

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

**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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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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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**

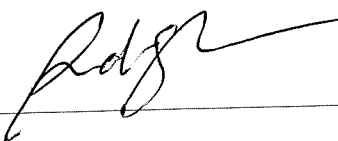
Although the company qualifies for audit exemption the trustees require an audit to be carried out. In accordance with Section 485 of the Companies Act 2006, a resolution proposing that McFarland Arnold & Co be reappointed as auditors of the charity will be put to the Annual General Meeting.

**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:

  
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Name (in block capitals):

ANDREW SHEEN  
Trustee