Southerns Group Interiors Limited

Annual report and financial statements

Registered number 07973172

30 June 2019

Contents

Strategic report

The directors present their strategic report on the affairs of the Company, together with the audited financial statements for the year ended 30 June 2019. With effect from 8 March 2018 the entire share capital of the parent company Southerns Limited was acquired by Extentia Group Limited (formerly Central Square Holdings Limited). On 27 February 2020 the ultimate parent company became Utah Holdings Limited, by way of acquisition of Southerns Limited by Southerns Holdings Limited, a subsidiary of Utah Holdings Limited.

Principal Activities, Business Review, and Future Prospects

The principal activity of the Company continues to be that of an intermediate holding company. Future developments for the Company involve continuing to operate as an intermediate company.

The Company has not traded during the year or the preceding year and is not expected to trade in the immediate future. The directors intend that the Company will continue to operate as an intermediate holding company in the future. As detailed in note 3, impairments have been recognised in the year relating to investments in subsidiary companies, resulting from group restructuring activity.

Results

The audited financial statements for the year ended 30 June 2019 are set out on pages 8 to 17. The loss for the year was £184,243 (2018: £nil) as a result of the impairment of investment in subsidiary (note 3). The net assets of the Company are £465,456 (2018: £649,699).

Key Performance Indicators

As an intermediary holding company with no external assets or liabilities, there are no key performance indicators for this Company.

Principal Risks and Uncertainties

As an intermediary holding company with no external assets or liabilities, the Company's financial risks are considered to be limited. The wider Utah group's operations expose it to a variety of financial, which are managed centrally for the Utah group as a whole.

Financial Risk Management

The policies set out by the Board of Directors are implemented by the finance department on a day-to-day basis to meet the treasury objectives. The key objectives of the Company when managing capital are to safeguard the ability to continue as a going concern, and to maintain optimal returns to shareholders and benefits for other stakeholders.

As further explained in note 7, the Company was guarantor of the Extentia Group secured loans during the year and remains a guarantor of the Utah Group's secured loans. The Company's results, cash and debt positions are included in the group's quarterly covenant calculations. Management regularly considers metrics including EBITDA, net cash position and cash flows group-wide as part of the group's capital risk management.

Critical Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although based on management's best judgements, actual results may ultimately differ from estimates made. The main estimates and assumptions of the Company are related to; underlying value of investments in subsidiary. These estimates and assumptions are rigorously reviewed by the Board on an ongoing basis, further detail on each is given in note 1.8.

Approved by the Board and signed on its behalf by:

A Kendall-Jones

Andrew Kendall-Jones
Director
Southerns Group Interiors Limited
Registered number 07973172
25 June 2021

Directors' report

The directors present their report and the audited financial statements of the Company for the year ended 30 June 2019.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

A Kendall-Jones
A G Hayward (appointed 10 August 2020)
T E Rook (appointed 10 August 2020, Resigned 30 April 2021)
P N Lanigan (resigned 29 November 2019)
A S Lenehan (resigned 29 November 2019)
N P Taylor (appointed 29 November 2019, resigned 15 September 2020)
C A Eastwood (appointed 29 November 2019, resigned 30 March 2020)

Financial risk management, results and future developments

As the Company does not trade, it is not exposed to any significant financial risks. Refer to the Strategic report for further details of risk management, results and future developments.

Proposed dividends

There was no dividend paid in the year (2018: £nil) on ordinary shares. The directors do not recommend a further dividend before the date of approval of the annual report and financial statements (2018: £nil).

Transition to IFRS

During the previous year, the Company has transitioned from FRS102 to match the previous ultimate parent, the Extentia Group Limited's policies under IFRS. There was no material impact of this transition. This is discussed further in note 1. The Company continues to adopt IFRS in line with the rest of the Utah Holdings group.

Post Balance Sheet Events

On 27 February 2020 the ultimate parent company became Utah Holdings Limited, by way of acquisition of Southerns Limited by Southerns Holdings Limited, a subsidiary of Utah Holdings Limited. The debt held by Extentia, to which the Company was a cross-guarantor, was also transferred to Utah Holdings Limited on this date. Refer to disclosure in note 7 for further detail on the cross guarantees in place.

On 28th February 2020, fellow group company Styles & Wood Limited and the ultimate parent at the balance sheet date Extentia Group Limited, were placed into administration. This has no direct financial impact on the Company.

On 4 June 2020 the Utah Holdings Limited group agreed a further £5m revolving credit facility and re-set its financial covenants with its lenders. The additional facility is available to all members of the Utah Holdings Limited group for day-to-day working capital requirements. The Company remains a guarantor to these group lending facilities.

Since March 2020, the consequences of the Covid-19 pandemic have materially impacted the trading entities within the wider group. As a guarantor of group lending facilities, with group-wide covenants, the Going Concern assessment of the Company is impacted by that of the wider group. Further detail is set out below in the Going Concern assessment.

Going Concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future being a period of at least 12 months from the date of signing of these financial statements. The Directors have considered the Company's business activities and the principal risks and uncertainties in the context of the current operating environment. This includes the possible impacts of the global COVID-19 pandemic on the Company, and on the wider group, and an assessment of the group's current banking and funding arrangements.

Directors' report *(continued)*

Going Concern *(continued)*

On 23 December 2020, the Company's immediate parent Southerns Limited sold its investment in the entire share capital of Keysource Limited, The GDM Group Limited and Concourse FM Ltd. These were market value transactions and were formally approved as permitted disposals by Utah Holdings Limited's Group lenders with the net proceeds of sale used to repay £9.72m of the existing Utah Holdings Limited's Group debt. As a result of the disposal of the above subsidiaries on 23 December 2020, a covenant reset clause contained within the financing documents dated 4 June 2020 was triggered. As such, the existing covenants are to be renegotiated with the Utah Holdings Limited's Group lenders. In addition, the expiry date of the current financing agreements was amended to 30 June 2021.

Given the nature of the Utah Holdings Limited's Group wide funding facility and the cross company guarantees within it, the expiration of Utah Holdings Limited's Group financing agreements, which expires on the 30 June 2021, also impacts the Company. There is no certainty at the date of signing these financial statements that the current lenders will support the proposed reset and agree to terms of the funding facility post 30 June 2021.

The disposal of subsidiaries as described above significantly reduced the external debt of the Utah Holdings Limited Group. Prior to approval of this disposal, the Directors undertook consolidated modelling of the remaining Utah Holdings Limited Group as consistent with note 7, which was also subject to independent due diligence. Whilst the covenants of Utah Holdings Limited Group's external debt is to be renegotiated, the consolidated modelling undertaken focused on debt serviceability.

Comparing the remaining Utah Holdings Limited forecast consolidated group EBITDA to debt service under a reasonable expectation of revised funding arrangements, shows headroom on EBITDA to debt service of at least 48% for the next 12 months against the previous debt service covenant of 1. On the basis of this consolidated modelling, along with the output of the due diligence process, and the consent to the disposal given by the existing lenders, the Directors are confident of the ability to refinance the existing facilities, service new debt and comply with any reasonable covenant structure agreed.

The Utah Holdings Limited's Group consolidated modelling takes cognisance of the impact of COVID-19 and was prepared with the benefit of 12 months of experience in trading with COVID-19 restrictions in place. The group has traded profitably through the pandemic, its revenues continue to be offered some protection due to both the critical nature of services provided, and the alignment to public sector customers, including public healthcare and education. After careful consideration, the Directors have concluded that they have reasonable expectations that the Company has adequate resources to continue in operational existence for the foreseeable future for a period of at least 12 months from the date of this report. Therefore, the Directors continue to adopt the going concern basis within these financial statements.

However, the lack of certainty at the date of signing these financial statements that the current lenders will support the proposed reset as well as the expiry date of the current financing agreements on the 30 June 2021 which is less than a month from the date of signing these financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Directors' report *(continued)*

Statement of directors' responsibilities in respect of the financial statements *(continued)*

Under company law, directors 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 period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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.

The directors 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.

Non-consolidation of subsidiaries

As a parent company with wholly-owned subsidiaries that is not included in a consolidated set of financial statements, the Company is required to produce consolidated financial statements. The Directors have chosen not to produce consolidated financial statements given the limited users of the accounts, as a result these financial statements do not show a true and fair view of the consolidated financial position of the Company and its subsidiaries as at 30 June 2019, and their financial performance and their cash flows for the year then ended in accordance with IFRS. The Directors note that the auditor's opinion is qualified in this respect.

Directors' confirmation

In the case of each director in office at the date of the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

As a result of the re-tender process by the Company, it was proposed that Saffrey Champness LLP will replace PricewaterhouseCoopers LLP as the independent auditors of the Company for the year ended 30 June 2020. This will be approved by the board of directors.

On behalf of the board:

A Kendall-Jones

Andrew Kendall-Jones
Director
Southerns Group Interiors Limited
Registered number 07973172
25 June 2021

Independent auditors' report to the members of Southerns Group Interiors Limited

Report on the audit of the financial statements

Qualified opinion

In our opinion, except for the effects of the matters described in the Basis for qualified opinion paragraph below, Southerns Group Interiors Limited 's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 30 June 2019; the Profit and Loss Account, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for qualified opinion

As explained in note 1 to the financial statements, the company is required to produce consolidated financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Consequently, the company should have produced consolidated financial statements for the parent company and its subsidiary undertakings.

As explained in note 1 to the financial statements, the company transitioned to international accounting standards in conformity with the requirements of the Companies Act 2006 in the current financial year from FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Consequently, the company should have presented at the balance sheets as at 30 June 2018, 30 June 2017 and 30 June 2016, and the profit and loss accounts, the statements of cash flows and the statements of changes in equity for the year ended 30 June 2018 and 30 June 2017 and related notes, including comparative information for all statements presented.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

Without further modifying our opinion on the financial statements, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company's existing financing arrangements expire on 30 June 2021 and there are no guarantees, at the date of signing these financial statements, that the current lenders will support the proposed restructure of its existing covenants and agree to the terms of the funding facility post 30 June 2021. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the members of Southerns Group Interiors Limited (continued)

Reporting on other information *(continued)*

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2019 is consistent with the financial statements and, except for the matters explained in the Basis of qualified opinion, has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of Southerns Group Interiors Limited (continued)

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

H. Ma

Hazel Macnamara (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
25 June 2021

Profit and Loss Account
for the year ended 30 June 2019

	Note	**2019** £	2018 £
Impairment of investment in subsidiary	3	**(184,243)**	-
Loss before taxation	*2*	**(184,243)**	-
Tax on result	*4*	-	-
Loss for the financial year		**(184,243)**	-

All activity has arisen from continuing activities.

The Company has no other comprehensive income in either year other than that included in the results above and therefore no separate statement of other comprehensive income has been presented.

Balance Sheet
as at 30 June 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	3	**733,129**	917,372
Creditors: Amounts falling due within one year	5	**(267,673)**	(267,673)
Total assets less current liabilities		**465,456**	649,699
Capital and reserves			
Called up share capital	6	**6,673**	6,673
Share premium account		**17,180**	17,180
Other reserves		**482,246**	482,246
Profit and loss account		**(40,643)**	143,600
Total shareholders' funds		**465,456**	649,699

The notes on pages 11 to 17 are an integral part of these financial statements.

The Company did not trade during the current year or prior year, nor have there been any movements in cash, therefore the Company has not presented a Statement of Cash Flows.

These financial statements on pages 8 to 17 were approved by the board of directors and were signed on its behalf by:

A Kendall-Jones

Andrew Kendall-Jones
Director
Southerns Group Interiors Limited
Registered number: 07973172
25 June 2021

Statement of Changes in Equity
for the year ended 30 June 2019

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total shareholders' funds £
Balance at 1 July 2017	6,673	17,180	482,246	143,600	649,699
Total comprehensive income for the year					
Result for the financial year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-
Balance at 30 June 2018	**6,673**	**17,180**	**482,246**	**143,600**	**649,699**

	Called up share capital £	Share premium account £	Other reserves £	Profit and Loss account £	Total shareholders' funds £
Balance at 1 July 2018	6,673	17,180	482,246	143,600	649,699
Total comprehensive income for the year					
Result for the financial year	-	-	-	(184,243)	(184,243)
Total comprehensive income for the year	-	-	-	(184,243)	(184,243)
Balance at 30 June 2019	**6,673**	**17,180**	**482,246**	**(40,643)**	**465,456**

Notes to the financial statements

1 Accounting policies

1.1 General information

Southerns Group Interiors Limited (the "Company") is a private company limited by shares, incorporated and domiciled in England. The Company is an intermediate holding company. The address of the Company's registered office is Units 5-7 Bramley Business Park, Railsfield Rise, Leeds, England, LS13 3SA.

1.2 Basis of preparation

During the previous year, the Company transitioned to EU endorsed International Financial Reporting Standards ("IFRS") from FRS102 to match the ultimate parent, the Extentia Group Limited's policies under IFRS. The change in accounting standard and resulting accounting policies has been applied from the beginning of the earliest period presented. Following a detailed review of policy differences, it has been concluded that there was no material impact of this transition.

As a result of the transition to IFRS, the directors recognise the need to conform with IFRS 1 - First time adoption of International Financial Reporting Standards. Section 1.21 requires the disclosure of at least 3 balance sheets and 2 profit and loss accounts, 2 statements of cash flows and 2 statements of changes in equity. The directors have concluded this is not necessary on the grounds of there being no material differences noted on the retrospective balances.

The financial statements of the Company have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 applicable to companies reporting under IFRS, on a going concern basis and under the historical cost convention, other than as disclosed below.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these finance statements.

As a parent company with wholly-owned subsidiaries that is not included in a consolidated set of financial statements, the Company is required to produce consolidated financial statements. The Directors have chosen not to produce consolidated financial statements given the limited users of the accounts, as a result these financial statements do not show a true and fair view of the consolidated financial position of the Company and its subsidiaries as at 30 June 2019, and their financial performance and their cash flows for the year then ended in accordance with IFRS. The Directors note that the auditor's opinion is qualified in this respect.

As a result of the administration of ultimate parent Extentia Group Limited on 28 February 2020, consolidated financial statements for the group will not be drawn up and the Company is not included in a consolidated set of financial statements. For this reason, no subsidiary company disclosure exemptions have been taken.

Standards, amendments and interpretations to existing standards that became effective during the year

IFRS 9 "Financial instruments." This replaces the parts of IAS39 that deal with the classification and measurement of financial instruments. The standard is effective for accounting periods beginning on or after 1 January 2018. After reviewing the standard, the Directors believe that this standard does not have a material impact on the Company.

IFRS 15, "Revenue from contracts with customers". This standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for accounting periods beginning on or after 1 January 2018. Implementation of IFRS 15 requires a thorough review of existing contractual arrangements. The Directors have reviewed the Group's activities using the five-step model set out in IFRS 15 and as a result consider that adoption of this standard does not have a material impact on the Company.

Standards, amendments and interpretations which are not effective or early adopted:

At the date of authorisation of the Company financial statements, the following new standards and interpretations which have not been applied in this financial information were in issue but not yet effective (and in some cases, had not yet been adopted by the EU):

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

1.2 Basis of preparation (continued)

IFRS 16, "Leases". The new standard addresses the definition of a lease, recognition and measurement of leases and disclosure requirements. The application of the standard will affect primarily the accounting for the Company's operating leases. The standard is effective for accounting periods beginning on or after 1 January 2019. The adoption of IFRS 16 is not expected to have a material impact on the financial information of the Company in the year of initial application when the relevant standards come into effect as the Company has no leases.

1.3 Statement of cash flows

The Company does not trade and does not have its own bank account. There are no cashflows in either year and therefore no statement of cash flows is presented in these financial statements.

1.4 Going Concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future being a period of at least 12 months from the date of signing of these financial statements. The Directors have considered the Company's business activities and the principal risks and uncertainties in the context of the current operating environment. This includes the possible impacts of the global COVID-19 pandemic on the Company, and on the wider group, and an assessment of the group's current banking and funding arrangements.

On 23 December 2020, the Company's immediate parent Southerns Limited sold its investment in the entire share capital of Keysource Limited, The GDM Group Limited and Concourse FM Ltd. These were market value transactions and were formally approved as permitted disposals by Utah Holdings Limited's Group lenders with the net proceeds of sale used to repay £9.72m of the existing Utah Holdings Limited's Group debt. As a result of the disposal of the above subsidiaries on 23 December 2020, a covenant reset clause contained within the financing documents dated 4 June 2020 was triggered. As such, the existing covenants are to be renegotiated with the Utah Holdings Limited's Group lenders. In addition, the expiry date of the current financing agreements was amended to 30 June 2021.

Given the nature of the Utah Holdings Limited's Group wide funding facility and the cross company guarantees within it, the expiration of Utah Holdings Limited's Group financing agreements, which expires on the 30 June 2021, also impacts the Company. There is no certainty at the date of signing these financial statements that the current lenders will support the proposed reset and agree to terms of the funding facility post 30 June 2021.

The disposal of subsidiaries as described above significantly reduced the external debt of the Utah Holdings Limited Group. Prior to approval of this disposal, the Directors undertook consolidated modelling of the remaining Utah Holdings Limited Group as consistent with note 7, which was also subject to independent due diligence. Whilst the covenants of Utah Holdings Limited Group's external debt is to be renegotiated, the consolidated modelling undertaken focused on debt serviceability.

Comparing the remaining Utah Holdings Limited forecast consolidated group EBITDA to debt service under a reasonable expectation of revised funding arrangements, shows headroom on EBITDA to debt service of at least 48% for the next 12 months against the previous debt service covenant of 1. On the basis of this consolidated modelling, along with the output of the due diligence process, and the consent to the disposal given by the existing lenders, the Directors are confident of the ability to refinance the existing facilities, service new debt and comply with any reasonable covenant structure agreed.

The Utah Holdings Limited's Group consolidated modelling takes cognisance of the impact of COVID-19 and was prepared with the benefit of 12 months of experience in trading with COVID-19 restrictions in place. The group has traded profitably through the pandemic, its revenues continue to be offered some protection due to both the critical nature of services provided, and the alignment to public sector customers, including public healthcare and education. After careful consideration, the Directors have concluded that they have reasonable expectations that the Company has adequate resources to continue in operational existence for the foreseeable future for a period of at least 12 months from the date of this report. Therefore, the Directors continue to adopt the going concern basis within these financial statements.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

1.4 Going Concern (continued)

However, the lack of certainty at the date of signing these financial statements that the current lenders will support the proposed reset as well as the expiry date of the current financing agreements on the 30 June 2021 which is less than a month from the date of signing these financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

1.5 Measurement convention

The financial statements are prepared on the historical cost basis.

1.6 Investments in subsidiaries

Investments in subsidiaries are shown at cost less any provision for impairment. Any impairment is charged to the profit and loss account as it arises.

1.7 Trade and other creditors

Trade and other creditors, comprising amounts due to group companies, are unsecured and repayable on demand and are therefore all classified as current. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

1.8 Critical Estimates & Judgements

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although based on management's best judgements, actual results may ultimately differ from estimates made. The key estimates and assumptions are related to the carrying value of investments.

The main estimates and assumptions are related to assessing the underlying value of investments in subsidiary. These estimates and assumptions are rigorously reviewed by the Board on an ongoing basis.

1.9 Fair Value

There is no difference between the fair value and book value of the Company's financial instruments.

1.10 Capital and financial risk management

The key objectives of the Company when managing capital are to safeguard the ability to continue as a going concern, and to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain an appropriate level of capital and funding for the Company.

The Company does not have equity investments (other than the investments in subsidiary companies) or investments in commodities and so does not consider itself to be exposed to any significant equity, commodity or other price risk.

The policies set out by the Board of Directors are implemented by the finance department on a day-to-day basis to meet the treasury objectives. The key objectives of the Company when managing capital are to safeguard the ability to continue as a going concern, and to maintain optimal returns to shareholders and benefits for other stakeholders.

As a guarantor of the group secured loans and a material subsidiary under the group's banking arrangements, the Company's results, cash and debt positions are included in the group's quarterly covenant calculations. Management regularly considers metrics including EBITDA, net cash position and cash flows group-wide as part of the group's capital risk management.

2 Loss before taxation

The Company's audit fee £1,250 (2018: £1,250) has been borne by Southerns Limited, another group company in the current year and preceding year. The directors did not receive any emoluments from this Company for their services in either the current or the preceding year. The Company is an intermediate holding company and has no employees (2018: none).

Notes to the financial statements *(continued)*

3 Investments

	£
Cost and net book value at 30 June 2018 and 30 June 2019	**917,372**
Impairment of investment	**(184,243)**
Net book value at 30 June 2019	**733,129**

The Company has an investment in the following subsidiary undertakings:

Subsidiary undertaking	Country of incorporation	Principal activity	Description and proportion of shares held
Tavisford Limited	UK	Immediate holding company	100% ordinary share capital
Southerns Office Interiors Limited*	UK	Supplier of contract furniture	100% ordinary share capital
Ralph Capper Interiors Limited*	UK	Supplier of contract furniture	75% ordinary share capital
Southerns Office Holdings Ltd*[1]	UK	Supplier of contract furniture	100% ordinary share capital

*Held through Tavisford Limited

[1] On 6 October 2020, Southerns Office Holdings Ltd was voluntarily struck off the company register and dissolved. This company was previously dormant and had net assets of £nil at the 2018 and 2019 balance sheet dates. None of the above carrying value of investments was supported by trading or cash flows from Southerns Office Holdings Ltd and therefore this strike-off is not considered to impact the carrying value of the Company's investment in Tavisford Limited.

All subsidiaries companies have, as their registered office: Units 5-7 Bramley Business Park, Railsfield Rise, Leeds, England, LS13 3SA

The directors consider the net book amount of the investments to be supported by their underlying carrying value.

4 Tax on result

	2019 £	2018 £
UK corporation tax		
Current tax on result for the year	-	-
Total tax on result	-	-

The effective tax rate for the current year is higher (2018: the same as) than the standard rate of corporation tax for the year ended 30 June 2019 of 19.0% (2018: 19.0%). The differences are explained below:

Notes to the financial statements *(continued)*

4 Tax on result

Reconciliation of standard tax rate

	2019 £	2018 £
Loss before taxation	**(184,243)**	-
Tax using the UK corporation tax rate of 19.0% (2018: 19.0%)	**(35,006)**	-
Expenses not deductible for tax	**35,006**	-
Total tax credit	**-**	-

There is no deferred tax movement in either year.

In the Spring Budget 2020, the Government announced that the previously enacted decrease in the corporate tax rate from 19% to 17% from 1 April 2020 would no longer happen and that rates would remain at 19% for the foreseeable future. The new law was substantively enacted by a resolution under the Provisional Collection of Taxes Act 1968 on 17 March 2020 and as a result deferred tax balances have now been measured at 19%. In the Budget 2021, the Government announced that the rate of corporation tax will increase to 25% from 6 April 2023 for businesses with profits of £250,000 or more. The rate will remain at 19% until that date. The legislation to implement this new law has not been substantively enacted as of the date of this report, and therefore no adjustment to deferred tax balances has been recognised in the financial statements. However, the impact of the rate change is not expected to be material to the Company.

5 Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	**267,673**	267,673

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

6 Called up share capital

	2019 £	2018 £
Allotted, called up and fully paid		
5,561 (2018: 5,561) Ordinary shares of £1 each	**5,561**	5,561
1,112 (2018: 1,112) Ordinary A shares of £1 each	**1,112**	1,112
	6,673	6,673

Notes to the financial statements *(continued)*

7 Other financial commitments and guarantees

Guarantees

During the current and previous financial years and at the balance sheet date, the ultimate parent remained Extentia Group Limited. There was a cross guarantee with other companies in the group in place. There was a fixed and floating charge over all assets to secure group loans up to £65,000,000 (2018: £55,000,000). At 30 June 2019 £65,000,000 (2018: £54,750,000) had been drawn down.

On 27 February 2020, the ultimate parent company became Utah Holdings Limited following the acquisition of the Company's immediate parent Southerns Limited by a subsidiary of Utah Holdings Limited.

On 27 February 2020, ultimate parent company Utah Holdings Limited also acquired the entire share capital of the previous ultimate parent Extentia Group Limited. On acquisition, the Extentia Group's senior and second lien debt facilities were also transferred to Utah Holdings Limited.

The outstanding debt facility of Extentia Group provided by BGF Nominees was not transferred to Utah Holdings Limited. The charge over assets of all Extentia Group companies, including the Company, held by BGF Nominees Limited was released on 28 February 2020.

On 4 June 2020 the Utah Holdings Limited group's debt facilities were amended as follows:

- HSBC's term, covenants, interest and repayment schedules in respect of their senior debt facility, of which £20.4m was outstanding at 4 June 2020, were revised to be appropriate for the smaller group following Styles & Wood Limited and Extentia Group Limited entering into administration, and
- Tosca Debt Capital provided a £5.0m revolving credit facility in addition to the existing £23.0m second lien facility to provide working capital headroom for the business.

At the date of signing these financial statements, there remains a fixed and floating charge over all assets to secure these group loans with a total of £64,780,457.

8 Post Balance Sheet Events

On 27 February 2020 the ultimate parent company became Utah Holdings Limited, by way of acquisition of Southerns Limited by Southerns Holdings Limited, a subsidiary of Utah Holdings Limited. The debt held by Extentia, to which the Company was a cross-guarantor, was also transferred to Utah Holdings Limited on this date. Refer to disclosure in note 7 for further detail on the cross guarantees in place.

On 28th February 2020, fellow group company Styles & Wood Limited and the ultimate parent at the balance sheet date Extentia Group Limited, were placed into administration. This has no direct financial impact on the Company.

On 4 June 2020 the Utah Holdings Limited group agreed a further £5m revolving credit facility and re-set its financial covenants with its lenders. The additional facility is available to all members of the Utah Holdings Limited group for day-to-day working capital requirements. The Company remains a guarantor to these group lending facilities.

Since March 2020, the consequences of the Covid-19 pandemic have materially impacted the trading entities within the wider group. As a guarantor of group lending facilities, with group-wide covenants, the Going Concern assessment of the Company is impacted by that of the wider group. Further detail is set out in the Going Concern assessment within the Directors' Report.

Notes to the financial statements *(continued)*

9 Ultimate parent company and related party transactions

The immediate parent undertaking is Southerns Limited.

Until 8 March 2018, the ultimate parent undertaking was Southerns Limited. On 8 March 2018, the entire share capital of Southerns Limited was acquired by Extentia Group Limited. Extentia Group Limited was the ultimate parent Company until 27 February 2020.

On 27 February 2020, the ultimate parent company became Utah Holdings Limited following the acquisition of the Company's immediate parent Southerns Limited by a subsidiary of Utah Holdings Limited. Utah Holdings Limited is incorporated in the UK.

There are no related party transactions in either year. Amounts due to group undertakings at the balance sheet date are disclosed in note 5.