

**Company Registration No. 07973172 (England and Wales)**

**Southerns Group Interiors Limited**

**Annual report and financial statements  
for the year ended 30 June 2020**

## **Southerns Group Interiors Limited**

### **Company information**

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<b>Directors</b>	Andrew Kendall-Jones Ashley Hayward	(Appointed 10 August 2020)
<b>Company number</b>	07973172	
<b>Registered office</b>	Units 5-7 Bramley Business Park Railsfield Rise Leeds LS13 3SA	
<b>Independent auditor</b>	Saffery Champness LLP Trinity 16 John Dalton Street Manchester M2 6HY	

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**Southerns Group Interiors Limited**

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## **Southerns Group Interiors Limited**

### **Directors' report**

**For the year ended 30 June 2020**

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The directors present their annual report and financial statements for the year ended 30 June 2020.

#### **Principal activities**

The principal activity of the company continued to be that of an intermediate holding company.

#### **Results and dividends**

The results for the year are set out on page 7.

No dividends were paid. The directors do not recommend payment of a final dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Andrew Kendall-Jones	
Anthony Lenehan	(Resigned 29 November 2019)
Phillip Lanigan	(Resigned 29 November 2019)
Ashley Hayward	(Appointed 10 August 2020)
Thomas Rook	(Appointed 10 August 2020 and resigned 30 April 2021)
Craig Eastwood	(Appointed 29 November 2019 and resigned 30 March 2020)
Nigel Taylor	(Appointed 29 November 2019 and resigned 15 September 2020)

#### **Qualifying third party indemnity provisions**

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.

#### **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 2020, 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.

## **Southerns Group Interiors Limited**

### **Directors' report (continued)**

**For the year ended 30 June 2020**

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#### **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, an assessment of their effects on the group's forecast liquidity and banking covenants.

Given the nature of the group wide funding facility and the cross company guarantees within it, management have relied on consolidated modelling of the financial results and cash flows through to June 2022 performed by the directors of Utah Holding Limited. As disclosed in note 11, on 4 June 2020 the Utah Holdings Limited group's debt facilities were amended as part of a refinancing exercise following on from the administration of Extentia Group Limited and these facilities were renegotiated and extended to 15 July 2022 on 30 June 2021.

The group has continued to trade profitably since the balance sheet date and its revenues continue to be offered some protection due to both the critical nature of services provided, and the alignment to public sector customers in some areas of the group, including public healthcare and government.

A going concern assessment was developed on a bottom-up basis using key assumptions for the Utah Holdings Limited group, the most important of which include estimates of revenues, operating costs and working capital movements. Sensitivities were applied to the model which were informed by internal and external data sources, including a review of the group's current trading levels, the forward order book and pipeline, and considerations of macroeconomic factors impacting key customers. Further downside sensitivities were applied in relation to potential future COVID-19 impacts including depressed economic activity from causes such as further business disruption, customer spending reductions and supplier failures.

Even considering a scenario of a further reduction in turnover of 10%, headroom is maintained in covenant tests and liquidity forecasts. Sufficient and prudent levels of liquidity headroom remain during the 12-month period under assessment, particularly when considered against potential future liquidity events the group has not factored into its financial forecasts such as proceeds from the administration of Extentia Group Limited and Styles and Wood Limited, which will go to repaying external debt as both companies remain subject to fixed charges over their assets.

As a result of this detailed assessment, including the various scenarios and mitigating actions available to the group, and with reference to its balance sheet and existing committed facilities, whilst acknowledging the inherent uncertainty of the current economic outlook, the board has concluded the company is able to meet its obligations when they fall due for a period of at least 12 months from the date of this report. For this reason, the company continues to adopt the going concern basis for preparing the Group financial statements. In forming this view, the board has also concluded that no material uncertainty exists in its use of the going concern basis of preparation.

#### **Post reporting date events**

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.

## **Southerns Group Interiors Limited**

### **Directors' report (continued)**

**For the year ended 30 June 2020**

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#### **Auditor**

Saffery Champness LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with international accounting standards (IAS) in conformity with the requirements of the Companies Act 2006. Under company law the 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 these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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. 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 to auditor**

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board

Andrew Kendall-Jones

**Director**

15 July 2021

## **Southerns Group Interiors Limited**

### **Independent auditor's report**

#### **To the members of Southern Group Interiors Limited**

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#### **Qualified Opinion**

We have audited the financial statements of Southern Group Interiors Limited (the 'company') for the year ended 30 June 2020 which comprise the income statement, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards (IAS) in conformity with the requirements of the Companies Act 2006.

In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph below, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with IAS in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **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 the 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.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Southerns Group Interiors Limited**

### **Independent auditor's report (continued)**

#### **To the members of Southern Group Interiors Limited**

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#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.



**Southerns Group Interiors Limited**

**Independent auditor's report (continued)**

**To the members of Southern Group Interiors Limited**

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**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Simon Kite BSc FCA (Senior Statutory Auditor)**

**For and on behalf of Saffery Champness LLP**

15 July 2021

**Chartered Accountants**

**Statutory Auditors**

Trinity  
16 John Dalton Street  
Manchester  
M2 6HY

**Southerns Group Interiors Limited**

**Income statement**

**For the year ended 30 June 2020**

		<b>2020</b>	<b>2019</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Administrative expenses		-	(184,243)
<b>Operating profit/(loss)</b>		-	(184,243)
Income tax expense	<b>3</b>	-	-
<b>Profit/(loss) and total comprehensive income for the year</b>		-	(184,243)

**Southerns Group Interiors Limited**

**Statement of financial position**

**As at 30 June 2020**

		<b>2020</b>	<b>2019</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Non-current assets</b>			
Investments	<b>5</b>	733,129	733,129
<b>Current liabilities</b>			
Trade and other payables	<b>7</b>	267,673	267,673
<b>Net current liabilities</b>		(267,673)	(267,673)
<b>Net assets</b>		465,456	465,456
<b>Equity</b>			
Called up share capital	<b>8</b>	6,673	6,673
Share premium account	<b>9</b>	17,180	17,180
Other reserves		482,246	482,246
Retained earnings		(40,643)	(40,643)
<b>Total equity</b>		465,456	465,456

The financial statements were approved by the board of directors and authorised for issue on 15 July 2021 and are signed on its behalf by:

Andrew Kendall-Jones  
**Director**

**Company Registration No. 07973172**

**Southerns Group Interiors Limited**

**Statement of changes in equity  
For the year ended 30 June 2020**

	Share capital	Share premium account	Other reserves	Retained earnings	Total
	£	£	£	£	£
<b>Balance at 1 July 2018</b>	6,673	17,180	482,246	143,600	649,699
<b>Year ended 30 June 2019:</b>					
Loss and total comprehensive income for the year	-	-	-	(184,243)	(184,243)
<b>Balance at 30 June 2019</b>	6,673	17,180	482,246	(40,643)	465,456
<b>Year ended 30 June 2020:</b>					
<b>Balance at 30 June 2020</b>	6,673	17,180	482,246	(40,643)	465,456

## **Southerns Group Interiors Limited**

### **Notes to the financial statements For the year ended 30 June 2020**

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#### **1 Accounting policies**

##### **Company information**

Southerns Group Interiors Limited is a private company limited by shares incorporated in England and Wales. The registered office is Units 5-7 Bramley Business Park, Railsfield Rise, Leeds, LS13 3SA. The company's principal activities and nature of its operations are disclosed in the directors' report.

##### **1.1 Accounting convention**

The financial statements have been prepared in accordance with international accounting standards (IAS) in conformity with the requirements of the Companies Act 2006 and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

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 2020, 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.

The financial statements have been prepared under the historical cost convention and on a going concern basis. The principal accounting policies adopted are set out below.

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

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. After reviewing the standard, the directors believe this standard does not have a material impact on the company.

##### ***Standards, amendments and interpretations to new standards that become effective after the year***

Certain new accounting standards and interpretations have been published that are not effective for the 30 June 2020 reporting period. The company has reviewed these standards and interpretations, and concluded that none of the new or amended standards have a material effect on the company's accounting policies, financial position or performance. The company does not intend to early adopt any of the new standards or interpretations.

**1 Accounting policies (continued)**

**1.2 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, an assessment of their effects on the group's forecast liquidity and banking covenants.

Given the nature of the group wide funding facility and the cross company guarantees within it, management have relied on consolidated modelling of the financial results and cash flows through to June 2022 performed by the directors of Utah Holding Limited. As disclosed in note 11, on 4 June 2020 the Utah Holdings Limited group's debt facilities were amended as part of a refinancing exercise following on from the administration of Extentia Group Limited and these facilities were renegotiated and extended to 15 July 2022 on 30 June 2021.

The group has continued to trade profitably since the balance sheet date and its revenues continue to be offered some protection due to both the critical nature of services provided, and the alignment to public sector customers in some areas of the group, including public healthcare and government.

A going concern assessment was developed on a bottom-up basis using key assumptions for the Utah Holdings Limited group, the most important of which include estimates of revenues, operating costs and working capital movements. Sensitivities were applied to the model which were informed by internal and external data sources, including a review of the group's current trading levels, the forward order book and pipeline, and considerations of macroeconomic factors impacting key customers. Further downside sensitivities were applied in relation to potential future COVID-19 impacts including depressed economic activity from causes such as further business disruption, customer spending reductions and supplier failures.

Even considering a scenario of a further reduction in turnover of 10%, headroom is maintained in covenant tests and liquidity forecasts. Sufficient and prudent levels of liquidity headroom remain during the 12-month period under assessment, particularly when considered against potential future liquidity events the group has not factored into its financial forecasts such as proceeds from the administration of Extentia Group Limited and Styles and Wood Limited, which will go to repaying external debt as both companies remain subject to fixed charges over their assets.

As a result of this detailed assessment, including the various scenarios and mitigating actions available to the group, and with reference to its balance sheet and existing committed facilities, whilst acknowledging the inherent uncertainty of the current economic outlook, the board has concluded the Company is able to meet its obligations when they fall due for a period of at least 12 months from the date of this report. For this reason, the Company continues to adopt the going concern basis for preparing the Group financial statements. In forming this view, the board has also concluded that no material uncertainty exists in its use of the going concern basis of preparation.

**1 Accounting policies (continued)**

**1.3 Investments in Subsidiaries**

Investments in subsidiaries and associates are stated at cost less, where appropriate, provisions for impairment.

**1.4 Financial assets**

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

***Financial assets at fair value through profit or loss***

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

***Financial assets held at amortised cost***

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

***Impairment of financial assets***

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

**1 Accounting policies (continued)**

**1.5 Financial liabilities**

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

***Financial liabilities at fair value through profit or loss***

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

***Other financial liabilities***

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

**1.6 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.



**1 Accounting policies (continued)**

**1.7 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.

**1.8 Critical accounting estimates and judgments**

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 are related to assessing the carrying value of inventories, and the recoverable amount of these inventories.

Judgement is also required in determining the provision for accounts receivable. The Company recognises its trade receivable net of provision for expected credit losses. The expected loss rates are based on the payment profiles of sales over a period of 24 months and the corresponding historical credit losses experienced, along with adjusted to reflect forward-looking information.

**2 Auditor's remuneration**

The Company's audit fee £1,000 (2019: £1,250) has been borne by Southernns 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 (2019: none).

**Southerns Group Interiors Limited**

**Notes to the financial statements (continued)**

**For the year ended 30 June 2020**

**3 Income tax expense**

2020	2019
£	£

The charge for the year can be reconciled to the loss per the income statement as follows:

2020	2019
£	£

Loss before taxation	-	(184,243)
	=====	=====
Expected tax charge/(credit) based on a corporation tax rate of 19.00% (2019: 19.00%)	-	(35,006)
Effect of expenses not deductible in determining taxable profit	-	35,006
	=====	=====
<b>Taxation charge for the year</b>	-	-
	=====	=====

The main rate of corporation tax for the year ended 31 December 2020 was 19% and will remain in force until 31 March 2023.

At Budget 2021 the government announced that from 1 April 2023 the rate of corporation tax will be 25% for companies with annual profits over £250,000. For companies with annual profits below £50,000 the rate will remain at 19%. Marginal relief provisions will also be introduced so that, where a company's profits fall between the lower (£50,000) and upper (£250,000) limits, it will be able to claim an amount of marginal relief that bridges the gap between the lower and upper limits providing a gradual increase in the corporation tax rate.

**4 Impairments**

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

2020	2019
£	£

In respect of:		
Intangible assets	-	184,243
	=====	=====
Recognised in:		
Administrative expenses	-	184,243
	=====	=====

**Southerns Group Interiors Limited**

**Notes to the financial statements (continued)**

**For the year ended 30 June 2020**

**5 Investments**

	<b>Current</b>		<b>Non-current</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Investments in subsidiaries	-	-	733,129	733,129

**Fair value of financial assets carried at amortised cost**

Except as detailed below the directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

**Movements in non-current investments**

	<b>Shares in group undertakings</b>
	<b>£</b>
<b>Cost</b>	
At 1 July 2019	917,372
Impairment	(184,243)
At 30 June 2020	733,129
<b>Carrying amount</b>	
At 30 June 2020	733,129
At 30 June 2019	733,129

## Southerns Group Interiors Limited

### Notes to the financial statements (continued)

For the year ended 30 June 2020

#### 6 Subsidiaries

Details of the company's subsidiaries at 30 June 2020 are as follows:

Name of undertaking	Registered office	Principal activities	Class of shares held	% Held	
				Direct	Indirect
Tavisford LTD	Units 5-7 Bramley Business Park, Railsfield Rise, Leeds, England, LS13 3SA	Immediate Holding company	Ordinary	100.00	-
Southerns Office Interiors Limited	Units 5-7 Bramley Business Park, Railsfield Rise, Leeds, England, LS13 3SA	Supplier of contract furniture	Ordinary	0	100.00
Ralph Capper Interiors Limited	Units 5-7 Bramley Business Park, Railsfield Rise, Leeds, England, LS13 3SA	Supplier of contract furniture	Ordinary	0	75.00
Southerns Office Holdings Ltd	Units 5-7 Bramley Business Park, Railsfield Rise, Leeds, England, LS13 3SA	Supplier of contract furniture	Ordinary	0	100.00

Where the subsidiaries are held indirectly, they are a subsidiary of Tavisford LTD.

On 6 October 2020, Southern 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 2019 and 2020 balance sheet dates. None of the above carrying value of investments was supported by trading or cashflows from Southern Office Holdings Ltd and therefore this strike-off is not considered to impact the carrying value of the Company's investment in Tavisford LTD.

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

#### 7 Trade and other payables

	2020	2019
	£	£
Amounts owed to fellow 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.

**Southerns Group Interiors Limited****Notes to the financial statements (continued)****For the year ended 30 June 2020****8 Share capital**

	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary Shares of £1 each	5,561	5,561	5,561	5,561
Ordinary A Shares of £1 each	1,112	1,112	1,112	1,112
	<u>6,673</u>	<u>6,673</u>	<u>6,673</u>	<u>6,673</u>
	<u><u>6,673</u></u>	<u><u>6,673</u></u>	<u><u>6,673</u></u>	<u><u>6,673</u></u>

**9 Share premium account**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
At the beginning and end of the year	17,180	17,180
	<u><u>17,180</u></u>	<u><u>17,180</u></u>

**10 Statement of Cash Flows**

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

## **Southerns Group Interiors Limited**

### **Notes to the financial statements (continued)**

**For the year ended 30 June 2020**

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#### **11 Contingent liabilities**

Up to 27 February 2020, the ultimate parent was Extentia Group Limited when Extentia group Limited went into administration.

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

On 27 February 2020, the 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 over 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 second debt facility, of which £20,400,000 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.
- Tosca Debt Capital provided a £5,000,000 revolving credit facility in addition to the existing £23,000,000 second lien facility to provide working capital headroom to the business.

At the date of signing the financial statements, there remains a fixed and floating charge over all assets to secure these loans.

#### **12 Controlling party**

The immediate parent undertaking is Southernns Limited.

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

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.