the accounts. Appointments to the Board are made at the Annual General Meeting in accordance with the detailed regulations set out in the Articles of Association. Between Annual General Meetings, the Board itself has the power to make further appointments to the Board.

One third of the Trustees retire every three years at the Annual General Meeting and are eligible for re-election.

The trustees encourage service user involvement with the Board and service users are invited to all meetings and have a standing agenda item for feedback. Former service users are also able to become trustees.

The charity complies with the charity governance code recommendation in relation to the Trustee maximum term of office (3x3 years) however one trustee's term was extended beyond this maximum due to their particular area of expertise within Adult Social Care and Safeguarding.

Trustee Induction and Training

Potential trustees would generally meet with the Chair of Trustees and the Chief Executive and are invited to attend at least one Board meeting as an observer, before joining the Board. There is a new Open Recruitment policy for Trustees as well as an induction pack of organisational information for new trustees.

There is at least one Board Away day each year to reflect on strategy, performance, and future priorities with senior managers, as well as a Trustee only half day which considers governance matters.

At this meeting, Trustees have for the past four years conducted a facilitated self-assessment of their Governance performance using the key principles of the revised 2017 Charity Governance Code as parameters for the self-assessment process and the NCVO questionnaire framework.

The 2022 Governance Code Review noted overall improvements in governance performance measured against these key principles. The Board has again evaluated the possibility of an external review of this process and has concluded that this would not be cost effective for a charity of this size.

Trustees are encouraged and supported to attend other relevant training both externally and that provided by Touchstone.

Organisational Structure

The Board of trustees, which shall not have less than 6 or more than 20 trustees, is responsible for the strategic direction and governance of the organisation. The Board meets at least five times a year and there are five sub committees covering Finance and Development, Operations and Quality Standards, Risk and Audit, Governance and a Joint Negotiating and Consultative Committee.

The management structure is headed by the Chief Executive, who is appointed by the Board to manage the day-to-day operations of the organisation. The Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and service delivery.

The Chief Executive is responsible to the Board for the operation and development of the organisation, in line with the Strategic Business Plan, and for advising the Board on strategy and policy issues. In this, the Chief Executive is currently assisted by the Senior Leadership Team consisting of the Deputy Chief Executive, Business Development Director, Finance Director, Operations Director - Inclusion, Operations Director – Quality and Performance and People and Culture Director.

Key Management Remuneration Policy

Pay and remuneration for the charity's key management personnel are set by the trustees with reference to the standard local government pay scales. While annual cost of living increases are determined by national negotiation between local government employers and trade unions, the scale range of each role are periodically reviewed by trustees with reference to external comparators (benchmarks) including published salary surveys from reputable professional and industry bodies, and samples of advertised scales for similar roles being recruited in comparable organisations.

Risk Management

The Board of Trustees conducts regular and frequent reviews of the major risks to which the organisation is exposed through the Risk and Audit Committee, the Finance and Development Committee and the Operations Committee. This includes assessing the potential impact and likelihood, identifying the current controls in place, and those to be put in place, to mitigate the risk.

A corporate risk register is maintained of risks faced by the organisation under the headings of Governance, External, Business Development, IT, Regulatory & Compliance, Financial, Operational, Communications and PR and People and Culture. It is jointly compiled by trustees, senior managers and staff. Particular attention being paid to risks that the organisation sees as having a high potential impact and a high residual likelihood of occurrence despite existing controls.

Plans and strategies for managing and mitigating risks include seeking to diversify income sources, proactively managing commissioner relationships, robust budgeting to ensure delivery of best value for money, maintaining strong relationships with funders, a clear strategic direction, strong governance and quality assurance processes.

Touchstone holds insurances deemed suitable and sufficient for the scale and nature of operations, including Directors and Officers Indemnity cover.

The trustees, who are also the directors for the purpose of company law, and who served during the year and to the date of signing were:

Trustee	Appointed	Resigned
Jeremy Horsell (Chair)		
Janet Reynolds		
Philip Gleeson		
Sue Timothy		
Tom Stanley		
Sam Cheverton		
Andrea Beever		
Stephen Bailey		
Sally Anderson	26/10/2022	
Prof Edgar Meyer		01/10/2023
Dr Iwi Ugiabe-Green		01/10/2023
Solomy Chawatama		21/09/2022
Katie Gleghorn		30/05/2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

The trustees' report was approved by the Board of Trustees.

Jerry Horn

.....

Trustee:

Date: 11 March 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOUCHSTONE - LEEDS

Opinion

We have audited the financial statements of Touchstone - Leeds for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet and the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOUCHSTONE – LEEDS (Continued)

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOUCHSTONE – LEEDS (Continued)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019.

We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud.

The laws and regulations we considered in this context were Charities Commission Regulations and requirements from funders.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant and donation income and the override of controls by management.

Our audit procedures to respond to these risks included:

- enquiries of management and the Trustees about their own identification and assessment of the risks of irregularities,
- sample testing on the posting of journals,
- reviewing accounting estimates for biases,
- reviewing contracts and carrying out detailed substantive testing on the completeness of income,
- reading minutes of meetings of those charged with governance; and
- obtaining confirmation from the trustees that there was no regulatory correspondence with the Charity Commission.


INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOUCHSTONE – LEEDS (Continued)

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Susan Seaman BA FCA CIOT 
(Senior Statutory Auditor)
SAGARS ACCOUNTANTS LTD
Chartered Accountants & Statutory Auditor
Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG

March 2024 11 March 2024

TOUCHSTONE – LEEDS

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE)
FOR THE YEAR ENDED 31 MARCH 2023

	Note	General £	Designated £	Funds £	2023 £	2022 £
INCOME FROM						
Donations & Legacies	2	135,802	-	-	135,802	-
<i>Income from charitable activities:</i>	2					
Accommodation & Housing Support		557,135	-	-	557,135	557,248
Assertive Outreach & Support		1,495,391	-	-	1,495,391	1,022,560
Community Development Work		2,155,439	-	83,135	2,238,574	1,858,140
Daytime Activities & Support		5,014,817	-	176,197	5,191,014	4,851,637
Employment and Education		82,487	-	-	82,487	35,820
Neighbourhood Services		67,860	-	-	67,860	68,649
		<u>9,508,931</u>	<u>-</u>	<u>259,332</u>	<u>9,768,263</u>	<u>8,394,054</u>
Other trading activities	3	9,531	-	-	9,531	59,277
Bank interest		232	-	-	232	26
TOTAL INCOME		<u>9,518,694</u>	<u>-</u>	<u>259,332</u>	<u>9,778,026</u>	<u>8,453,357</u>
EXPENDITURE ON						
<i>Expenditure on charitable activities:</i>	4					
Accommodation & Housing Support		588,760	-	-	588,760	554,265
Assertive Outreach & Support		1,390,214	-	-	1,390,214	965,020
Community Development Work		2,142,411	-	72,399	2,214,810	1,925,133
Daytime Activities & Support		4,726,945	19,760	208,653	4,955,358	4,880,670
Employment and Education		81,086	-	-	81,086	31,800
Neighbourhood Services		65,523	-	-	65,523	60,785
		<u>8,994,939</u>	<u>19,760</u>	<u>281,052</u>	<u>9,295,751</u>	<u>8,417,673</u>
TOTAL EXPENDITURE		<u>8,994,939</u>	<u>19,760</u>	<u>281,052</u>	<u>9,295,751</u>	<u>8,417,673</u>
NET INCOME / (EXPENDITURE)		<u>523,755</u>	<u>(19,760)</u>	<u>(21,720)</u>	<u>482,275</u>	<u>35,684</u>
Gains from investments	9	(3,197)	-	-	(3,197)	27,917
NET INCOMING RESOURCES		<u>520,558</u>	<u>(19,760)</u>	<u>(21,720)</u>	<u>479,078</u>	<u>63,601</u>
Transfers between funds		(47,119)	19,760	27,359	-	-
NET MOVEMENT IN FUNDS		<u>473,439</u>	<u>-</u>	<u>5,639</u>	<u>479,078</u>	<u>63,601</u>
TOTAL FUNDS BROUGHT FORWARD		1,631,081	64,777	185,030	1,880,888	1,817,286
TOTAL FUNDS CARRIED FORWARD		<u>2,104,520</u>	<u>64,777</u>	<u>190,669</u>	<u>2,359,966</u>	<u>1,880,887</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

TOUCHSTONE – LEEDS

BALANCE SHEET AS AT 31 MARCH 2023 – COMPANY NUMBER 02200394

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	10	130,679	147,446
CURRENT ASSETS			
Debtors	13	2,011,100	1,049,434
Investments	12	368,171	371,368
Cash at bank and in hand		<u>3,378,920</u>	<u>3,635,344</u>
		5,758,191	5,056,146
CREDITORS: Due within one year	14	<u>(3,528,904)</u>	<u>(3,322,705)</u>
NET CURRENT ASSETS		<u>2,229,287</u>	<u>1,733,441</u>
NET ASSETS		<u><u>2,359,966</u></u>	<u><u>1,880,887</u></u>
REPRESENTED BY:			
Restricted funds	16	190,669	185,029
<u>Unrestricted funds</u>			
General funds	17	2,104,520	1,631,081
Designated funds	18	<u>64,777</u>	<u>64,777</u>
		2,169,297	1,695,858
TOTAL FUNDS		<u><u>2,359,966</u></u>	<u><u>1,880,887</u></u>

The notes on pages 27-42 comprise part of these financial statements

The financial statements were approved and authorised for issue by the Trustees on 11 March 2024

Jeremy Horsell

.....
Jeremy Horsell
Trustee (Chair)

Stephen Bailey

.....
Stephen Bailey
Trustee

TOUCHSTONE – LEEDS

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Cash flows from operating activities:					
Cash generated from operations	20		(260,366)		1,194,891
Investing activities					
Purchase of tangible fixed assets		-		-	
Sale/Purchase of Current Asset Investments		-		(50,000)	
Net cash (used in) / generated from investing activities			-		(50,000)
Net cash used in financing activities			-		-
Net (decrease) / increase in cash and cash equivalents			(260,366)		1,144,891
Cash and cash equivalents at the beginning of the year			3,693,784		2,548,893
Cash and cash equivalents at the end of the year			<u>3,433,418</u>		<u>3,693,784</u>
Relating to:					
Cash at bank and in hand			3,378,920		3,635,344
Notice Deposits			54,500		58,440

1. Accounting policies

Charity information

Touchstone – Leeds is a company limited by guarantee incorporated in England and Wales. The registered office is Touchstone House, 2-4 Middleton Crescent, Leeds, LS11 6JU. The charity's principal activities are described in detail on page 5 along with the nature of the charity's operations. The company has adopted the following principal accounting policies which should be read in conjunction with the financial statements.

Accounting convention

The financial statements have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Going Concern

The Trustees have reviewed the annual forecast and Touchstone's Strategic Business Plan 2021-26 and are mindful that we are in a continued period of public sector efficiency cuts alongside reforms in how services are provided and the potential impact this could have on our income sources.

This assessment is based on our core funding being stable and we continue to diversify our income streams across West Yorkshire to further mitigate the risk of these being reduced. This, along with government support and large retained reserves will allow the charity to continue to meet its obligations as they fall due and operate as a going concern.

As a result, the trustees have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

Charitable funds

Funds held by the charity are either:

Unrestricted general funds

These are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds

These are funds set aside by the trustees out of unrestricted general funds for specific future purposes of projects.

Restricted funds

These are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for a particular restricted purpose.

1. Accounting policies (Continued)

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Incoming resources

Rental income is credited in respect of the period to which it relates.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Contract income and any other funding received in respect of the cost of providing services is credited to the income and expenditure account in the period to which it relates, unless it relates to a previously audited year, when it is credited as received.

Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

Legacy income is recognised when receipt is probable and entitlement is established.

Income is recognised by the charity only when it is entitled to, it is measurable, and it is probable they will receive such income

Resources expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed or proportionally charged to the functional categories of resources expended in the SOFA. The company is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. The costs include those related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Costs related to the management and administration of the organisation, which include senior management, finance and administrative support, and the overheads of premises shared by different service areas, are allocated to the functional areas by application of the following three factors:

- an assessment is made of the time devoted by central staff to the governance of the charity itself as distinct from support of its service areas. Currently it is assessed that 5% of the Directors and Senior Managers' time, and therefore other service costs, are allocated to this;
- costs related to shared premises are allocated in proportion to the floor area occupied by the different functional areas;
- costs related to 'primary' management, financial and administrative support are allocated in proportion to the staff costs of the different functional areas of the organisation.

Tangible fixed assets

All purchases of and improvements to land and buildings costing more in total than £1,000 are capitalised and depreciated. Additions to office equipment and fixtures and fittings costing more than £1,000 are capitalised and depreciated. Refurbishment and tenancy furniture costing less than £1,000 is written off as incurred.

1. Accounting policies (Continued)

Freehold property is depreciated on a straight-line basis over 50 years. Freehold renovation is depreciated on a straight-line basis over 25 years.

Other fixed assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Office equipment	33%
Fixtures and fittings	15%

Current asset investments

Touchstone intends its investment decisions to achieve the best financial return available consistent with the ethical principles reflecting the charity's aims. Touchstone recognises that all financial investments carry a level of risk and that the likely rewards of each investment rise in relation to the perceived level of risk. Touchstone intends to take a prudent approach, mitigating the specific risks of individual investments by ensuring diversification of investments, between classes of investment and individual investments, and by avoiding high risk investments entirely. No investment will be made in non-traded equities, hedge funds, commodities or derivatives.

Investments held as current asset investments are stated at fair value at the balance sheet date. Any difference between cost and market value is adjusted annually through the Statement of Financial Activities

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amount of its tangible assets to determine whether there is any indication that those assets have suffered and impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial Instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1. Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include debtors, cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled

Retirement benefits

The company operates a defined contribution pension scheme, the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. Income from Donations & Legacies and Income from Charitable Activities

a) Donations & Legacies		Unrestricted Funds		Restricted	Total	Total		
		General	Designated	Funds	2023	2022		
		£	£	£	£	£		
Legacies		135,802	-	-	135,802	-		
		<u>135,802</u>	<u>-</u>	<u>-</u>	<u>135,802</u>	<u>-</u>		
b) Charitable Activities		Contract	Grant	Housing	Other	SDS	Total 2023	Total 2022
		Income	Income	Income	Income	Income	£	£
		£	£	£	£	£	£	£
Accommodation & Housing Support		151,027	-	403,508	-	2,600	557,135	557,248
Assertive Outreach & Support		1,495,391	-	-	-	-	1,495,391	1,022,560
Community Development Work		2,149,214	88,135	-	1,225	-	2,238,574	1,858,140
Daytime Activities & Support		4,781,286	176,197	-	67,421	166,111	5,191,014	4,851,637
Employment and Education		82,487	-	-	-	-	82,487	35,820
Neighbourhood Services		61,359	6,500	-	-	-	67,860	68,649
		<u>8,720,764</u>	<u>270,832</u>	<u>403,508</u>	<u>68,646</u>	<u>168,711</u>	<u>9,632,461</u>	<u>8,394,054</u>

3. Other Trading Activities

3. Other Trading Activities

	Total 2023	Total 2022
	£	£
Other Activities	9,763	59,303
	<u>9,763</u>	<u>59,303</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**4. Expenditure from charitable activities**

	Accommodation & Housing Support £	Assertive Outreach & Support £	Community Development Work £	Daytime Activities & Support £	Employment and Education £	Neighbourhood Services £	Total 2023 £	Total 2022 £
Activity & Welfare Costs	958	8,134	89,267	45,095	517	5,783	149,754	138,358
Audit, Consultancy & Professional Fees	-	-	-	8,973	-	-	8,973	10,504
Central	9,875	45,131	76,443	117,322	1,750	2,609	253,130	92,707
Grants - Partners & Networks	-	1,000	231,819	888,312	-	-	1,121,131	1,186,217
Depreciation (Restricted)	-	-	-	5,689	-	-	5,689	1,017
Furniture, Repair & Renewal	33,943	-	4,523	9,888	-	-	48,354	46,824
Other Direct Service Costs	377	-	605	-	-	-	982	2,393
Other Office & Mgmt Costs	355	28	1,727	3,975	2	220	6,307	3,773
Premises Rent & Utilities	196,423	-	100,455	69,790	-	-	366,668	270,278
Printing, Stationery & IT	727	7,750	28,386	53,883	5,099	171	96,016	66,205
Property Maintenance	15,689	-	-	10,424	-	-	26,113	20,452
Provider Rent, HA Charges & Council Tax	-	-	-	-	-	-	-	-
Staff Travel, Recruitment & Training	4,855	28,916	10,645	41,506	513	242	86,677	72,220
Staffing Costs	240,882	1,099,824	1,348,001	3,006,495	61,607	46,888	5,803,697	5,187,792
Telephone & Postage	3,397	7,512	27,179	41,450	404	565	80,507	100,873
	507,481	1,198,295	1,919,050	4,302,802	69,892	56,478	8,053,998	7,199,613
Primary Support Costs	58,515	138,168	212,927	469,795	8,059	6,512	893,976	947,554
Supplementary & Governance Costs	22,764	53,751	82,833	182,761	3,135	2,533	347,777	270,506
	588,760	1,390,214	2,214,810	4,955,358	81,086	65,523	9,295,751	8,417,673

5. Support costs

	Charitable Activities	Governance	Total 2023	Total 2022
	£	£	£	£
Specific 'Central' Salaries	619,891	17,537	637,428	369,783
Personnel Costs	98,759	-	98,759	53,491
Administrative Costs	142,421	118,508	260,929	515,389
Touchstone House Costs	244,636	-	244,636	111,572
Total	<u>1,105,707</u>	<u>136,045</u>	<u>1,241,752</u>	<u>1,050,235</u>

6. Net movement in funds

	Total 2023	Total 2022
	£	£
Net movement in funds is stated after charging/(crediting)		
Auditors Remuneration	15,000	15,000
Depreciation of owned tangible fixed assets	16,764	43,445
	<u>16,764</u>	<u>43,445</u>

7. Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2021/22 – none)

Expenses incurred on behalf of the charitable company and reimbursed to 1 trustees during the year amounted to £443 (2021/22: 0) which related to travel, accommodation, and subsistence

8. Employees

	Total 2023 Number	Total 2022 Number
The average monthly number of employees during the year was:	255	249

Employment Costs

Wages & Salaries
Agency & Relief Staff
Severance Payments

**Total 2023
£** **Total 2022
£**

5,891,731 5,234,556
4,420 30,919
1,933 5,035

5,898,084 5,270,510

Social Security Costs
Other Pension Costs

534,621 440,728
131,062 128,182

6,563,766 5,839,420

Remuneration of key management personnel is as follows:

**Total 2023
£** **Total 2022
£**

Aggregate compensation inc employers NI and pension contributions

382,445 322,842

Key management personnel comprises of the senior management team.

The number of employees whose annual remuneration was £60,000 or more were:

	Total 2023 Number	Total 2022 Number
£80,000 - £89,000	-	-
£70,000 - £79,000	1	1
£60,000 - £69,000	-	1

9. Net gains/(losses) on investments

	Total 2023 £	Total 2022 £
Revaluation of investments	(3,197)	27,917

10. Tangible fixed assets

	Freehold property (inc renovation costs)	Office equipment	Total
	£	£	£
COST			
At 1 April 2022	206,596	142,798	349,394
Disposals	(12,377)	(142,798)	(155,175)
At 31 March 2023	<u>194,219</u>	-	<u>194,219</u>
DEPRECIATION			
At 1 April 2022	63,548	138,400	201,948
Depreciation charged in year	12,366	4,398	16,764
Eliminated in respect of disposals	(12,374)	(142,798)	(155,172)
At 31 March 2023	<u>63,540</u>	-	<u>63,540</u>
NET BOOK VALUE			
At 31 March 2023	<u>130,679</u>	-	<u>130,679</u>
At 31 March 2022	<u>143,048</u>	4,398	<u>147,446</u>

11. Tangible fixed assets (freehold property)

	Land and buildings	Renovation costs	Fixtures and fittings	Total
	£	£	£	£
COST				
At 1 April 2022	152,623	4,631	49,342	206,596
Disposals	-	-	(12,377)	(12,377)
At 31 March 2023	<u>152,623</u>	4,631	36,965	<u>194,219</u>
DEPRECIATION				
At 1 April 2022	27,463	1,966	34,119	63,548
Charge for year	5,690	185	6,492	12,366
Eliminated in respect of disposals	-	-	(12,374)	(12,374)
At 31 March 2023	<u>33,153</u>	2,151	28,237	<u>63,540</u>
NET BOOK VALUE				
At 31 March 2023	<u>119,471</u>	2,480	8,728	<u>130,679</u>
At 31 March 2022	<u>125,160</u>	2,665	15,223	<u>143,048</u>

12. Current asset investments

12. Current asset investments

	Total 2023	Total 2022
	£	£
Investments	368,171	371,368

The movement on the investments balance in year is made up of the following:

	Equity	Deposit	Total
	£	£	£
As at 1 April 2022	312,930	58,438	371,368
Investment in year	-	-	-
Gain/(Loss)	741	(3,938)	(3,197)
As at 31 March 2023	313,671	54,500	368,171

13. Debtors: amounts falling due within one year

	Total 2023	Total 2022
	£	£
Trade Debtors	1,786,957	879,063
Other Debtors	26,078	25,280
Prepayments and accrued income	198,066	145,091
	<u>2,011,100</u>	<u>1,049,434</u>

14. Creditors: amounts falling due within one year

	Total 2023	Total 2022
	£	£
Trade Creditors	(176,835)	(111,483)
Other Taxation and Social Security	(153,141)	(146,245)
Other Creditors	(3,478)	(8,250)
Accruals and Deferred Income	(3,195,450)	(3,056,727)
	<u>(3,528,904)</u>	<u>(3,322,705)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**15. Deferred income**

Deferred income movements in the year are as follows:

	Total 2023	Total 2022
	£	£
Brought forward	2,748,559	1,315,074
Recognised within the year	(888,632)	(361,483)
New deferrals in the year	1,072,631	1,794,968
Balance carried forward	<u>2,932,558</u>	<u>2,748,559</u>

Deferred income relates to income received in advance when the charity does not have entitlement until the service has been provided

16. Restricted funds

The income funds of the charity included restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes

	Movement in funds				
	Balance at 1	Incoming	Resources	Transfers	Balance at
	April 2022	resources	expended	£	31 March
	£	£	£	£	2023
	£	£	£	£	£
Freehold Property	88,239	-	(5,689)	-	82,550
The Big Lottery Fund Grant; WY-FI	30,306	-	-	-	30,306
The Big Lottery Fund Grant; PCP	13,252	-	-	-	13,252
ESIF: Connecting Opportunities	-	99,464	(116,129)	16,665	-
ESIF: Stronger Families	-	38,757	(48,259)	9,502	-
CDW: MAP+ Project	53,232	-	-	-	53,232
ABCD Training & Facilitation	-	-	-	-	-
ABCD Community Builder	-	27,282	(27,874)	592	-
TB Awareness	-	5,000	(436)	-	4,565
3rd Sector Visibility	-	6,000	(4,300)	-	1,700
BAME Dementia Support	-	1,300	(1,300)	-	-
Winter Warmer Grant (BT)	-	7,965	(5,370)	-	2,595
Bradford Perinatal Support	-	36,676	(37,276)	600	-
TOPS	-	33,546	(32,248)	-	1,298
SU Digital Library	-	3,342	(2,171)	-	1,171
	<u>185,029</u>	<u>259,332</u>	<u>(281,051)</u>	<u>27,359</u>	<u>190,669</u>

16. Restricted funds (Continued)

	Movement in funds				Balance at 31 March 2022 £
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	
Freehold Property	89,259	-	(1,018)	(2)	88,239
The Big Lottery Fund Grant; WY-FI	30,306	-	-	-	30,306
The Big Lottery Fund Grant; PCP	13,252	-	-	-	13,252
ESIF: Connecting Opportunities	-	126,687	(130,520)	3,833	-
ESIF: Stronger Families	-	60,111	(75,606)	15,496	-
CDW: MAP+ Project	53,232	-	-	-	53,232
ABCD Training & Facilitation	-	27,606	(27,606)	-	-
ABCD Community Builder	-	31,065	(31,065)	-	-
Chapel Allerton Hub TLF	-	100,323	(100,323)	-	-
TLF Funding	93,964	-	(93,964)	-	-
Sikh Elders	-	5,403	(5,403)	-	-
Healthy Connections	25,000	-	(36,704)	11,704	-
BFD Perinatal Support	-	12,959	(12,959)	-	-
Movers & Shakers	-	18,050	(18,050)	-	-
SU Digital Library	-	6,498	(6,498)	-	-
	<u>305,013</u>	<u>388,701</u>	<u>(539,716)</u>	<u>31,031</u>	<u>185,029</u>

The freehold property fund is the grant funded part of Touchstone House which houses several services and main offices.

The CDW Map+ Project fund represents funding received from Leeds City Council for targeted work with new migrant communities in Leeds.

The Big Lottery Fund Grants (WY-FI and PCP) funds represent the income and associated expenditure on two projects funded by Big Lottery.

ESIF Funds (Connecting Opportunities and Stronger Families) represent the income and associated expenditure on two projects funded by European Structural and Investment Funds.

ABCD Community Builder represents funds received from Leeds City Council to employ a community builder to lead an ABCD approach to communities within the Lincoln Green area of the city.

Additional funding and grants received to complement the work of the BAME Dementia Support Project, TOPS (extension funding).

Winter Warmer grant monies to help support vulnerable individuals across Winter 22/23 and deliver TB awareness work. Alongside was a small grant for capacity building and visibility within 3rd Sector.

Bradford Perinatal Support - represents funding from NHS Charities Together for a programme in Bradford supporting Women who are experiencing perinatal mental health issues as a result of a recent pregnancy.

SU Digital Library – Provision of digital engagement through tablets and data to ensure that we continue to provide services to those vulnerable, isolated and unwell members of the most deprived communities of West Yorkshire

During the year there has been a transfer of funds between unrestricted and restricted funds to cover additional funding requirements for 4 services this was to cover essential costs to deliver the services that are not reclaimable under the terms of the grants.

17. Unrestricted funds – General

	Movement in funds				Balance at 31 March 2023 £
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	
Unrestricted funds	1,631,081	9,515,497	(8,994,939)	(47,119)	2,104,520
	<u>1,631,081</u>	<u>9,515,497</u>	<u>(8,994,939)</u>	<u>(47,119)</u>	<u>2,104,520</u>

	Movement in funds				Balance at 31 March 2022 £
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	
Unrestricted funds	1,447,496	8,092,573	(7,870,738)	(38,250)	1,631,081
	<u>1,447,496</u>	<u>8,092,573</u>	<u>(7,870,738)</u>	<u>(38,250)</u>	<u>1,631,081</u>

18. Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes

	Movement in funds				Balance at 31 March 2023 £
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	
Touchstone House					
cyclical maintenance	5,000	-	(16,835)	16,835	5,000
Support Centre					
cyclical maintenance	15,000	-	(2,925)	2,925	15,000
dilapidations	25,000	-	-	-	25,000
Service User Evaluation	19,777	-	-	-	19,777
	64,777	-	(19,760)	19,760	64,777

	Movement in funds				Balance at 31 March 2022 £
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	
Touchstone House					
cyclical maintenance	5,000	-	(2,493)	2,493	5,000
Support Centre					
cyclical maintenance	15,000	-	(4,726)	4,726	15,000
dilapidations	25,000	-	-	-	25,000
Service User Evaluation	19,777	-	-	-	19,777
	64,777	-	(7,219)	7,219	64,777

18. Designated funds (Continued)

Touchstone House – cyclical maintenance is required to maintain the property; the trustees consider it prudent to designate sufficient funds to allow for future redecoration and routine maintenance above day to day repairs.

Support Centre – cyclical maintenance this fund is to allow for future decoration and routine maintenance, above strictly day to day repairs, to ensure the property is kept to a high standard.

Support Centre – dilapidations, this fund has been designated to meet the cost of internal and external decorating and any other repairs required at the end of the lease.

Service User Evaluation - The service user evaluation fund is for research that was commissioned by Touchstone and has been transferred from Restricted Funds during the year, the programme has been delayed and currently under review

19. Analysis of net assets between funds

19. Analysis of net assets between funds

	Unrestricted Funds		Restricted Funds	Total
	General	Designated	Funds	
	£	£	£	£
Fund balances at 31 March 2023 are represented by:				
Tangible Assets	48,129	-	82,551	130,680
Net Current Assets	2,056,391	64,777	108,118	2,229,286
	<u>2,104,520</u>	<u>64,777</u>	<u>190,669</u>	<u>2,359,966</u>

	Unrestricted Funds		Restricted Funds	Total
	General	Designated	Funds	
	£	£	£	£
Fund balances at 31 March 2022 are represented by:				
Tangible Assets	59,207	-	88,239	147,446
Net Current Assets	1,571,874	64,777	96,790	1,733,441
	<u>1,631,081</u>	<u>64,777</u>	<u>185,029</u>	<u>1,880,887</u>

20. Cash generated from operations

	Total 2023	Total 2022
	£	£
Surplus for the year	479,078	63,601
Adjustments for:		
Investment income recognised in SOFA	-	-
Fair value (gains) and losses on investments	(741)	(30,580)
Depreciation and impairment of tangible fixed assets	16,764	43,445
Movements in working capital:		
Decrease/(increase) in debtors	(961,666)	(227,354)
(Decrease)/increase in creditors	206,199	1,345,779
Cash generated by operations	<u>(260,366)</u>	<u>1,194,891</u>

21. Operating Lease Note

The charity has future minimum lease payments under non-cancellable operating leases as follows:

	Total 2023	Total 2022
Expiring within 1 Year	-	-
Expiring within 2-5 Years inclusive	12,322	12,322
Over 5 Years	-	-
	<u>12,322</u>	<u>12,322</u>

22. Related party transactions

During the year, the charity offered training to Leeds Older Peoples Forum which is part Volition. Volition is the Leeds Third Sector Umbrella Organisation. Arfan Hanif (CEO) is a board member of Volition. A payment of £300 was received by Touchstone from Leeds Older Peoples Forum for the training. (2022:0)

23. Members liability

The company is limited by guarantee. Every member of the company is liable to contribute to the assets of the company in the event of the company being wound up either whilst he is a member or within one year of him ceasing to be a member, for payment of the debts and liabilities of the Association contracted before he ceased to be a member, and of the cost, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount not to exceed £1.

At 31 March 2023 the number of members so liable was 5 (2022 – 5)