

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

Trustees' report and financial statements

for the year ended 30 September 2024

Registration number: NI036935

Northern Ireland Charity number: NIC103552

McFarland Arnold & Co
Chartered Accountants

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

Contents
for the year ended 30 September 2024

	Page
Legal and administrative information	1
Trustees' report	2 - 4
Independent examiners' report	5
Statement of financial activities	6
Balance Sheet	7 - 8
Notes to the financial statements	9 - 17

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

Legal and administrative information
for the year ended 30 September 2024

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
Mr Nigel Collins
Mrs Celia Ferguson
Canon William George Irwin
Dr Kieran Kennedy (appointed 22 May 2024; resigned 9 April 2025)
Ms Rebecca Kennedy (appointed 27 June 2024; resigned 9 April 2025)
Ms Amie McCay (appointed 27 June 2024; resigned 9 April 2025)
Mr Eamon McCay (appointed 27 June 2024; resigned 9 April 2025)
Ms Judith McGaffin (appointed 22 May 2024; resigned 8 April 2025)
Mr Graham Robinson (resigned 22 May 2024)
Mr Andrew Sheen
Ms Judith Walker (appointed 22 May 2024)
Mr Andrew White

Accountants 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
(A company limited by guarantee)

Trustees' report
for the year ended 30 September 2024

The trustees present their report and the financial statements for the year ended 30 September 2024.

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 continued to operate throughout the full year.

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.

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

Trustees' report
for the year ended 30 September 2024

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 has been included within creditors: amounts falling due within one 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 6 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.

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

Trustees' report
for the year ended 30 September 2024

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 accountants

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

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

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 13 JUNE 2025 and signed on its behalf by

Signature:  _____

Name (in block capitals): ANDREW SMEEN
Trustee

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

Independent examiner's report on the unaudited financial statements to the trustees of
Sion Mills Buildings Preservation Trust for the year ended 30 September 2024

We report on the financial statements of Sion Mills Buildings Preservation Trust for the year ended 30 September 2024 which are set out on pages 1 to 17.

Respective responsibilities of trustees and examiner

As described in the statement of trustees' responsibilities the company's trustees (who also act as directors for the charitable activities of Sion Mills Buildings Preservation Trust) are responsible for the preparation of the financial statements in accordance with the Companies Act 2006 and with the Charities Act (Northern Ireland) 2008.

It is our responsibility to:-

- examine the financial statements under section 65 of the Charities Act
- follow the procedures laid down in the general Directions given by the Commission under section 65(9)(b) of the Charities Act
- state whether particular matters have come to our attention.

Basis of independent examiner's report

We have examined your charity financial statements as required under section 65 of the Charities Act and our examination was carried out in accordance with the general Directions given by the Charity Commission for Northern Ireland under section 65(9)(b) of the Charities Act. Our examination included a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also included consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as charity trustees concerning any such matters.

Our role is to state whether any material matters have come to our attention giving us cause to believe:

1. That accounting records were not kept in accordance with section 63 of the Charities Act
2. That the financial statements do not accord with those accounting records
3. That the financial statements do not comply with the accounting requirements of the Charities Act
4. That there is further information needed for a proper understanding of the financial statements to be reached.

Independent examiner's statement

We have completed our examination and have no concerns in respect of the matters (1) to (4) listed above and, in connection with following the Directions of the Charity Commission for Northern Ireland, we have found no matters that require drawing to your attention.

McFarland Arnold & Co

Chartered Accountants

Date: 13 JUNE 2025

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

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

Statement of financial activities (incorporating the income and expenditure account)
for the year ended 30 September 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total £	2023 Total £
Incoming resources					
Incoming resources from generating funds:					
Grant income	4	-	5,210	5,210	10,678
Other incoming resources	5	20,245	-	20,245	28,715
Total incoming resources		<u>20,245</u>	<u>5,210</u>	<u>25,455</u>	<u>39,393</u>
Resources expended					
Heritage Animation project		2,450	-	2,450	3,056
Museum expenses		960	-	960	11,400
Computer costs		180	-	180	180
Rent		1,000	-	1,000	1,000
Rates and water rates		763	-	763	383
Electricity and gas		10,168	-	10,168	6,318
Repairs and maintenance		3,511	-	3,511	6,080
Subscriptions		313	-	313	463
Insurance		342	-	342	342
Telephone		890	-	890	789
Accountancy fees		2,430	-	2,430	1,325
Auditors' remuneration		-	-	-	1,700
Legal and professional fees		-	-	-	41,275
Depreciation & impairment		9	-	9	11
CFI loan interest		1,992	-	1,992	1,567
Interest on overdue taxation		5	-	5	-
Bank charges		96	-	96	37
Sundry expenses		550	-	550	451
Total resources expended		<u>25,659</u>	<u>-</u>	<u>25,659</u>	<u>76,377</u>
Net incoming resources					
before transfers		(5,414)	5,210	(204)	(36,984)
Transfers between funds		305,219	(305,219)	-	-
Net movement in funds for the year		299,805	(300,009)	(204)	(36,984)
Total funds brought forward		(99,571)	300,043	200,472	237,456
Total funds carried forward		<u>200,234</u>	<u>34</u>	<u>200,268</u>	<u>200,472</u>

The notes on pages 9 to 17 form an integral part of these financial statements

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

Balance Sheet
as at 30 September 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	8		300,034		300,043
Investments			250		250
			300,284		300,293
Current assets					
Debtors	9	6,638		2,872	
Cash at bank and in hand		6,086		10,984	
		12,724		13,856	
Creditors: amounts falling due within one year	10	(62,905)		(66,164)	
Net current liabilities			(50,181)		(52,308)
Total assets less current liabilities			250,103		247,985
Creditors: amounts falling due after more than one year	11		(49,835)		(47,513)
Net assets			200,268		200,472
Funds	12				
Restricted income funds			34		300,043
Unrestricted income funds			200,234		(99,571)
Total funds			200,268		200,472

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

The trustees statements required by Article 257B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 9 to 17 form an integral part of these financial statements

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

Balance Sheet (continued)

Trustees' statements required by Section 475 (2) and (3)
for the year ended 30 September 2024

In approving these financial statements as trustees of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 477 of the Companies Act 2006 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 476 of the Companies Act 2006 requesting that an audit be conducted for the year ended 30 September 2024 and

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 386 of the Companies Act 2006, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus or deficit for the year then ended in accordance with the requirements of Section 393 of the Companies Act 2006 and which otherwise comply with the provisions of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements are 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 applicable to companies subject to the small companies regime.

The financial statements were approved by the Board on 13 JUNE 2025 and signed on its behalf by

Signature:





Name (in block capitals):

ANDREW SHEEN

DREW WHITE

Trustee

Trustee

The notes on pages 9 to 17 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 2024

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.

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.

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

Notes to the financial statements
for the year ended 30 September 2024

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:

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 2024.

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.

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

Notes to the financial statements
for the year ended 30 September 2024

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 £	2024 £	2023 £
Derry City & Strabane District Council	5,210	5,210	10,678
	<u>5,210</u>	<u>5,210</u>	<u>10,678</u>

5. Other incoming resources	Unrestricted funds £	2024 Total £	2023 Total £
Sundry income	175	175	52
Donations	403	403	15,230
Rental income - River Mourne Guides	3,200	3,200	3,166
Rental Income - Sika by Niall	15,467	15,467	10,267
Rental Income - Mary D's Restaurants Ltd	1,000	1,000	-
	<u>20,245</u>	<u>20,245</u>	<u>28,715</u>

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

Notes to the financial statements
for the year ended 30 September 2024

6. Net outgoing resources for the year

	2024	2023
	£	£
Net outgoing resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	9	11
Auditors' remuneration	-	1,700
	<u> </u>	<u> </u>

7. Employees

Number of employees

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

	2024	2023
	Number	Number
	12	7
	<u> </u>	<u> </u>

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

Notes to the financial statements
for the year ended 30 September 2024

8. Tangible fixed assets	Investment property £	Fixtures, fittings and equipment £	Total £
Cost or valuation			
At 1 October 2023 and At 30 September 2024	300,000	3,832	303,832
Depreciation			
At 1 October 2023	-	3,789	3,789
Charge for the year	-	9	9
At 30 September 2024	-	3,798	3,798
Net book values			
At 30 September 2024	300,000	34	300,034
At 30 September 2023	300,000	43	300,043

The investment property which is unoccupied and is now in a dilapidated state because of the circumstances set out in Note 15, was revalued to fair value by an independent valuer on 13 January 2025.

Capital grants in relation to the investment property, shown as restricted funds, which were previously being released in line with depreciation policy over the 99 years term of the lease have now been released in full in the year ended 30 September 2024.

9. Debtors	2024 £	2023 £
Prepayments and accrued income	6,638	2,872
	<u>6,638</u>	<u>2,872</u>
10. Creditors: amounts falling due within one year	2024 £	2023 £
CFI Loan (see note 11)	-	360
Other accruals and deferred income	62,905	65,804
	<u>62,905</u>	<u>66,164</u>

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

Notes to the financial statements
for the year ended 30 September 2024

11. Creditors: amounts falling due after more than one year

	2024	2023
	£	£
CFI Loan	28,306	25,984
Loan from Trustees	21,529	21,529
	49,835	47,513

Loans

Repayable in one year or less, or on demand (Note 10)	-	360
Repayable between two and five years	21,529	22,971
Repayable in five years or more	28,306	24,542
	49,835	47,873

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.

12. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 30 September 2024 as represented by:			
Tangible fixed assets	300,000	34	300,034
Investment assets	250	-	250
Current assets	12,724	-	12,724
Current liabilities	(62,905)	-	(62,905)
Long-term liabilities	(49,835)	-	(49,835)
	200,234	34	200,268

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.

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

Notes to the financial statements
for the year ended 30 September 2024

13. Unrestricted funds	At 1 October 2023 £	Incoming £	Outgoing £	Transfers £	At 30 September 2024 £
General fund	(99,571)	20,245	(25,659)	305,219	200,234
	<u>(99,571)</u>	<u>20,245</u>	<u>(25,659)</u>	<u>305,219</u>	<u>200,234</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.

14. Restricted funds	At 1 October 2023 £	Incoming £	Transfers £	At 30 September 2024 £
Long leasehold property	300,043	-	(300,009)	34
Derry City & Strabane District Council	-	5,210	(5,210)	-
	<u>300,043</u>	<u>5,210</u>	<u>(305,219)</u>	<u>34</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 in relation to the investment property have been released in full in the year ended 30 September 2024.

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

Notes to the financial statements
for the year ended 30 September 2024

15. 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 included within creditors: amounts due within one 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 8 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 2024, 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.

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

Notes to the financial statements
for the year ended 30 September 2024

16. Material uncertainty relating to going concern

Disclosures relating to the settlement of the case regarding the workspace units are set out in Note 15. 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.

17. 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 £3,410 (2023 - £3,350).

Creditors, amounts falling due after more than one year, includes loans from four trustees totalling £21,529 (2023 - £21,529), to be repaid when the company has sufficient funds to do so.

18. 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.

19. 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.