Charity Registration No. NIC100773

Company Registration No. NI003511 (Northern Ireland)

THE TOWELL BUILDING TRUST LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

THE TOWELL BUILDING TRUST LIMITED

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THE TOWELL BUILDING TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr D.G. Galbraith Mr S. Duffield Mrs L Foster Mrs M. Guiler Mrs L. Hyndman Mr D. Kealey Mr I. Laird Mrs V. Lapsley Mr A.J. Martin Mr B. Robinson	(Appointed 8 June 2023)
Secretary	Mrs J. Brooker	
Charity number	NIC100773	
Company number	NI003511	
Principal address	Towell House 57 Kings Road Knock Co Antrim BT5 7BS	
Registered office	4th Floor Donegall House 7 Donegall Square North Belfast BT1 5GB	
Auditor	Moore (N.I.) LLP 4th Floor Donegall House 7 Donegall Square North Belfast BT1 5GB	
Bankers	Danske Bank Donegall Square West Belfast BT1 6JS	
Solicitors	Crawford Lockhart Black Linenhall House 13 Linenhall Street Belfast BT2 8AA	

THE TOWELL BUILDING TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their report and accounts for the year ended 31 December 2023, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The accounts have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the Trust's Memorandum and Article 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) (effective 1 January 2015)"

Objectives and activities

The Trust's objects are set out in the Memorandum and Articles of Association and may be summarised as :

- to provide accommodation for older people and people with physical disabilities irrespective of their financial means;

- to care for residents of such accommodation including the provision of medical care and social activities appropriate to their needs and consistent with their wellbeing and circumstances;

- to provide alternative care to older people and people with physical disabilities irrespective of their financial means.

Our aim is to meet the needs of our residents for safe accommodation with good quality catering, appropriate activities and care in a manner that reflects their rights and is consistent with our obligations to them, their families and friends.

Ensuring our work delivers our aims

The policies adopted in furtherance of these objects are that we keep our aim and objectives under continuous review to ensure that we meet the needs of our residents and there has been no change in these during the year. In addition the Trustees carry out monthly telephone reviews with a selection of relatives on the operation of the home. The Trustees also carry out monthly inspections of the home which, inter alia, include reviews with a selection of residents and staff. These reviews are designed to ensure that any issues that residents, their relatives or the staff have may be identified, considered and addressed. Additionally, a series of internal audits are carried out each month. The outcome of all the reviews is documented and reported to the Board each month. The home is also subject to regular inspection by the Regulation and Quality Improvement Authority.

Our main objectives for the year continued to be the provision of quality accommodation, care and activities for both our permanent and respite residents. The strategies that we used to meet our objectives included:

-providing safe accommodation for our residents

-focusing on the provision of quality catering

-focusing on providing a wide range of activities and entertainment

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding the activities the Trust should undertake.

Information on matters of potential concern to staff is given through meetings, information bulletins and reports which seek to achieve a common awareness on the part of all the staff of the operation of all aspects of the home including economic factors that may impact these operations.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Trust continues and that the appropriate training is arranged. It is the policy of the Trust that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

How our activities deliver public benefit

Public benefit from our services is directed at the frail and elderly population aged over 65 years or physically disabled population aged under 65 years, irrespective of their means. Direct benefits are derived from a number of our services:

-Provision of accommodation;

-Assessing need and providing care appropriate to these assessed needs;

-Providing an all inclusive facility with a range of activities appropriate to the individual to prevent feelings of boredom and social isolation;

-Providing an environment that promotes improved physical and mental health and well being;

-Providing respite care to the frail and elderly population aged over 65 years or physically disabled population aged under 65 years, enabling carers to have a break. This provides additional support to carers, assisting them in continuing their caring role at home with their service user; and

-Providing step-down care to hospitalised patients who are either frail and elderly and aged 65 years and above or physically disabled and aged under 65 years. We assist with the recovery and rehabilitation as a stepping stone to returning to their own homes.

Achievements and performance

Demand for the type of care we offer has remained high with average occupancy of 97% (2022 - 97%). There is still a waiting list for rooms. The building and gardens are maintained to a high standard and improvements are made when finances allow. The Trustees commenced a substantial building programme during the year.

Financial review

The Trustees believe it is very important that the Trust is financially secure and that the financial performance is reviewed regularly. A budget is prepared annually and is discussed and agreed by the board. In the course of the discussion the directors consider issues that are likely to impact on the current year and known issues that will arise in the future. The key issues that have been identified are the adequacy of the level of funding paid by the Health & Social Care Trusts and the cost implications of retaining and recruiting staff in a competitive labour market.

The financial performance is reviewed at each board meeting. A report detailing the performance for the previous month and the year to date relative to the budget, together with commentary there-on, is circulated in advance of each meeting.

The Trust's investments are managed on a discretionary basis by Investment Managers who submit a report on the performance of the investments on a quarterly basis. This is reviewed by the Chief Executive Officer and the Finance Director and is available to all the Trustees. Meetings are held with the Investment Managers to review the performance of the investments as required.

The Trust recorded a satisfactory financial outcome for the year. The operating surplus for the year was £102,789 as compared with £30,425 for 2022. Provided the substantial inflation-driven increases in operating costs that arose in 2022 and continue, it is essential that the Government increases the funding of care for the elderly to a level that adequately reflects the cost of providing this service.

The Trustees consider it prudent to hold monies in reserve in the event that unforeseen circumstances should lead to financial difficulties which might put the future of its trading as a going concern and its employment capacity, general charitable work and property in jeopardy. The Trustees believe the strength of the Balance Sheet has helped maintain the business as a going concern during this year.

Reserves

The Trustees have examined the charity's requirements for reserves in light of the main risks to the organisation and established a formal policy which stipulates that free reserves be maintained at a level which ensures that the charity's core activity could continue during a period of unforeseen difficulty. Free reserves are defined by the Trustees as unrestricted income funds freely available for use as the charity so determines and thereby excludes any funds committed, invested in tangible fixed assets held by the charity and restricted or designated funds.

The Trustees consider that the most appropriate policy for investing funds continues to be in a balanced portfolio of investments with a minimum risk mainly quoted on the London Stock Exchange that spreads the risk and provides opportunity for income and for capital growth. This portfolio is managed by an external firm of investment managers.

Risk management

The Trustees have assessed the major risks to which the Trust is exposed and are satisfied that systems are in place to mitigate exposure to the major risks, albeit the current inflationary pressure on costs remains a matter of some concern.

Plans for future periods & factors affecting the financial position in future periods

The Trustees will continue to comprehensively review the operational activity of the home. Positive steps are underway for the future to establish new links within the local community thereby lifting the charity profile and the services it has to offer.

Towell House continues to operate successfully and provides high quality accommodation and care to all residents. There remains a high demand for residential care and there is a waiting list for rooms. The building and gardens are maintained to a high standard and improvements are made when finances allow. The Trustees commenced a substantial building programme during the year. This programme will increase the number of resident rooms in the Home, increase the number of ensuite rooms and upgrade facilities for residents and staff. Recent refurbishment works have been financed from internally generated funds but bank funding will be required to complete the development plan. The Trustees are confident that this investment will prove to be self-funding within a relatively short period of years.

Planning our estate maintenance, training matrix and our staffing requirements for the future will ensure we keep abreast of the care industry standard requirements and ensure we meet organisational goals and targets.

The main factors which are likely to affect the financial performance or position going forward are:-

- the impact of the substantial annual increases in National Living Wage on all staff costs in an increasingly competitive labour market

- and the related pension costs

- the ability to recruit and retain staff

- the demand for appropriate quality residential care in the community

- the cost implications of new and onerous regulatory standards imposed in the care industry

- the impact of the current inflationary pressure on all aspects of costs of operating the home

- the continuing inadequacy of the funding provided by the Health and Social Care Trusts

- the availability of bank funding to complete the development programme in a timely manner

Structure, governance and management

The Trust is a company limited by guarantee, not having a share capital. It is registered in Northern Ireland (registration number: NI003511) and has obtained charitable status with The Charity Commission for Northern Ireland (reference number: NIC100773). It is governed by its Memorandum and Articles of Association. In the event of the company being wound up and a shortfall ensuing, the members are required to contribute an amount not exceeding fifty pence.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr D.G. Galbraith	
Mr S. Duffield	
Mrs L Foster	(Appointed 8 June 2023)
Mrs M. Guiler	
Mrs L. Hyndman	
Mr D. Kealey	
Mr I. Laird	
Mrs V. Lapsley	
Mr A.J. Martin	
Mr G.R. McGowan	(Resigned 8 June 2023)
Mr J.C. Morton	(Resigned 8 June 2023)
Mr B. Robinson	
Mrs J. Whiteside	(Resigned 8 June 2023)

Under the terms of the Articles of Association one third of the Trustees are required to retire each year but may offer themselves for re-election at the Annual General Meeting.

The Trustees retiring by rotation this year are:

Mr S. Duffield
Mr D. Kealey
Mr A. Martin

Mr G.R. McGowan, Mr J.C. Morton and Mrs J. Whiteside did not seek re-election at the 2023 annual general meeting, we thank them for their dedicated service and insightful contributions to the work of the Board over many years.

All of the Trustees give their time and skills voluntarily and receive no payments for the services they provide.

The Trustees aim to ensure that the Board consists of people suitably qualified with wide experience from a variety of backgrounds so as to bring a broad skills mix to the management of the company.

The Trustees have established a Risk Register to facilitate the development of the risk management process. The Register seeks to identify all significant risks that the Home faces along with action to mitigate and manage each risk that has been identified. The Register is subject to regular review and up-dated as deemed appropriate.

The Board of Trustees, appointed by the members of the Trust, meet regularly throughout the year. The executive management, in charge of the day-to-day operations, reports to the Board on a monthly basis. Sub-committees which have been established by the Board to deal with specific issues, meet as required and report to the Board accordingly.

The Trustees, at the board meetings, make all the major decisions, including strategic decisions, regarding all aspects of the operation of the Trust. This includes the approval of the budget annually, all significant expenditure of a capital nature, the level of fees charged to privately funded residents and any additional or supplementary fees that have to be charged to Trust funded residents. Decisions regarding the day to day running of the Trust are made by the Chief Executive Officer and the Senior Management Team who meet regularly in order to ensure the efficient management of the operations.

Mrs Jill Brooker is the member of the Senior Management Team to whom the Charity Trustees delegate day to day management.

Most new Trustees have some knowledge of the work carried on by Towell House before they join the Board. A "Cooks Tour" of the organisation is available along with meetings with the Chief Executive Officer and the Home Manager for potential new directors/trustees.

The Trust retains the services of a Human Resources Advisor who provides information on pay levels for the Senior Management Team as and when required.

The company has no relationships with third parties that would be considered to be related undertakings.

The Towell Building Trust holds total unrestricted reserves of £1,836,238.

Auditor
The auditor, Moore (N.I.) LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Disclosure of information to auditor
Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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

Mr D.G. Galbraith

Dated: 7 May 2024

THE TOWELL BUILDING TRUST LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees, who are also the directors of The Towell Building Trust Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent; and

- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

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

THE TOWELL BUILDING TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE TOWELL BUILDING TRUST LIMITED

Opinion

We have audited the financial statements of The Towell Building Trust Limited (the 'Trust') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 December 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 Trust 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 Trust'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in 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 returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Trust for the purpose 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act (NI) 2013, the Charity SORP, UK financial reporting standards as issued by the Financial Reporting Council, the Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003, and the Safeguarding Vulnerable Groups (Northern Ireland) Order 2007.

- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF THE TOWELL BUILDING TRUST LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

R. I. Peters Gallagher

Dr R I Peters Gallagher OBE FCA (Senior Statutory Auditor)
for and on behalf of Moore (N.I.) LLP

7 May 2024

Chartered Accountants
Statutory Auditor

4th Floor Donegall House
7 Donegall Square North
Belfast
BT1 5GB

THE TOWELL BUILDING TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Income from:					
Donations, legacies and government support grants	3	**86,761**	**-**	**86,761**	180,059
Charitable activities	4	**3,424,207**	**-**	**3,424,207**	3,200,760
Other trading activities	5	**12,621**	**-**	**12,621**	11,272
Investments	6	**18,862**	**4,964**	**23,826**	19,242
Total income		**3,542,451**	**4,964**	**3,547,415**	3,411,333
Charitable activities	7	**3,439,662**	**4,964**	**3,444,626**	3,380,908
Net gains/(losses) on investments	12	**3,309**	**3,984**	**7,293**	(18,046)
Net income		**106,098**	**3,984**	**110,082**	12,379
Net movement in funds	8	**106,098**	**3,984**	**110,082**	12,379
Reconciliation of funds:					
Fund balances at 1 January 2023		**1,730,140**	**117,019**	**1,847,159**	1,834,780
Fund balances at 31 December 2023		**1,836,238**	**121,003**	**1,957,241**	1,847,159

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE TOWELL BUILDING TRUST LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	13		1,615,268		1,545,679
Investments	14		415,562		415,252
			2,030,830		1,960,931
Current assets					
Debtors	15	75,903		63,802	
Cash at bank and in hand		301,512		292,616	
		377,415		356,418	
Creditors: amounts falling due within one year	18	(451,004)		(395,448)	
Net current liabilities			(73,589)		(39,030)
Total assets less current liabilities			1,957,241		1,921,901
Creditors: amounts falling due after more than one year	19		-		(74,742)
Net assets			1,957,241		1,847,159
Income funds					
Restricted funds	21		121,003		117,019
Unrestricted funds - general			1,836,238		1,730,140
			1,957,241		1,847,159

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Trustees on 7 May 2024

Mr D.G. Galbraith
Trustee

Mrs M. Guiler
Trustee

Company Registration No. NI003511

THE TOWELL BUILDING TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Cash flows from operating activities					
Cash generated from operations	28		**234,033**		114,898
Investing activities					
Purchase of tangible fixed assets		**(184,769)**		(54,063)	
Purchase of investments		**(14,565)**		(12,010)	
Proceeds from disposal of investments		**21,548**		20,544	
Investment income received		**23,826**		19,242	
Net cash used in investing activities			**(153,960)**		(26,287)
Financing activities					
Repayment of bank loans		**(71,418)**		(68,406)	
Net cash used in financing activities			**(71,418)**		(68,406)
Net increase in cash and cash equivalents			**8,655**		20,205
Cash and cash equivalents at beginning of year			***289,509***		269,304
Cash and cash equivalents at end of year			**298,164**		289,509
Relating to:					
Cash at bank and in hand			**301,512**		292,616
Bank overdrafts included in creditors payable within one year			**(3,348)**		(3,107)

1 Critical accounting estimates and judgements

In the application of Towell Building Trust Limited's ("The Trust's") accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Accounting policies

Charity information

The Towell Building Trust Limited is a private company limited by guarantee incorporated in Northern Ireland. The registered office is 4th Floor Donegall House, 7 Donegall Square North, Belfast, BT1 5GB.

2.1 Accounting convention

The accounts have been prepared in accordance with the Trust'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 2016). The Trust is a Public Benefit Entity as defined by FRS 102.

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

2.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Trust.

2.4 Incoming resources

Income is recognised when the Trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt.

2 Accounting policies **(Continued)**

2.5 Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Funding provided through contractual agreements and performance related grants is recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Governance costs include those incurred in the governance of its assets and are primarily associated with constitutional and statutory requirements.

2.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Fixtures and fittings	15% straight line
Sensory garden capital	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

2.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date, taken as the quoted market price on the stock market. Transaction costs are expensed as incurred. Changes in fair value are recognised in other recognised gains and losses except to the extent that a gain reverses a loss previously recognised in net income expenditure, or a loss exceeds the accumulated gains recognised in equity; such gains and loss are recognised in net income/(expenditure) for the year.

2.8 Impairment of fixed assets

At each reporting end date, the Trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an 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).

2.9 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.

2.10 Financial instruments

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

Financial instruments are recognised in the Trust's balance sheet when the Trust 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.

2 **Accounting policies** **(Continued)**

Basic financial assets

Basic financial assets, which include debtors and 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 and bank loans 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 Trust's contractual obligations expire or are discharged or cancelled.

2.11 **Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.12 **Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

3 **Donations, legacies & government support grants**

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Donations	317	77
Legacies	-	-
Government support grants	86,444	179,982
	86,761	180,059

4 Income from charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income from care services	**3,424,207**	3,200,760

5 Other trading activities

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Other trading activities	**12,621**	11,272

6 Investments/income

	Unrestricted funds general £	Restricted funds £	Total 2023 £	Total 2022 £
Dividend income	**13,417**	**4,964**	**18,381**	18,323
Bank interest receivable	**5,445**	**-**	**5,445**	919
	18,862	**4,964**	**23,826**	19,242
For the year ended 31 December 2022	14,646	4,596		19,242

7 Charitable activities

	Provision of charitable services	Support costs	Total 2023	Total 2022
	£	£	£	£
Staff costs	1,737,731	728,340	2,466,071	2,438,178
Depreciation and impairment	115,180	-	115,180	126,883
Other direct costs	316,340	-	316,340	249,426
Other overheads	533,988	-	533,988	549,293
Auditors remuneration	5,850	-	5,850	6,400
Bank interest and charges	7,197	-	7,197	10,728
	2,716,286	728,340	3,444,626	3,380,908
	2,716,286	728,340	3,444,626	3,380,908

8 Net movement in funds

	2023	2022
	£	£
Net movement in funds is stated after charging/(crediting)		
Fees payable for the audit of the charity's financial statements	5,850	6,400
Depreciation of owned tangible fixed assets	115,180	126,883

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Trust during the year. (2022 - none.)

10 Analysis of staff costs, Trustee remuneration and expenses and cost of key management and personnel

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Management and supervisory	6	7
Operational staff	93	93
	99	100

Employment costs	2023 £	2022 £
Wages and salaries	2,140,821	2,120,271
Social security costs	184,783	186,137
Other pension costs	135,503	91,402
Other staff benefits	-	35,772
	2,461,107	2,433,582

The total remuneration of the senior management team was £364,023 (2021 - £347,884).

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

	2023 Number	2022 Number
70,001 to 75,000	1	1

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

12 Net gains/(losses) on investments

	Unrestricted funds general	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Revaluation of investments	**4,518**	**3,984**	**8,502**	(14,707)
Loss on sale of investments	**(1,209)**	**-**	**(1,209)**	(3,339)
	3,309	**3,984**	**7,293**	(18,046)
For the year ended 31 December 2022	(17,775)	(271)		(18,046)

13 *Tangible fixed assets*

	Freehold land and buildings	Fixtures and fittings	Sensory Garden Capital	Total
	£	£	£	£
Cost				
At 1 January 2023	2,218,491	1,760,030	57,307	4,035,828
Additions	150,831	33,938	-	184,769
At 31 December 2023	**2,369,322**	**1,793,968**	**57,307**	**4,220,597**
Depreciation and impairment				
At 1 January 2023	808,012	1,624,830	57,307	2,490,149
Depreciation charged in the year	46,386	68,794	-	115,180
At 31 December 2023	**854,398**	**1,693,624**	**57,307**	**2,605,329**
Carrying amount				
At 31 December 2023	**1,514,924**	**100,344**	**-**	**1,615,268**
At 31 December 2022	1,410,479	135,200	-	1,545,679

14 Fixed asset investments

	Unrestricted listed investments	*Restricted* listed investments	*Total*
	£		£
Cost or valuation			
At 1 January 2023	297,442	117,810	415,252
Additions	14,565	-	14,565
Valuation changes	4,519	3,983	8,502
Disposals	(22,757)	-	(22,757)
At 31 December 2023	**293,769**	**121,793**	**415,562**
Carrying amount			
At 31 December 2023	**293,769**	**121,793**	**415,562**
At 31 December 2022	297,442	117,810	415,252

The investments held are all United Kingdom listed investments. The following represent holdings of greater than 5% of the total portfolio value,

Fund name	**% Held**
M&G Securities Ltd	11.78
City of London Investment Trust	8.53

Fixed asset investments revalued

The investments are held on the balance sheet at market value. The historical cost of the portfolio is £288,404 (2022: £299,181).

15 Debtors

Amounts falling due within one year:	**2023** £	**2022** £
Trade debtors	**10,835**	20,152
Other debtors	**19,309**	12,029
Prepayments and accrued income	**45,759**	31,621
	75,903	63,802

16 Financial instruments

	2023	2022
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	**30,144**	32,181
Instruments measured at fair value through profit or loss	**415,562**	415,252
Carrying amount of financial liabilities		
Measured at amortised cost	**398,550**	422,301

17 Loans and overdrafts

	2023	2022
	£	£
Bank overdrafts	**3,348**	3,107
Bank loans	**74,526**	145,944
	77,874	149,051
Payable within one year	**77,874**	74,309
Payable after one year	**-**	74,742

18 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	£
Bank loans and overdrafts	17	**77,874**	74,309
Other taxation and social security		**52,454**	47,889
Trade creditors		**159,359**	80,599
Other creditors		**8,566**	4,538
Accruals and deferred income		**152,751**	188,113
		451,004	395,448

19 Creditors: amounts falling due after more than one year

	Notes	2023	2022
		£	£
Bank loans	17	**-**	74,742

20 Retirement benefit schemes

Defined contribution schemes

The Trust operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Trust in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £135,503 (2022 - £91,402).

21 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2023
	£	£	£	£	£	£
	117,019	4,964	(4,964)	-	3,984	121,003

Previous year:	At 1 January 2022	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2022
	£	£	£	£	£	£
	121,584	4,596	(4,596)	(4,294)	(271)	117,019

22 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2023
	£	£	£	£	£	£
General funds	1,730,140	3,542,451	(3,439,662)	-	3,309	1,836,238

Previous year:	At 1 January 2022	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2022
	£	£	£	£	£	£
General funds	1,713,196	3,406,737	(3,376,312)	4,294	(17,775)	1,730,140

23 Funds

The General reserve is an unrestricted fund and incorporates revaluations of investments.

The restricted fund is composed of the McKennan Bequest as well as the net book value of the Sensory Garden, the construction of which was supported by Belfast City Council. McKeenan Bequest income is to be distributed annually between the members of staff of Towell House.

24 Analysis of net assets between funds

	Unrestricted 2023	Restricted 2023	Total 2023	Total 2022
	£	£	£	£
Fund balances at 31 December 2023 are represented by:				
Tangible assets	1,615,268	-	**1,615,268**	1,545,679
Investments	293,769	121,793	**415,562**	415,252
Current assets/(liabilities)	(72,799)	(790)	**(73,589)**	(39,030)
Long term liabilities	-	-	**-**	(74,742)
	1,836,238	**121,003**	**1,957,241**	1,847,159

25 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

26 Analysis of changes in net funds

	At 1 January 2023	Cash flows	At 31 December 2023
	£	£	£
Cash at bank and in hand	292,616	8,896	**301,512**
Bank overdrafts	(3,107)	(241)	**(3,348)**
	289,509	8,655	**298,164**
Loans falling due within one year	(71,202)	(3,324)	**(74,526)**
Loans falling due after more than one year	(74,742)	74,742	**-**
	143,565	80,073	**223,638**

27 Auditors' Ethical Standards

In common with many businesses of our size and nature we use our auditors to assist with the compilation of the statutory financial statements.

28 Cash generated from operations	2023 £	2022 £
Surplus for the year	**110,082**	12,379
Adjustments for:		
Investment income recognised in statement of financial activities	**(23,826)**	(19,242)
Loss on disposal of investments	**1,209**	3,339
Fair value gains and losses on investments	**(8,502)**	14,707
Depreciation and impairment of tangible fixed assets	**115,180**	126,883
Movements in working capital:		
(Increase)/decrease in debtors	**(12,101)**	6,903
Increase in creditors	**51,991**	(30,071)
Cash generated from operations	**234,033**	114,898