

**Sion Mills Buildings Preservation Trust
(A company limited by guarantee)**

Trustees' report and financial statements

for the year ended 30 September 2023

Registration number: NI036935

Northern Ireland Charity number: NIC103552

**McFarland Arnold & Co
Chartered Accountants**

Sion Mills Buildings Preservation Trust
(A company limited by guarantee)

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for the year ended 30 September 2023

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Sion Mills Buildings Preservation Trust
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Legal and administrative information
for the year ended 30 September 2023

Legal status

The company is a private limited company, limited by guarantee, which was incorporated under the Companies (Northern Ireland) Order 1986 under Registration Number NI036935. It is also recognised as a charity by the HM Revenue & Customs under Reference Number XN 33087. The company is a registered charity with the Charity Commission for Northern Ireland since 10 February 2016 under registration number NIC103552.

Registration number	NI036935
Business address	120A Melmount Road Sion Mills Co Tyrone BT82 9ET
Secretary	Mr Graham Robinson (resigned 22 May 2024) Mr Francis Cassidy (appointed 22 May 2024)
Trustees	Mr Francis Cassidy (appointed 17 October 2022) Mr Nigel Collins Mr Stephen Devine (resigned 17 May 2023) Mrs Celia Ferguson Canon William George Irwin Dr Kieran Kennedy (appointed 22 May 2024) Ms Judith McGaffin (appointed 22 May 2024) Mr Graham Robinson (resigned 22 May 2024) Mr Andrew Sheen Ms Judith Walker (appointed 22 May 2024) Mr Andrew White
Auditors	McFarland Arnold & Co 8 Main Street Newtownstewart Omagh Co Tyrone BT78 4AA
Bankers	Bank of Ireland 25 Campsie Road Omagh Co Tyrone BT79 0AE
Solicitors	McCay Legal 1 John Wesley Street Strabane Co Tyrone BT82 8RJ

Sion Mills Buildings Preservation Trust
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Trustees' report
for the year ended 30 September 2023

The trustees present their report and the financial statements for the year ended 30 September 2023.

Directors

Officers of the company, known as directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1 of the financial statements.

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up.

Charitable objects

The principal activities of the charitable company are to preserve, protect and improve buildings or structures of particular beauty or of historic, environmental, architectural, industrial, constructional merit or interest in the Sion Mills area for the public benefit and to restore, renovate, and conserve gardens, parkland, landscapes and estates directly related to such buildings or structures, and to stimulate and educate their interest therein.

Sion Mills Buildings Preservation Trust is a registered charity with the Charity Commission for Northern Ireland since 10 February 2016, under registration number NIC103552.

Organisational structure

The day to day management of the charitable company is carried out and overseen by the trustees on a voluntary basis.

The trustees meet regularly to administer the charitable company's affairs and to make all policy decisions. In accordance with the Articles of Association the number of trustees shall be the Herdmans trustee and at least five and not more than twelve other individuals. One third of the trustees are required to retire each year at the Annual General Meeting. Retiring trustees are eligible for re-election.

Review of activities and achievements

During the year the Trust availed of grants from Derry City and Strabane District Council in relation to The Heritage Animation and Visitor Servicing Fund which covered digital coordinator costs and museum costs.

The Trust has a lease for the operation of Sion Stables from HEARTH. The restaurant, shop and museum/education centre continue to operate although the restaurant tenants vacated the premises in March 2022 and it was vacant until new tenant commenced in February 2023.

The project costs for the Stables are still being finalised by HEARTH and the Trust has a liability for any shortfall but this has not yet been quantified. The initial amount invoiced to the Trust of £9,333 net, in relation to this is included in creditors under other accruals and no further amounts have been provided for.

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Trustees' report
for the year ended 30 September 2023

In 2008, the Trust secured a 99 year lease of the Workspace premises from Herdmans Holdings Limited. The Trust completed their workspace units in 2010 however the units remain unoccupied. Herdmans Holdings Limited went into receivership on 29 June 2011 and the lease was then taken over by the purchaser of the property which has changed hands several times since. The Trust instigated legal proceedings with the new owners regarding the lease obligations and the future of the workspace units. Following the grant of a repossession order dated 20 September 2016, the Trust has taken possession of the workspace units which are in a dilapidated state. The Court Order also provided for the Trust to seek enforcement of its outstanding rent and restoration costs of the units however at a hearing on 3 February 2020, the original judgement was set aside with the judge stating that a Judgment in Default should not stand and that the defendant should have their case heard. The pandemic then meant that all matters were delayed and in the meantime ownership of the property had changed again. This was then further complicated by the death of Mrs Margaret Loughrey in September 2021 (one of the parties to the transaction). The late Mrs Loughrey was sole director of her company Rey Mill Ltd and her entire estate entered probate at the end of 2021. The Trustees are advised that probate has now been finalised and the legal team for the trustees have reached a settlement with the late Mrs Loughrey's legal team which is to pass title of the property known as the Old Mill, to the Trust, together with £50,000 in lieu of outstanding rent. The Trust have a liability for legal fees in relation to this case of £41,275 plus VAT, which is shown as expenditure in this year. At the date of this report the terms of the settlement have not been fulfilled therefore no asset or debtor has been included for this settlement.

In accordance with FRS 102 Section 16 (FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'), the workspace units are revalued to fair value as set out in the notes to the financial statements.

The trustees are aware that the lack of free reserves, together with the economic backdrop, the aftermath of the coronavirus pandemic and the cost of living crisis, will provide a challenging environment in the year to come.

Reserves

The Statement of Financial Activities on page 8 of the financial statements sets out the results for the year. The purpose of the funds are outlined in the notes to the financial statements.

Statement of trustees' responsibilities

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

Company law and charity law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including 'Accounting and Reporting by Charities: Statement of Recommended Practice' (FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 the profit or loss of the company for that year. In preparing these financial statements, the Trustees are required to:

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

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Trustees' report
for the year ended 30 September 2023

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 and with the Charities Act (NI) 2008. 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.

Statement of disclosure of information to auditors

So far as each of the trustees in office at the date of approval of these financial statements are aware:

- there is no relevant audit information of which the company's auditors are unaware, and
- the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

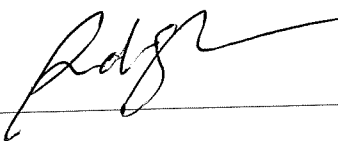
Although the company qualifies for audit exemption the trustees require an audit to be carried out. In accordance with Section 485 of the Companies Act 2006, a resolution proposing that McFarland Arnold & Co be reappointed as auditors of the charity will be put to the Annual General Meeting.

Special provisions relating to small companies

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland') and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the trustees on 20 June 2024 and signed on its behalf by

Signature:



Name (in block capitals):

ANDREW SHEEN
Trustee

Sion Mills Buildings Preservation Trust
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Independent auditors' report to the members of Sion Mills Buildings Preservation Trust
for the year ended 30 September 2023

Opinion

We have audited the financial statements of Sion Mills Buildings Preservation Trust for the year ended 30 September 2023 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including 'Accounting and Reporting by Charities: Statement of Recommended Practice' (Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland').

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2023 and of the 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 including 'Accounting and Reporting by Charities: Statement of Recommended Practice' (Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland');
- 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.

Material uncertainty relating to going concern

We draw attention to notes 16, 17 and 18 in the financial statements, which set out the disclosures regarding the revaluation of the workspace units, the potential shortfall on the Stables and the liability for legal fees incurred on the settlement of the case relating to the workspace units.

These matters indicate that material uncertainty exists that casts significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of these matters.

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

We have nothing to report in this regard.

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Independent auditors' report to the members of Sion Mills Buildings Preservation Trust
for the year ended 30 September 2023

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustee's report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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' exemption from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the statement of trustees responsibilities (set out on page 3), the trustees 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.

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 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 design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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Independent auditors' report to the members of Sion Mills Buildings Preservation Trust
for the year ended 30 September 2023

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained from management whether they were aware of any instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we identified the greatest potential for fraud in the areas in which management is required to exercise significant judgement. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. 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 may be fundamental to the charitable company's ability to operate or to avoid a material penalty. These included data protection, employment, environmental and health and safety regulations.

As a result of performing the above, we identified the potential for management override of the controls as a key audit matter related to the potential risk of fraud. Our procedures to respond to the risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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. This description forms part of our auditor's report.

We have undertaken the audit in accordance with the requirements of Auditing Practices Board's (APB's) Ethical Standards for Auditors; including APB Ethical Standards - Provisions Available for Small Entities as stated below:

- In common with many other businesses of the charitable company size and nature we as auditors assist the charitable company with the preparation of the financial statements; and
- We provide tax advice to the charitable company as and when required, and where necessary, will represent the charitable company at tax tribunals.

Sion Mills Buildings Preservation Trust
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Independent auditors' report to the members of Sion Mills Buildings Preservation Trust
for the year ended 30 September 2023

Purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charitable company's members, as a body, in accordance with 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kate McFarland

.....
Mrs Kate McFarland (senior statutory auditor)
For and on behalf of McFarland Arnold & Co
Chartered Accountants & Statutory Auditors

Dated: *20 June 2024*

McFarland Arnold & Co
Chartered Accountants
8 Main Street
Newtownstewart
Omagh
BT78 4AA

Sion Mills Buildings Preservation Trust
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Statement of financial activities (incorporating the income and expenditure account)
for the year ended 30 September 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total £	2022 Total £
Incoming resources					
Incoming resources from generating funds:					
Grant income	4	-	10,678	10,678	16,586
Other incoming resources	5	28,715	-	28,715	17,484
Total incoming resources		<u>28,715</u>	<u>10,678</u>	<u>39,393</u>	<u>34,070</u>
Resources expended					
Heritage Animation project		3,056	-	3,056	6,600
Museum expenses		11,400	-	11,400	-
Computer costs		180	-	180	4,122
Rent		1,000	-	1,000	1,000
Rates and water rates		383	-	383	610
Electricity and gas		6,318	-	6,318	9,093
Repairs and maintenance		6,080	-	6,080	1,132
Bad debts		-	-	-	4,036
Subscriptions		463	-	463	73
Insurance		342	-	342	370
Telephone		789	-	789	487
Accountancy fees		1,325	-	1,325	1,300
Auditors' remuneration		1,700	-	1,700	1,650
Legal and professional fees		41,275	-	41,275	-
Depreciation & impairment		11	-	11	14
Revaluation of investment property		-	-	-	1,061,917
CFI loan interest		1,567	-	1,567	703
Bank charges		37	-	37	87
Sundry expenses		451	-	451	407
Total resources expended		<u>76,377</u>	<u>-</u>	<u>76,377</u>	<u>1,093,601</u>
Net incoming resources					
before transfers		(47,662)	10,678	(36,984)	(1,059,531)
Transfers between funds		10,689	(10,689)	-	-
Net movement in funds for the year		<u>(36,973)</u>	<u>(11)</u>	<u>(36,984)</u>	<u>(1,059,531)</u>
Total funds brought forward		<u>(62,598)</u>	<u>300,054</u>	<u>237,456</u>	<u>1,296,987</u>
Total funds carried forward		<u>(99,571)</u>	<u>300,043</u>	<u>200,472</u>	<u>237,456</u>

The notes on pages 11 to 19 form an integral part of these financial statements

Sion Mills Buildings Preservation Trust
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Balance Sheet
as at 30 September 2023

		2023		2022	
Notes	£	£	£	£	£
Fixed assets					
Tangible assets	9	300,043		300,054	
Investments		250		250	
		300,293		300,304	
Current assets					
Debtors	10	2,872		2,022	
Cash at bank and in hand		10,984		3,908	
		13,856		5,930	
Creditors: amounts falling due within one year	11	(66,164)		(23,293)	
Net current liabilities		(52,308)		(17,363)	
Total assets less current liabilities		247,985		282,941	
Creditors: amounts falling due after more than one year	12	(47,513)		(45,485)	
Net assets		200,472		237,456	
Funds	13				
Restricted income funds		300,043		300,054	
Unrestricted income funds		(99,571)		(62,598)	
Total funds		200,472		237,456	

The company is registered as a private limited company in Northern Ireland under Registration Number NI 036935.

The financial statements are prepared in accordance with Statement of Recommended Practice: Accounting and Reporting by Charities (FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland') and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

The financial statements were approved by the Board on 20 June 2024 and signed on its behalf by

Signature:




Name (in block capitals):

DREW WHITE ANDREW SWEEN
Trustee Trustee

The notes on pages 11 to 19 form an integral part of these financial statements

Sion Mills Buildings Preservation Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 30 September 2023

1. General information

The company is a private limited company, limited by guarantee, which was incorporated under the Companies (Northern Ireland) Order 1986 under Registration Number NI036935. It is also recognised as a charity by the HM Revenue & Customs under Reference Number XN 33087. The company is a registered charity with the Charity Commission for Northern Ireland since 10 February 2016 under registration number NIC103552. The address of the registered office is 120A Melmount Road, Sion Mills, Co Tyrone, BT82 9ET.

2. Statement of compliance

These financial statements have been prepared in compliance with Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland') and in accordance with the Companies Act 2006.

3. Accounting policies

3.1. Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland')

The charity has taken advantage of the exemption in FRS 102 Section 1A from the requirement to produce a cashflow statement because it is a small charity.

The presentation currency of these financial statements is sterling.

3.2. Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold.

Include here any personal guarantees given by directors in respect of borrowings by the reporting entity

3.3. Resources expended

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

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

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Notes to the financial statements
for the year ended 30 September 2023

3.4. Tangible fixed assets and depreciation

Tangible fixed assets costing more than £500 are capitalised and included at their purchase costs, together with any incidental expenses of acquisition.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Investment properties	-	Straight line over the life of the lease
Fixtures, fittings and equipment	-	20% reducing balance

No depreciation is charged until the assets are brought into use by the company.

The carrying values of tangible fixed assets are reviewed annually for impairment, if events or changes in circumstances indicate the carrying value may not be recoverable.

3.5. Fund accounting

Unrestricted funds relate to general funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3.6 Taxation

The company is registered as a charity for tax purposes under reference number XN 33087.

As a charity, Sion Mills Buildings Preservation Trust is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have therefore arisen for the company for the year ended 30 September 2023.

3.7 Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

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Notes to the financial statements
for the year ended 30 September 2023

3.8 Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets or either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Grant income	Restricted funds £	2023 £	2022 £
Derry City & Strabane District Council	10,678	10,678	11,977
Ulster Garden Villages	-	-	4,609
	<u>10,678</u>	<u>10,678</u>	<u>16,586</u>

5. Other incoming resources	Unrestricted funds £	2023 Total £	2022 Total £
Sundry income	52	52	258
Donations	15,230	15,230	5,462
Rental income - River Mourne Guides	3,166	3,166	3,153
Rental Income - Hidden Pearl	-	-	8,611
Rental Income - Sika by Niall	10,267	10,267	-
	<u>28,715</u>	<u>28,715</u>	<u>17,484</u>

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Notes to the financial statements
for the year ended 30 September 2023

6. Net outgoing resources for the year

	2023	2022
	£	£
Net outgoing resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	11	14
Auditors' remuneration	1,700	1,650
	<u>1,711</u>	<u>1,664</u>

7. Employees

Number of employees

The average monthly numbers of employees (including the trustees) during the year.

	2023	2022
	Number	Number
	7	7
	<u>7</u>	<u>7</u>

8. Auditors' remuneration

	2023	2022
	£	£
Auditors' remuneration - audit of the financial statements	1,700	1,650
	<u>1,700</u>	<u>1,650</u>

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Notes to the financial statements
for the year ended 30 September 2023

9. Tangible fixed assets	Investment property £	Fixtures, fittings and equipment £	Total £
Cost or valuation			
At 1 October 2022 and At 30 September 2023	300,000	3,832	303,832
Depreciation			
At 1 October 2022	-	3,778	3,778
Charge for the year	-	11	11
At 30 September 2023	-	3,789	3,789
Net book values			
At 30 September 2023	300,000	43	300,043
At 30 September 2022	300,000	54	300,054

The investment property which is unoccupied and is now in a dilapidated state because of the circumstances set out in Note 16, was revalued to fair value by an independent valuer on 11 September 2023 and impairment was recorded in the financial statements for the year ended 30 September 2022.

Capital grants shown as restricted funds which were previously being released in line with depreciation policy over the 99 years term of the lease are now released in line with the revaluation of the investment property.

10. Debtors	2023 £	2022 £
Prepayments and accrued income	2,872	3,008
	<u>2,872</u>	<u>3,008</u>
11. Creditors: amounts falling due within one year	2023 £	2022 £
CFI Loan (see note 12)	360	1,068
Other accruals and deferred income	65,804	22,225
	<u>66,164</u>	<u>23,293</u>

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12. Creditors: amounts falling due after more than one year	2023 £	2022 £
CFI Loan	25,984	23,956
Loan from Trustees	21,529	21,529
	47,513	45,485
Loans		
Repayable in one year or less, or on demand (Note 11)	360	1,068
Repayable between two and five years	22,971	25,802
Repayable in five years or more	24,542	19,683
	47,873	46,553

Due to financial difficulty, CFI (formerly UCIT) loan repayments previously had been deferred, however in 2017 the Trust had made an agreement to pay £140 per month to cover interest charged and a contribution towards loan repayment. Repayments to CFI ceased on 20 June 2022 and have not yet recommenced.

The loans from the Trustees will be repaid when the cashflows become available, but not within the next twelve months.

13. Analysis of net assets between funds	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 30 September 2023 as represented by:			
Tangible fixed assets	-	300,043	300,043
Investment assets	250	-	250
Current assets	13,856	-	13,856
Current liabilities	(66,164)	-	(66,164)
Long-term liabilities	(47,513)	-	(47,513)
	(99,571)	300,043	200,472

Restricted funds relate to grants receivable in respect of capital expenditure and grants receivable in advance for a specific purpose or for future running costs of the company and its activities.

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14. Unrestricted funds	At 1 October 2022 £	Incoming £	Outgoing £	Transfers £	At 30 September 2023 £
General fund	(62,598)	28,715	(76,377)	10,689	(99,571)
	<u>(62,598)</u>	<u>28,715</u>	<u>(76,377)</u>	<u>10,689</u>	<u>(99,571)</u>

Purpose of unrestricted funds

Unrestricted funds relate to general funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

15. Restricted funds	At 1 October 2022 £	Incoming £	Transfers £	At 30 September 2023 £
Long leasehold property	300,054	-	(11)	300,043
Derry City & Strabane District Council	-	10,678	(10,678)	-
	<u>300,054</u>	<u>10,678</u>	<u>(10,689)</u>	<u>300,043</u>

Purpose of restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

Restricted funds mainly relate to the costs of building restoration and purchasing equipment for the Trust. A number of grants were received towards the project and clauses are reflected in the letters of offer from the major funding bodies restricting the disposal of buildings and equipment. Grants have been released in line with the revaluation of the investment property.

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16. Capital commitments

In 2008, the Trust secured a 99 year lease of the Workspace premises from Herdmans Holdings Limited. The Trust completed their workspace units in 2010 however the units remain unoccupied. Herdmans Holdings Limited went into receivership on 29 June 2011 and the lease was then taken over by the purchaser of the property which has changed hands several times since. The Trust instigated legal proceedings with the new owners regarding the lease obligations and the future of the workspace units. Following the grant of a repossession order dated 20 September 2016, the Trust has taken possession of the workspace units which are in a dilapidated state. The Court Order also provided for the Trust to seek enforcement of its outstanding rent and restoration costs of the units however at a hearing on 3 February 2020, the original judgement was set aside with the judge stating that a Judgment in Default should not stand and that the defendant should have their case heard. The pandemic then meant that all matters were delayed and in the meantime ownership of the property had changed again. This was then further complicated by the death of Mrs Margaret Loughrey in September 2021 (one of the parties to the transaction). The late Mrs Loughrey was sole director of her company Rey Mill Ltd and her entire estate entered probate at the end of 2021. The Trustees are advised that probate has now been finalised and the legal team for the trustees have reached a settlement with the late Mrs Loughrey's legal team which is to pass title of the property known as the Old Mill, to the Trust, together with £50,000 in lieu of outstanding rent. The Trust have a liability for legal fees in relation to this case of £41,275 plus VAT, which is shown as expenditure in this year. At the date of this report the terms of the settlement have not been fulfilled therefore no asset or debtor has been included for this settlement.

In accordance with FRS 102 Section 16 (FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'), the workspace units have been revalued to fair value as set out in Note 9 to the financial statements.

The trustees anticipate that funding can be secured to restore the workspace units into useable premises.

The Trust and HEARTH were in partnership for the restoration of the Stables. Part funding was obtained for this project from the Department of Agriculture and Rural Development (DARD) under ARC Rural Development Grant, therefore DARD have registered a charge over the property with Companies House. The Trust secured a 25 year lease from HEARTH Revolving Fund commencing on 1 December 2013 for the Stables at 120A Melmount Road, Sion Mills at a rent of £1,000 per annum. At 30 September 2023, commitments under this lease remain at £16,000. The project costs are still being finalised by HEARTH and the Trust has a liability for any shortfall but this has not yet been quantified. The initial amount invoiced to the Trust of £9,333 net is included in creditors under other accruals and no further amounts have been provided for.

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17. Material uncertainty relating to going concern

Disclosures relating to the settlement of the case regarding the workspace units are set out in Note 16. The write off of the debtor for the rent of the workspace units in the year ended 30 September 2019, previously included in the financial statements at an amount of £94,839, together with the revaluation of the investment property in the year ended 30 September 2022 and the liability for legal fees leaves the Trust with negative reserves on unrestricted funds. The Balance Sheet remains positive and the trustees believe that, with the continued support of their main creditors (McCay Legal and CFI formerly UCIT), the trustees and funders (HEARTH) that the trust will be able to meet its obligations for the foreseeable future.

The Trustees anticipate that funding can be secured to restore the workspace units into useable premises.

The trustees are aware that the lack of free reserves, together with the economic backdrop, the aftermath of the coronavirus pandemic and the cost of living crisis, will provide a challenging environment in the year to come.

The trustees still consider that it is appropriate for the financial statements to be prepared on a going concern basis.

18. Transactions with trustees

The trustees attend meetings and carry out the business of the company on a voluntary basis.

During the year the trust purchased goods and services from trustees and their close family members totalling £3,350 (2022 - £6,600).

Creditors, amounts falling due after more than one year, includes loans from four trustees totalling £21,529 (2022 - £21,529), to be repaid when the company has sufficient funds to do so.

19. Company limited by guarantee

Sion Mills Buildings Preservation Trust is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

20. Charity Commission for Northern Ireland

Sion Mills Buildings Preservation Trust is a registered charity with the Charity Commission for Northern Ireland since 10 February 2016, under registration number NIC103552.