

REGISTERED COMPANY NUMBER: NI019910 (Northern Ireland)
REGISTERED CHARITY NUMBER: 103568

Report of the Trustees and
Unaudited Financial Statements
for the Year Ended 31 March 2023
for
SOUTHERN GROUP ENTERPRISES LIMITED

M.B.McGrady & Co
Chartered Accountants
Rathmore House
52 St Patricks Avenue
Downpatrick
Co. Down
BT30 6DS

SOUTHERN GROUP ENTERPRISES LIMITED

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FOR THE YEAR ENDED 31 MARCH 2023**

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**Report of the Trustees
FOR THE YEAR ENDED 31 MARCH 2023**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the charity are:

" To enhance education, in particular for young people, by providing training facilities for the acquisition and development of occupational skills and work experience for periods in each case not normally exceeding two years."

The main objectives for the year continue to be focused on the provision of community based training.

Public benefit

The trustees are confident that the charitable aims of Southern Group Enterprises Limited satisfy the principles of public benefit as defined in the Charities Act. They have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning its future activities.

The public purpose of Southern Group Enterprises Limited is to provide an educational programme, based on occupational and essential skills, to those pupils at school who wish to opt out of the formal academic route. The target group are those pupils who at the age of fourteen to sixteen are seeking an alternative educational system that challenges them to develop and demonstrate their individual capabilities and creative skills. The provision of the vocational/occupational programmes provided by Southern Group Enterprises Limited is an extension to the secondary level of the mainstream educational system. The benefit of this is two fold in that it enhances and supports the career departments within the local schools by providing the opportunity for work related training for pupils during school time and secondly the beneficiaries, the pupils, gain through maximising their potential through obtaining a vocational career and the feeling of self esteem and respect from this achievement, attaining relevant academic and vocational qualifications but also developing life skills both at a personal and social level. The age at which pupils enter the vocational/occupational programmes is one that Southern Group Enterprises Limited see as a defining time of a young person's life during which time their personality/expectations are determined and defined for later life. The public purpose therefore is the starting point under which education can provide a stable environment and base for each young person going forward. As for the community the benefit derived is that upon entering society at large the pupils have become young adults displaying responsibility and self belief within themselves that originates through the acquisition of skills attained within the educational programme.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The end of the year saw a result in which there was a demand upon the charity's financial resources and the results for the year are set out in detail on pages 5 to 14. The company returned a surplus for the year of £40,015.

FINANCIAL REVIEW

Principal funding sources

The main source of funding is derived from the provision of training under the STEPS and VEP programmes. The charity provides these services directly to the local schools, ultimately the funding is provided by the Southern Education & Library Board.

Investment policy and objectives

Under the Memorandum and Article of Association, the charity has the power to invest in any way the trustees wish. However in formulating an investment policy, the charity has recognised that whilst it may have surplus funds to invest, these are likely to be called upon in the short term. The policy is to maintain high levels of capital security by minimising interest rate risk, maximising returns and liquidity and maintaining low transaction costs.

**Report of the Trustees
FOR THE YEAR ENDED 31 MARCH 2023**

FINANCIAL REVIEW

Reserves policy

The Management Committee have examined the charity's requirements for reserves in light of the main risks to the organisation. A policy has been established whereby unrestricted funds not committed or invested in tangible assets held by the charity should be between 6 and 9 months of the annual budgeted expenditure. Budgeted expenditure for 2022/23 is approximately £255,000 and therefore the target is between £127,500 and £191,250 of general unrestricted funds. The reserves are required to meet the working capital requirements of the charity. The charity recognised the continued need of a fund to both refurbish and make improvements to their land and buildings. As such a designated fund of £550,000 was set aside for the redevelopment and improvement of the charity's property. To date an amount of £291,870 of this fund has been used leaving designated funds for the redevelopment and improvement of the charity's land and buildings of £258,130.

Free reserves at 31 March 2023 amount to £145,835, which falls short of the lower target figure of £159,375 for unrestricted funds. In calculating reserves the designated fund (£258,130) and the net book value of fixed assets held (£320,177) have been excluded. Although the strategy is to continue to build reserves, the Management Committee is aware that it is unlikely that the target can be reached for a number of years.

The charity plans to continue the objectives and activities outlined above, subject to satisfactory funding arrangements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The company was incorporated on 22 October 1986 as a charitable company limited by guarantee, and also received charitable status from HM Revenue & Customs. The company was registered with the Charities Commission in Northern Ireland on 16 December 2015. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of new trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Management Committee. Under the requirements of the Memorandum and Articles of Association the members of the Management Committee are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting.

Due to the nature of the charity's work the trustees seek to ensure that these needs are appropriately reflected through the diversity of the trustee body. To enhance the potential pool, trustees are requested to provide a list of their skills (and update it each year) and in the event of particular skills being lost due to retirement, individuals are approached to offer themselves for election.

Induction and training of new trustees

New trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. They also meet other trustees and are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

All trustees are already familiar with practical work of the charity.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

NI019910 (Northern Ireland)

Registered Charity number

103568

**Report of the Trustees
FOR THE YEAR ENDED 31 MARCH 2023**

Registered office

Unit 22 Rampart Way
Greenbank Ind Estate
Warrenpoint Road
Newry
Co. Down
BT34 2QU

Trustees

C P Bagnall Mobile Engineer
Ms M D M Coulter Solicitor
R G Coulter MBE Building Contractor
P G Duffy Retired Accountant (resigned 25/7/2022)
K McGivern Chartered Accountant
C O'Hare Administrative Officer

Company Secretary

Mrs B Rocks

Independent Examiner

Mr Conaill McGrady FCA
M.B.McGrady & Co
Chartered Accountants
Rathmore House
52 St Patricks Avenue
Downpatrick
Co. Down
BT30 6DS

Solicitors

MDM Coulter
125 Harbour Road
Kilkeel
Co.Down
BT34 4AT

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 26 June 2023 and signed on its behalf by:

Mrs B Rocks - Secretary



I report on the accounts of the company for the year ended 31 March 2023, which are set out on pages five to fourteen.

Respective responsibilities of charity trustees and examiner

As the charity's trustees (and also the directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 65 of the Charities Act
- follow the procedures laid down in the general Directions given by the Charity Commission for Northern Ireland under Section 65(9)(b) of the Charities Act
- state whether particular matters have come to my attention.

Basis of the independent examiner's report


I have examined your charity accounts as required under Section 65 of the Charities Act and my 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. The examination included a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also included consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as charity trustees concerning any such matters.

My role is to state whether any material matters have come to my attention giving me cause to believe:

1. That accounting records were not kept in accordance with Section 386 of the Companies Act 2006
2. That the accounts do not accord with those accounting records
3. That the accounts do not comply with the accounting requirements of Section 396 of the Companies Act 2006 and with the methods and principles of the Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland
4. That there is further information needed for a proper understanding of the accounts to be reached.

Independent examiner's statement

I have completed my 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, I have found no matters that require drawing to your attention.



Mr Conaill McGrady FCA

M.B.McGrady & Co
Chartered Accountants
Rathmore House
52 St Patricks Avenue
Downpatrick
Co. Down
BT30 6DS

26 June 2023

SOUTHERN GROUP ENTERPRISES LIMITED

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2023**

		31/3/23 Unrestricted funds £	31/3/22 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Charitable activities			
Charitable activities		179,595	189,217
Investment income	2	4,146	357
Other income	3	19,903	22,690
Total		203,644	212,264
EXPENDITURE ON			
Charitable activities			
Charitable activities		163,629	263,025
NET INCOME/(EXPENDITURE)		40,015	(50,761)
RECONCILIATION OF FUNDS			
Total funds brought forward		684,127	734,888
TOTAL FUNDS CARRIED FORWARD		724,142	684,127

The notes form part of these financial statements

SOUTHERN GROUP ENTERPRISES LIMITED (REGISTERED NUMBER: NI019910)

**Balance Sheet
31 MARCH 2023**

		31/3/23	31/3/22
		Total	Total
		funds	funds
	Notes	£	£
FIXED ASSETS			
Tangible assets	9	320,177	384,781
Investments	10	120	120
		<u>320,297</u>	<u>384,901</u>
CURRENT ASSETS			
Debtors	11	29,728	23,462
Cash at bank and in hand		381,265	287,351
		<u>410,993</u>	<u>310,813</u>
CREDITORS			
Amounts falling due within one year	12	(7,148)	(11,587)
		<u>403,845</u>	<u>299,226</u>
NET CURRENT ASSETS			
		<u>403,845</u>	<u>299,226</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>724,142</u>	<u>684,127</u>
NET ASSETS			
		<u>724,142</u>	<u>684,127</u>
FUNDS	13		
Unrestricted funds:			
General fund		634,419	594,404
Revaluation Reserve		89,723	89,723
		<u>724,142</u>	<u>684,127</u>
TOTAL FUNDS		<u>724,142</u>	<u>684,127</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2023 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

SOUTHERN GROUP ENTERPRISES LIMITED (REGISTERED NUMBER: NI019910)

Balance Sheet - continued
31 MARCH 2023

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Trustees and authorised for issue on 26 June 2023 and were signed on its behalf by:

M D M Coulter - Trustee



The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The date of transition to FRS 102 was 1 April 2016. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2.5% on cost
Plant and machinery	- 25% on cost
Fixtures and fittings	- 12.5% on cost
Computer equipment	- 25% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purpose's.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

SOUTHERN GROUP ENTERPRISES LIMITED

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2023**

2. INVESTMENT INCOME

	31/3/23	31/3/22
	Unrestricted	Total
	funds	funds
	£	£
Deposit account interest	4,146	357

3. OTHER INCOME

	31/3/23	31/3/22
	Unrestricted	Total
	funds	funds
	£	£
Other income	19,903	22,591
Canteen income	-	99
	19,903	22,690

4. NET INCOME/(EXPENDITURE)

Net Resources are stated after charging/(crediting):

	2022	2021
	£	£
Depreciation - owned assets	19,436	21,931
Independent examination fees	2,700	-
Auditor's remuneration	-	2,880

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

SOUTHERN GROUP ENTERPRISES LIMITED

Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 MARCH 2023

6. STAFF COSTS

The average monthly number of employees during the year was as follows:

	31/3/23	31/3/22
Administrative staff	<u>8</u>	<u>8</u>

No employees received emoluments in excess of £60,000.

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £
INCOME AND ENDOWMENTS FROM	
Charitable activities	
Charitable activities	189,217
Investment income	357
Other income	22,690
Total	<u>212,264</u>
EXPENDITURE ON	
Charitable activities	
Charitable activities	<u>263,025</u>
NET INCOME/(EXPENDITURE)	(50,761)
RECONCILIATION OF FUNDS	
Total funds brought forward	734,888
TOTAL FUNDS CARRIED FORWARD	<u>684,127</u>

8. GOING CONCERN

The financial statements have been prepared on the assumption that the company is able to carry on its business as a going concern which the directors consider appropriate whilst having regard to the trading results of the financial year.

Although the company's core activity has increased in line with expectations all costs have been minimalised and due to its reserves it is able to meet its commitments for twelve months from the date of signing these financial statements.

On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. However should the company not be able to meet its commitments long term the going concern basis used in preparing the company's financial statements may be invalid and adjustments would have to be made to adjust the value of its assets to their realisable amount and to provide for any further liabilities which may arise.

The financial statements do not include any adjustment to the company's assets or liabilities that might be necessary should this basis not continue to be appropriate.

SOUTHERN GROUP ENTERPRISES LIMITED

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2023**

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 April 2022	669,966	53,234	289,331	51,572	1,064,103
Disposals	(111,226)	-	-	-	(111,226)
At 31 March 2023	558,740	53,234	289,331	51,572	952,877
DEPRECIATION					
At 1 April 2022	289,001	53,234	288,966	48,121	679,322
Charge for year	16,960	-	187	2,289	19,436
Eliminated on disposal	(66,058)	-	-	-	(66,058)
At 31 March 2023	239,903	53,234	289,153	50,410	632,700
NET BOOK VALUE					
At 31 March 2023	318,837	-	178	1,162	320,177
At 31 March 2022	380,965	-	365	3,451	384,781

10. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
At 1 April 2022 and 31 March 2023	120
NET BOOK VALUE	
At 31 March 2023	120
At 31 March 2022	120

There were no investment assets outside the UK.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/3/23 £	31/3/22 £
Trade debtors	28,392	23,462
Prepayments and accrued income	1,336	-
	29,728	23,462

SOUTHERN GROUP ENTERPRISES LIMITED

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2023**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/3/23	31/3/22
	£	£
Trade creditors	-	2,812
Accruals and deferred income	7,148	8,775
	<u>7,148</u>	<u>11,587</u>

13. MOVEMENT IN FUNDS

	At 1/4/22	Net movement in funds	At 31/3/23
	£	£	£
Unrestricted funds			
General fund	594,404	40,015	634,419
Revaluation Reserve	89,723	-	89,723
	<u>684,127</u>	<u>40,015</u>	<u>724,142</u>
TOTAL FUNDS	<u>684,127</u>	<u>40,015</u>	<u>724,142</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	203,644	(163,629)	40,015
	<u>203,644</u>	<u>(163,629)</u>	<u>40,015</u>
TOTAL FUNDS	<u>203,644</u>	<u>(163,629)</u>	<u>40,015</u>

Comparatives for movement in funds

	At 1/4/21	Net movement in funds	At 31/3/22
	£	£	£
Unrestricted funds			
General fund	645,165	(50,761)	594,404
Revaluation Reserve	89,723	-	89,723
	<u>734,888</u>	<u>(50,761)</u>	<u>684,127</u>
TOTAL FUNDS	<u>734,888</u>	<u>(50,761)</u>	<u>684,127</u>

SOUTHERN GROUP ENTERPRISES LIMITED

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2023

13. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	212,264	(263,025)	(50,761)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>212,264</u>	<u>(263,025)</u>	<u>(50,761)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/4/21 £	Net movement in funds £	At 31/3/23 £
Unrestricted funds			
General fund	645,165	(10,746)	634,419
Revaluation Reserve	89,723	-	89,723
	<hr/>	<hr/>	<hr/>
	734,888	(10,746)	724,142
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>734,888</u>	<u>(10,746)</u>	<u>724,142</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	415,908	(426,654)	(10,746)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>415,908</u>	<u>(426,654)</u>	<u>(10,746)</u>

SOUTHERN GROUP ENTERPRISES LIMITED

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2023

14. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2023.

15. COMPANY LIMITED BY GUARANTEE

The Company is limited by guarantee and therefore has no share capital.