

The Connolly Foundation (UK) Limited

England & Wales · Charity number 1109135

Details

Other names	KATHLEEN AND MICHAEL CONNOLLY FOUNDATION (UK) LIMITED, THE CONNOLLY FOUNDATION
Status	Registered
Legal form	Charitable company
Company number	05315014
Registered	2005-04-19
Register	View on the Charity Commission register

Contact

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Website	www.connollyfoundation.org.uk

Activities

Objects: To advance such charitable purposes (according to the law of England and Wales) as the trustees see fit from time to time, in particular but not limited to advancing the education of young people and the welfare of older people in need for the public benefit by making grants and awards.

Activities: Grants to individuals made on recommendation by schools and colleges. Grants for capital projects in areas within the Charity's objectives.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space, Sponsors Or Undertakes Research
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty, Accommodation/housing
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- **Area of benefit:** UNTIED KINGDOM AND OVERSEAS AND BEDFORDSHIRE
- Bedford
- Buckinghamshire
- Cambridgeshire
- Central Bedfordshire
- Hertfordshire
- Luton

Finances

Period end	Income	Expenditure	Assets	Employees
2025-05-31	£13,990,240	£9,179,237	£109,613,112	5
2024-05-31	£3,275,120	£3,381,935	£101,834,874	6
2023-05-31	£15,676,462	£11,889,092	£97,114,418	6
2022-05-31	£15,769,091	£6,986,197	£96,038,116	6
2021-05-31	£15,017,849	£10,024,922	£88,752,729	10

Trustees

Name	Role	Appointed
Amar Lakhani		2024-11-26
Brendan John McGowan		2024-11-26
David Peter Wilkins		2020-11-27
Malcolm Groves		2022-11-24
Mostaque Ahmed Koyes		2024-11-26
Simon John White		2025-11-27
Yvonne Louise Ashby		2024-11-26

The Connolly Foundation (UK) Limited

England & Wales - Charity number 1109135

Accounts

The **Connolly**
Foundation
(UK) Limited

TRUSTEES'
REPORT
AND
FINANCIAL
STATEMENTS

For the year ended
31 May 2025

The Connolly Foundation

Report of the Trustees for the year ended 31 May 2025

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1. Objectives and activities

Purposes

The Charity's Memorandum of Association sets out its objectives as

To advance such charitable purposes (according to the law of England and Wales) as the trustees see fit from time to time, in particular but not limited to advancing the education of young people and the welfare of older people in need for the public benefit by making grants and awards.

With the consent of the Charity Commission, the Foundation changed its objects to better reflect the original wishes of its founder.

Aims

The Foundation seeks to make grants to improve people's lives in Bedfordshire. The Foundation's founder, the late Michael Connolly, wanted to improve the lives of people in Bedfordshire by giving young people the opportunity to improve their lives and by giving older people the opportunity to live their lives in comfort and dignity. The Foundation works through other institutions rather than giving grants to individuals.

Activities

Grants to benefit younger people are paid to:

- Schools, including bursaries for those going on to university, and support for students applying for university or degree apprenticeships;
- Further Education colleges, including bursaries for students and grants for teaching equipment; and
- Charitable organisations that support disadvantaged young people.

During the year the Foundation's Board reviewed grant funding for younger people and agreed the following priorities for future years.

- Bursaries
- Aspirations, careers and choices
- Overcoming barriers

The Foundation's Board agreed five priority areas for funding for older people:

- Loneliness and isolation
- Transport
- Health promotion
- End of life care
- Access to IT, especially where this promotes access to benefits

Strategies

Trading subsidiaries

The charity was formed when Michael Connolly donated his shares in his building company, Connolly Holdings plc, to the Foundation. We have made significant steps towards our ambition of becoming a grant-giving charity funding and supporting activities which will improve the lives of many in Bedfordshire. The Board has simplified the group structure over the past year and Connolly Holdings Ltd, Connolly Estates Ltd and Fritchway Settlement Ltd have all now been wound up. As part of the reorganisation, the remaining properties were transferred to Connolly Homes Ltd and to the Foundation. Connolly Homes Ltd continues to trade. The Foundation, together with Connolly Homes Ltd and another subsidiary company owned by Connolly Homes Ltd, are collectively referred to as "The Group".

The charity invests funds generated by the business activities of The Group and uses the income from the investments to provide grants. Over the next five years the Trustees anticipate that income from invested funds will be sufficient to support a substantial expansion of the grant making programme.

Measurements and criteria

The charity measures the number of students being supported in further and higher education. It asks all successful applicants to keep the charity updated as to how they are using the funds it gives and the progress they are making as a result. Where the charity donates to other charities and schools, the charity agrees with the beneficiary a range of measures and outcomes that will be reported to Connolly Foundation. The Foundation produces an Impact Report annually which looks back at donations made in previous years and assesses the impact.

Grant making criteria

The Foundation has agreed a grant making policy which can be accessed on its website. An application form is available on our website, www.connollyfoundation.org.uk/how-to-apply/. The Trustees' aim is to keep the application process as simple and streamlined as possible.

Public Benefit

The Trustees have complied with section 2(1)(b) of the Charities Act 2011, having due regard for the Charity Commission's guidance on public benefit when reviewing the Foundation's aims and objectives, when setting the grant-making policy and in making awards.

2. Strategic Report

2.1 Achievements and performance

Grants awarded can be analysed as follows:

	2025 £	2024 £
Young people grant		
Schools	1,325,281	960,828
Further Education Colleges	285,906	489,185
Other charitable institutions	391,004	352,126
Total Young people grants	<u>2,002,191</u>	<u>1,802,139</u>
Older people grant		
Loneliness and isolation	66,574	45,696
Health promotion	18,000	18,000
Transport	-	16,000
End of Life Care	60,000	60,000
Access to IT	-	-
Total Older people grants	<u>144,574</u>	<u>139,696</u>
Total grants	<u>2,146,765</u>	<u>1,941,835</u>

Young people grant

Student Award scheme

The Foundation runs an award scheme available to students attending its eighteen partner secondary schools in the county. The Foundation is working towards bringing all state schools offering A levels in Bedfordshire into the scheme. The Foundation has brought in three more schools for 2025/26 and believes that all schools offering A levels are now included.

It is an award for academic excellence open to students from these schools who are going on to university. The award is available to those studying a range of academic subjects mainly drawn from the core subjects looked for by the Russell Group of universities. The Academic Excellence Award provides a sum of up to £1,000 per

student depending on the grades achieved. Successful students are invited to re-apply after successfully completing each academic year at university.

Dear Connolly Foundation Team,

I am writing to express my sincere gratitude for the bursary I received from the Connolly Foundation. Your generous support has helped me with completing my degree. I am delighted to share that I have now graduated with a 2:1 in Computer Science from the University of Cambridge.

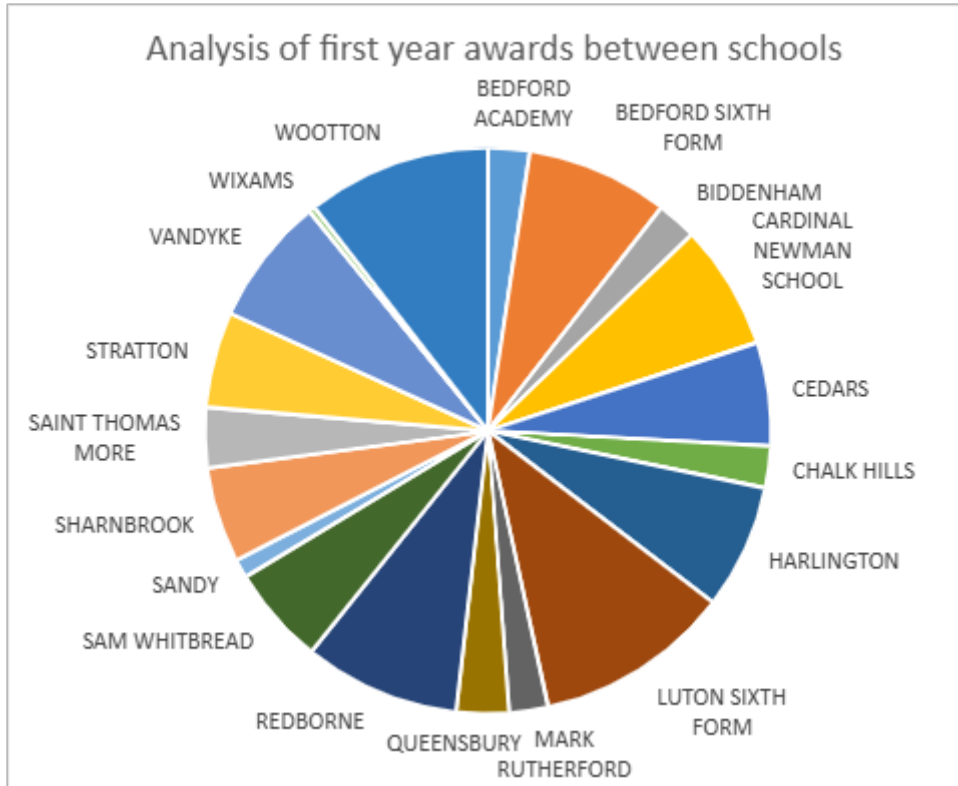
I truly appreciate the investment you made in my education and future. Thank you for your kindness and support.

- Academic Bursary recipient

In addition, each of the Foundation's partner schools are invited to put forward up to six students for the Foundation's Discretionary Award. This is available to students who do not meet the Foundation's academic criteria but whom the school believe merit an award.

The number of students receiving Academic and Discretionary grants during the year was 775 (2024: 734).

The Trustees have increased the number of schools with whom The Foundation works with from 17 to 19. The Foundation paid grants totalling £491,250 (2024: £426,500) to students. The increases are mainly due to the inclusion of Luton Sixth Form College for the first time. The Trustees were pleased to be able to increase take-up of awards.



Graduate tutors

The Foundation is funding recently-graduated students considering teaching as a career who are being employed by Redborne School in Ampthill for two terms to work in 12 schools (2024: 8 schools) in Bedfordshire. The Foundation took the decision that the programme would only work successfully if good quality graduates were recruited, so the scheme varies in size depending on the applications received. The graduates work with teachers to support students on an individual or small group basis, particularly focusing on disadvantaged students and catch-up work. The work of the graduates was very well received in schools and the trustees have recently agreed to fund a further year of support in 2025/26.

The total spending on this intervention was £485,000 (2024: £321,000).

University entry

The Connolly Foundation supports a range of activities to encourage state school pupils to apply for and gain places at the country’s leading universities. This includes:

- Oxford Thinking, a partnership with Wadham College Oxford University to identify disadvantaged young people with potential and give them the confidence to apply for university. Students are identified at age 14 and are given an insight into university life. This programme started in 2020 and despite the programme being restricted by Covid, from the first cohort of 88 young people, 55 were offered places at university and 45 took up those places.
- Our Raising Aspirations programme, run in partnership with 13 schools in Bedfordshire together with the Universities of Oxford, Cambridge, Bedfordshire,

Milton Keynes and Cranfield, helps and supports students to make ambitious choices in Higher Education (including degree apprenticeships) and helps them to apply for places and prepare for selection processes. Under the programme in the 2024/25 Academic Year, the proportion of students receiving offers from Russell Group universities after applying for places has increased from 40% to 56%, and the proportion of students who have been successful in applying for degree apprenticeships increased from 42% to 70%.

Weatherfield / Oakbank schools

The Foundation committed £100,000 to two Special Educational Needs schools in Bedfordshire to work jointly to develop specialist therapeutic learning programmes. During the year support was provided to over 100 pupils at the two schools, and the schools were able to run outreach services to support 160 children with special educational needs in mainstream schools in Central Bedfordshire. The trustees are pleased with this project and are keen to disseminate the lessons learned.

Equipment for schools

The Foundation has provided grants to enable schools to buy equipment which will enable them to deliver better quality lessons in STEM subjects. This has included grants for updated IT in classrooms at schools in Bedford and Luton, and equipment to enable more students to opt for Engineering Design at GCSE level at an all-girls school in Luton.



Connolly Foundation trustee Mostaque Koyes visits Challney High School for Girls to see the impact of new equipment for Engineering Design students

Bedford College, Central Bedfordshire College and Barnfield College

Bedford College is the largest provider of further education in the South East Midlands region and one of the largest employers in Bedfordshire. Over 4,000 students’ study at the College, travelling from across the region. Central Bedfordshire College (CBC) serves communities across southern Central Bedfordshire and Luton local authorities, with campuses in Dunstable, Houghton Regis, Leighton Buzzard and Luton. Barnfield College is a Further Education College with two specialist campuses located in Luton.

The trustees reviewed the awarding of Construction and Engineering bursaries at Bedford, Central Bedfordshire and Barnfield Colleges and were disappointed with the number of students applying. During the year they changed to criteria to allow more students to apply.

Bursaries and capital grants have been paid as follows

	Health & Social Care Bursaries		Construction and Engineering Bursaries		Welfare support grant	Equipment grants	Total	No	2024
	No	£	No	£	£	£	£		
Bedford College	108	54,000	36	18,000	75,000	23,376	170,376	208	118,240
Central Beds College	80	40,000	-	-	-	-	40,000	143	175,767
Barnfield College	-	-	-	-	-	63,030	63,030	119	194,178
	188	<u>94,000</u>	36	<u>18,000</u>	<u>75,000</u>	<u>86,406</u>	<u>273,406</u>	470	<u>488,185</u>

Bedford Giving



Bedford Giving is a group of passionate businesses, charities and other partners, who have all come together to form Bedford Giving with a united single goal – to help create a brighter future for the next generation in Bedford. The Connolly Foundation is a partner in the project. The Foundation donated £100,000 in 2023 and is committed to donating a further £200,000 over the next two years.

The activities have been split between 4 strands of work. The first is what Bedford Giving called the World of Work which was a scheme to identify new employers to provide work experience to children and young adults. This programme had limited impact enabling 25 young people to gain work experience. It is fair to say that

nationally work experience is under review due to its limited impact and the challenges of managing the programme as it is currently organised.

The second strand is a mentoring programme. 40 students were helped in the first year and it is planned to increase this to 90 this academic year. This programme is managed via a third party and not through the schools.

The third strand has allocated money to improve mental health amongst young people. Bedford Giving is working with a group called Young Minds primarily to train and provide information to people working with young people to enable them to better identify and support young people with mental health issues.

The final strand is looking at what activities are available for children and young people outside school term time. The research revealed that there is a lot of choice of activity but the cost of accessing these services means that some of the most vulnerable people are unable to access them.

Luton Town Football Club and Bedford Blues Rugby Club

Luton Town And Bedford Blues are the most high-profile professional sports clubs in the county. Both have a link to community charities who work with disadvantaged and vulnerable young people to build self-confidence and communication skills to help them in their future lives.

The Bedford Blues Foundation delivers programmes which give young people the opportunity to learn skills in a non-classroom environment. The programme delivers improvements in classroom behaviour and attendance and helps young people to develop communication skills and workplace behaviours.

The Luton Town Football Club Community Trust uses community football as a way to gain the trust of vulnerable people who can then benefit from counselling services which will enable them to make better life choices.

The Level Trust

The Level Trust is a charity which provides support for young people in Luton. The Foundation made a grant to the Level Trust to provide support to young people in Luton who are living in - and affected by - household poverty which, in many cases, can lead to a detrimental effect on their education and learning. Research demonstrates that, without support, these young people are more likely than peers not living in poverty to fail to reach their academic potential, less likely to achieve their aspirations, disengage with their learning and be a greater susceptibility of falling into antisocial behaviour. Put simply, growing up poor significantly reduces the life chances of young people. Through the work The Level Trust's aim is to remove the barriers that poverty brings to a child's learning. They do this by providing young people living in poverty with the things they need to remove the barriers to be able to fully participate in their education and the opportunities they need to be engaged learners and achieve their aspirations. The Uniform Exchange provides pre-loved

school uniform to young people through a shop in Luton Town Centre, and a fully accessible online shop. Families can use the exchange by swapping school uniform they no longer need (or have outgrown) for school uniform they need, all for free. Young people with no uniform to swap are referred by one of The Level Trust's partners to receive uniform without exchange. The Learning Locker provides learning resources including books, stationery, maths equipment, craft materials, games, refurbished laptops, new school shoes, winter coats and hygiene products.

Older people

Loneliness and isolation

Loneliness and isolation are a major issue for older people. During the year the Foundation made donations totalling £66,574 across 8 different charities providing companionship and support to older people across the county. In Luton, the Foundation has worked with Centre for Youth and Community Development to use their youth services premises (which are not used during the day) to provide a venue for older people from south Asian communities to meet and receive help and advice. This has included groups working with Hindu, Muslim and Sikh communities. In Bedford and the surrounding villages, we have given a grant to Tibbs Dementia Foundation to set up support groups in rural areas. Once set up the groups are self-sustaining. The three groups that have been set up to date attract regular attendances of nearly 100 between them.

The Foundation has also funded musical events in Bedford, Ampthill and Houghton Regis which are aimed at people living with dementia. Music has been found to help people with dementia sustain memory and benefit from social contact.

End of Life Care - Sue Ryder Hospice, Moggerhanger, Bedfordshire

The Foundation continues to support the Sue Ryder St Johns Hospice Palliative Care Hub. The £60,000 grant is for funding, specialist care support and advice to patients who prefer to receive care in their own homes as well as supporting families.

We thank the Trustees of The Connolly Foundation for your long-standing and generous support. This will enable us to provide older people who have an end-of-life diagnosis with expert and compassionate community care and allow patients to choose to spend their last moments in the familiar surroundings of their own home. Last year, Sue Ryder's community nurses and healthcare teams provided crucial support for nearly 3,000 people."

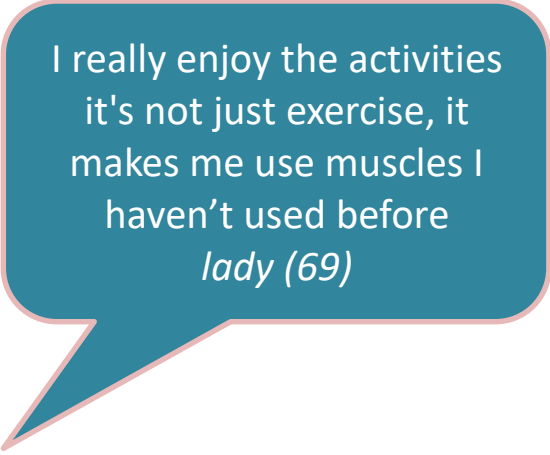
**Allison Mann, Service Director, Sue Ryder - St. Johns Hospice
Moggerhanger, Bedford**

Health promotion

The Foundation supports social landlords that own care homes in Bedfordshire to provide opportunities for exercise for older people. Some comments from participants are shown below.



As a recent newbie I
really enjoy the
sessions and making
new friends
lady (88)



I really enjoy the activities
it's not just exercise, it
makes me use muscles I
haven't used before
lady (69)

Progress against plans for future periods

Our plans for future periods stated in the 31 May 2024 accounts are presented below, together with progress achieved against those plans.

Planned activity	Achievements to date
Develop an Environmental Plan	We have estimated our carbon footprint and suggested some ways to reduce it. We are now looking at proposals and costings.
Consult on services for young people and decide on a strategy.	We consulted schools, colleges, councils and young people to gain a better understanding of needs. We then discussed our grants for young people and agreed on our priorities.
Increase the number of schools on the Academic Awards programme	We now offer our bursaries to substantially all A level students at state schools in Bedfordshire.
Implement agreed priorities for grants for older people.	Spending has increased during the year but we need to go further to promote our priorities.

2.2 Financial Review

Statement of Financial Activity	2025	2024
	£	£
Profits made by trading subsidiaries	5,268,656	487,102
Covenanted transfers from subsidiaries to the charity	9,684,775	746,910
Investment income	1,681,981	1,669,628
Grants awarded	2,146,765	1,941,835

Balance Sheet	2025	2024
	£	£
Net working capital	41,034,116	36,137,142
Working capital ratio	42.57	32.99

2.3 Investments

The Trustees have the power to invest in any way they wish, subject to obtaining expert advice.

Income is invested in line with the charity's reserves policy. Therefore, income is held in cash on deposit and in managed investment funds after review of performance of funds and assessment of the wider economy. At the year end the charity held discretionary funds with Quilter Cheviot Ltd, Charles Stanley Investment Management Ltd and Evelyn Investment Management LLP.

Over the longer term, the Trustees look to achieve a total return of 7 per cent on the value at the start of the year, and to spend 4.5 per cent. This allows a margin to maintain the real terms value of the portfolio.

	2025		2024	
	£	% Of starting value	£	% Of starting value
Total return	2,577,241	3.9%	6,556,563	11.71%
Total spend	2,591,656	4.3%	2,410,288	4.3%

The amount invested at the end of the year was £ 61,204,845 (2024 - £60,525,002).

2.4 Key risks and uncertainties

The Trustees have considered the major risks to which the charity and its subsidiaries are exposed and have established systems and procedures to mitigate these risks. Trustees review risks at their quarterly meetings.

The main risks affecting the charity and its subsidiaries are as follows.

Risk	Mitigation
Lack of Trustees with the right skills	Trustees regularly review the skills matrix of the Board and compare with the skills needed given the strategic direction of the Foundation.
Trustees fail to keep charitable business separate from trading business	Governance programme followed. Trading activity reported at each Board meeting.
Failure of financial investments	Funds are invested in a diverse portfolio and managed by professional Investment Managers. Performance of the investment managers is reviewed regularly. By using more than one fund manager we diversify the risk of dealers taking poor investment decisions.
Fraud	Financial controls and processes, due diligence on requests for funding.
Charitable expenditure is not controlled.	Financial monitoring, planning programme within the expected capacity.
Failure of key projects to have an impact	Continued contact with funded organisations, performance reporting.
Loss of key personnel	Plan in advance for potential loss of staff by documenting processes and improving archiving.

2.5 Plans for future periods

In the next financial year, the charity plans to:

- Grow charitable spending to match growth in invested funds
- Build relationships with Luton BC and Central Bedfordshire Council to improve access to charitable giving opportunities
- Develop a Strategic Plan for the next three years from June 2026
- Implement agreed priorities for younger people

2.6 Reserves

The Trustees have chosen to retain funds generated within the group as follows.

Restricted Funds

The Foundation has no restricted funds.

Designated funds

Designated funds are funds which the Trustees have set aside for specific purposes. It is not necessary to set up Designated Funds, but it indicates where Trustees have set funds aside which could otherwise be used to further the charitable causes.

The total funds held by the Group as at 31st May 2025 were £109,613,112 (2024: £104,154,524 as restated). All are unrestricted in both years.

Included within the funds balance are £60,574,281 (2024: £59,914,143) which is invested to provide an income that will fund future donations, £675,478 (2024: £693,707) of fixed assets, and designated funds of £2,707,109 (2024 £2,883,996) which represent anticipated payments in the coming years.

Free reserves that are readily available to spend are £27,746,667 (2024: £26,718,895 as restated).

Over the next five years The Foundation aims to increase funds invested to £100 million. This will be achieved through profits in the trading companies which will be donated to the charity and invested through the investment managers. This will allow the trustees to increase donations budgets to £4.5 million per year.

2.7 Fundraising

The charity does not seek to raise funds from third parties either by way of grants or donations. All income is derived either from the profits of its trading subsidiaries, returns on investments or legacies.

During the year the Foundation received a legacy of £318,278. This was the final instalment from the sale of land which had been in the estate of the late Michael Connolly. The proceeds of sale were passed to the Foundation as the residuary beneficiary of Mr Connolly's will.

2.8 Pension Liabilities

The group's pension assets and liabilities are explained in Note 28 to the accounts. The plan's assets are valued slightly higher than the present value of its expected future liabilities, and this is not expected to have a significant impact on the activities of the group. The Trustees are currently working to resolve this issue.

2.9 Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

3. Structure, Governance and Management

Governing Document and Constitution

The Connolly Foundation (UK) Limited is a charitable company limited by guarantee. It was incorporated on 16 December 2004 and registered as a charity on 19 April 2005 with the Charity Commission for England and Wales (registered number 1109135). The charity changed its name from The Kathleen and Michael Connolly Foundation (UK) Limited to the Connolly Foundation (UK) Limited on 30 July 2020. The company was established under a Memorandum of Association that sets out the objects and powers of the company and is governed by the rules set out in its Articles of Association.

In the event of the company being wound up the members are required to contribute an amount not exceeding £50.

Recruitment of Trustees

The Articles of Association provide for a minimum of three and a maximum of nine Trustees. There are currently seven Trustees. One third of the Trustees must retire by rotation at each Annual General Meeting.

The Trustees regularly review the range of skills available to them. Should they deem that additional skills and experience are required through new trustees it is expected that the Foundation will advertise for new trustees. Potential new trustees will be interviewed and the Trustees then decide whether new appointments are appropriate.

Remuneration

Trustees are not remunerated for their work as Trustees of the charity. Remuneration of the Directors of the trading subsidiaries is approved annually by the Trustees.

Any payments made to undertakings related to Trustees for services provided by Trustees in their professional capacities are approved by the Board of Trustees. The Trustees concerned are not permitted to vote on these matters.

Organisational structure

The Board of Trustees manages the charity. The Trustees meet at least four times a year with additional meetings arranged if needed.

The activities and ownership of each subsidiary undertaking is set out in note 16 to the accounts. Each subsidiary is run by a Board of Directors. The Directors of each company report to the Board of Trustees for the administration of the company.

Decision making

The Board of Trustees meet to make decisions on the key strategic issues affecting the charity. Papers are circulated at least a week in advance of each meeting to allow Trustees time to consider the proposals in advance of the meeting. Minutes documenting key decisions are circulated to Trustees after the meeting to check for accuracy and are approved at the following meeting as a true record.

Induction and training of new Trustees

New Trustees undergo an induction programme which includes reading recent accounts and the Memorandum and Articles of Association, together with a detailed briefing. The Trustees come to the Trust with a great deal of experience and knowledge and are expected to keep this up to date. Where appropriate the charity will support this through circulation of relevant literature and opportunities to attend seminars and training events.

Trustees' Responsibilities statement

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under Company Law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the Group and of the incoming resources and application of resources, including income and expenditure, of the charitable group for that period. In preparing these financial statements the Trustees are required to:

- select suitable policies and apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group. This enables them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who were Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant information of which the charity's auditors are unaware
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

Our auditor, Peters Elworthy & Moore transferred their audit registration and therefore that part of their business to a newly incorporated limited company, PEM Audit Limited, on 1 September 2025. Accordingly, Peters Elworthy and Moore formally ceased to be the Foundation's auditor with the Trustees duly appointing PEM Audit Limited to fill the vacancy arising.

A resolution to reappoint PEM Audit Limited as auditor will be put to the members at the annual general meeting.

This report was approved by the Trustees on
signed on their behalf by:

03 February 2026

and

Malcolm Groves

M.N.Groves

Chair of trustees

4. Administrative details

Registered name

The Connolly Foundation (UK) Limited

Registered as a charity in England and Wales, number 1109135

Company number

05315014

Registered office

Manor Farm Court, Lower Sundon, Luton, Bedfordshire LU3 3UZ

Trustees

Y Ashby (appointed 26/11/2024)

M A Callanan (resigned 26/11/2024)

V S Connolly (resigned 17/7/2025)

M N Groves

M Koyes (appointed 26/11/2024)

A Lakhani (appointed 26/11/2024)

B McGowan (appointed 26/11/2024)

C McKeaveney (resigned 18/6/2024)

S White (resigned 26/2/2025, re-appointed 17/7/2025)

D. Wilkins

Secretary

D J Oldham

Bankers

Barclays Bank plc, Midsummer Place Shopping Centre, Milton Keynes MK9 3GB

Auditor

PEM Audit Limited, Salisbury House, Station Road, Cambridge, CB1 2LA

Investment managers

Quilter Cheviot One Kingsway, London, WC2B 6AN

Charles Stanley, 55 Bishopsgate, London, EC2N 3AS

Evelyn Partners, 14th Floor, 103 Colmore Row, Birmingham, B3 2BJ

Solicitors

Gunner Cooke, 1 Cornhill, London, EC 3V 3ND

Shoosmiths, The XYZ Building, 2 Hardman Boulevard,
Spinningfields, Manchester M3 3AZ

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONNOLLY FOUNDATION (UK) LIMITED

OPINION

We have audited the financial statements of The Connolly Foundation (UK) Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 May 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 May 2025 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of the

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONNOLLY FOUNDATION (UK) LIMITED (CONTINUED)

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 themselves. 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.

OPINION 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Trustees 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 Trustees are responsible for assessing the Group's and the parent charitable 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 Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONNOLLY FOUNDATION (UK) LIMITED (CONTINUED)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and the charitable company through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and the charitable company, including the Companies Act 2006, Charities Act 2011 and taxation legislation;
- in addition, we considered provisions of other laws and regulations which do not have a direct effect on the financial statements but compliance with which might be fundamental to the group and charitable company's ability to operate or to avoid material penalties;
- we obtained an understanding of the entity's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we made enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- laws and regulations identified were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

As a result of the above risk assessment procedures, we identified the greatest risk of material misstatement on the financial statements arising from irregularities and fraud to be within the potential for management to override controls together with the risk of fraudulent revenue recognition. We considered the risk of fraudulent revenue recognition to be most prevalent in the cut-off of revenue. In response to these identified risks, we designed procedures which included, but were not limited to:

- analytical procedures to identify any unusual or unexpected relationships;
- audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business;
- evaluation of the assumptions and judgements used by management within significant accounting estimates and assessment of whether these indicated evidence of management bias;
- use of Audit Data Analytics to review the client data for unusual trends/anomalies; and
- substantive testing for a sample of transactions to ensure that all income was appropriately recognised in the correct period and any restrictions appropriately recognised.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONNOLLY FOUNDATION (UK) LIMITED (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing the financial statement disclosures to underlying supporting documentation;
- assessment of the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- discussion with management regarding actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

USE OF OUR REPORT

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an Auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Edward Napper (Senior Statutory Auditor)

for and on behalf of
PEM Audit Limited
Chartered Accountants
Statutory Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 08 February 2026

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MAY 2025**

	Note	Unrestricted funds 2025 £	Total funds 2025 £	As restated Total funds 2024 £
INCOME FROM:				
Donations and legacies	4	318,278	318,278	-
Other trading activities	5	10,841,037	10,841,037	445,919
Investments	6	2,830,925	2,830,925	2,829,201
TOTAL INCOME		13,990,240	13,990,240	3,275,120
EXPENDITURE ON:				
Raising funds:	7,8			
Commercial trading		6,274,268	6,274,268	651,313
Investment management		313,313	313,313	320,334
Charitable activities	9	2,591,656	2,591,656	2,410,288
TOTAL EXPENDITURE		9,179,237	9,179,237	3,381,935
NET INCOME/(EXPENDITURE) BEFORE NET GAINS ON INVESTMENTS				
		4,811,003	4,811,003	(106,815)
Net gains on investments	15,16	661,585	661,585	4,886,935
NET INCOME BEFORE TAXATION		5,472,588	5,472,588	4,780,120
Taxation		-	-	(15,664)
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)				
		5,472,588	5,472,588	4,764,456
Actuarial gains on defined benefit pension schemes	28	(14,000)	(14,000)	(44,000)
NET MOVEMENT IN FUNDS		5,458,588	5,458,588	4,720,456
RECONCILIATION OF FUNDS:				
Total funds brought forward (as previously reported)		101,834,874	101,834,874	97,114,418
Prior year adjustment	22	2,319,650	2,319,650	2,319,650
Total funds brought forward (as restated)		104,154,524	104,154,524	99,434,068
Net movement in funds		5,458,588	5,458,588	4,720,456
TOTAL FUNDS CARRIED FORWARD		109,613,112	109,613,112	104,154,524

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year. The notes on pages 33 to 62 form part of these financial statements.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05315014

CONSOLIDATED BALANCE SHEET
AS AT 31 MAY 2025

	Note	2025 £	As restated 2024 £
FIXED ASSETS			
Tangible assets	14	675,478	693,707
Investments	16	61,204,845	60,525,002
Investment property	15	6,833,673	6,833,673
		<u>68,713,996</u>	<u>68,052,382</u>
CURRENT ASSETS			
Stocks	17	17,279,014	14,002,188
Debtors	18	6,493,879	3,169,028
Cash at bank and in hand		18,248,373	20,095,407
		<u>42,021,266</u>	<u>37,266,623</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	19	(987,150)	(1,129,481)
NET CURRENT ASSETS		<u>41,034,116</u>	36,137,142
Creditors: amounts falling due after more than one year	20	(135,000)	(35,000)
TOTAL NET ASSETS		<u><u>109,613,112</u></u>	<u><u>104,154,524</u></u>
CHARITY FUNDS			
Unrestricted funds	23	109,613,112	104,154,524
TOTAL FUNDS		<u><u>109,613,112</u></u>	<u><u>104,154,524</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Y L Ashby
Trustee

Date: 07 February 2026

The notes on pages 32 to 61 form part of these financial statements.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05315014

CHARITY BALANCE SHEET
AS AT 31 MAY 2025

	Note	2025 £	2024 £
FIXED ASSETS			
Tangible assets	14	670,368	12,338
Investments	16	102,750,434	99,439,792
Investment property	15	6,833,673	-
		<u>110,254,475</u>	<u>99,452,130</u>
CURRENT ASSETS			
Debtors	18	21,047	1,127,641
Cash at bank and in hand		2,255,966	2,122,058
		<u>2,277,013</u>	<u>3,249,699</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	19	(3,346,504)	(3,739,227)
		<u>(1,069,491)</u>	<u>(489,528)</u>
NET CURRENT LIABILITIES			
Creditors: amounts falling due after more than one year	20	(135,000)	(35,000)
		<u>(109,049,984)</u>	<u>98,927,602</u>
TOTAL NET ASSETS			
		<u><u>109,049,984</u></u>	<u><u>98,927,602</u></u>
CHARITY FUNDS			
Unrestricted funds	23	109,049,984	98,927,602
		<u>109,049,984</u>	<u>98,927,602</u>
TOTAL FUNDS			
		<u><u>109,049,984</u></u>	<u><u>98,927,602</u></u>

The Charity's net movement in funds for the year was £10,122,382 (2024 - £4,980,264).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Y L Ashby
Trustee

Date: 07 February 2026

The notes on pages 32 to 61 form part of these financial statements.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2025

	Note	2025 £	2024 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	25	(4,852,457)	(1,627,157)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		2,837,701	2,812,108
Proceeds from the sale of tangible fixed assets		4,800	-
Purchase of tangible fixed assets		-	(3,417)
Net sales/(purchase) of fixed asset investments		162,922	(288,575)
NET CASH PROVIDED BY INVESTING ACTIVITIES		3,005,423	2,520,116
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(1,847,034)	892,959
Cash and cash equivalents at the beginning of the year		20,095,407	19,202,448
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	26	18,248,373	20,095,407

The notes on pages 32 to 61 form part of these financial statements

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2025

1. GENERAL INFORMATION

The Connolly Foundation (UK) Limited is a charitable company limited by guarantee and incorporated in England and Wales. Its registered office is Manor Farm Court, Lower Sundon, Luton, Bedfordshire, LU3 3UZ.

The Group's functional and presentational currency is GBP.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Connolly Foundation (UK) Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

Details of the restatement are set out in note 22.

2.2 GOING CONCERN

The Trustees have assessed budgets and forecasts of the Charity's financial performance and position to 2031. Based on this assessment, the Trustees continue to prepare the financial statements on a going concern basis. No material uncertainties in relation to going concern have been identified.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.3 INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Trading income is recognised to the extent that it is probable that the economic benefits will flow to the Group and can be measured reliably. Trading income from house sales is recognised when the sale is legally complete. Trading income in respect of work performed for local housing associations is recognised as work is carried out by reference to the stage of completion of the contract at the Balance Sheet date when it is reasonably certain that a profit is foreseen. Trading income from the sale of land represents amounts receivable, net of selling expenses, when the sale is legally complete.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the bank.

2.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities in proportion to the size of grant giving.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Governance costs are the costs associated with the governance arrangements of the Charity. These costs relate to constitutional and statutory requirements and include any costs associated with the strategic management of the Charity's activities.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 EXPENDITURE (CONTINUED)

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment and included in the designated fund for anticipated grant funding, but not accrued as expenditure.

2.5 TAXATION

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are discounted.

2.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition are included in the measurement of cost.

Freehold land and buildings are not depreciated as the Trustees are of the opinion that the difference between the carrying value and residual value are immaterial. Such properties are subject to an annual impairment review, with any write down being recognised in the Statement of Financial Activities.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Plant and machinery	- rates varying between 25% and 33.3% per annum
Office equipment	- 20%/25% per annum

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.7 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment.

Investment property is carried at fair value determined annually based on professional advice received and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Financial Activities.

Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 STOCKS

Stock, work in progress and land held for development are valued at the lower of cost and net sales proceeds after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

At each Balance Sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Consolidated Statement of Financial Activities.

2.9 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.12 FINANCIAL INSTRUMENTS

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Group operates two defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Financial Activities when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

DEFINED BENEFIT PENSION PLAN

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the Balance Sheet date less the fair value of plan assets at the Balance Sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually, the Group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.13 PENSIONS (CONTINUED)

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

2.14 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Stock and work in progress - management makes judgements and estimates as to the stage of completion of each building contract, which in turn has an affect on the valuation of work in progress at the balance sheet date.

Pension scheme assumptions are set out in note 28.

THE CONNOLLY FOUNDATION (UK) LIMITED
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4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Legacies	318,278	318,278	-
TOTAL 2025	<u>318,278</u>	<u>318,278</u>	<u>-</u>
TOTAL 2024	<u>-</u>	<u>-</u>	

5. INCOME FROM COMMERCIAL TRADING ACTIVITIES

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Connolly Homes Limited	10,827,434	10,827,434	205,753
Connolly Estates Limited	13,603	13,603	233,791
Connolly Holdings Limited	-	-	6,375
TOTAL 2025	<u>10,841,037</u>	<u>10,841,037</u>	<u>445,919</u>
TOTAL 2024	<u>445,919</u>	<u>445,919</u>	

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6. INVESTMENT INCOME

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Investment properties rent	224,348	224,348	-
Listed investment income	1,681,981	1,681,981	1,669,628
Bank and other interest	924,596	924,596	1,159,573
TOTAL 2025	<u>2,830,925</u>	<u>2,830,925</u>	<u>2,829,201</u>
TOTAL 2024	<u>2,829,201</u>	<u>2,829,201</u>	

7. EXPENDITURE ON RAISING FUNDS

COMMERCIAL TRADING ACTIVITIES

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Direct costs	5,853,281	5,853,281	73,442
Administration costs - other	312,829	312,829	302,492
Interest and charges	2,250	2,250	2,204
Administration costs - staff costs	90,269	90,269	173,030
Administration costs - NI	11,837	11,837	23,228
Administration costs - pension costs	2,015	2,015	67,900
Administration costs - depreciation	1,787	1,787	9,017
TOTAL 2025	<u>6,274,268</u>	<u>6,274,268</u>	<u>651,313</u>
TOTAL 2024	<u>651,313</u>	<u>651,313</u>	

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8. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Investment management fees	313,313	313,313	320,334
TOTAL 2025	<u>313,313</u>	<u>313,313</u>	<u>320,334</u>
TOTAL 2024	<u>320,334</u>	<u>320,334</u>	

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Grant funding of activities 2025 £	Support costs 2025 £	Total funds 2025 £	Total funds 2024 £
Education	2,002,191	414,929	2,417,120	2,236,892
Elderly	144,574	29,962	174,536	173,396
TOTAL 2025	<u>2,146,765</u>	<u>444,891</u>	<u>2,591,656</u>	<u>2,410,288</u>
TOTAL 2024	<u>1,941,835</u>	<u>468,453</u>	<u>2,410,288</u>	

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9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Education 2025 £	Elderly 2025 £	Total funds 2025 £	Total funds 2024 £
Staff costs	229,737	16,589	246,326	381,997
Depreciation	15,335	1,107	16,442	8,913
Travel and subsistence	17,986	1,299	19,285	18,557
Promotion costs	19,586	1,414	21,000	22,296
Legal & professional fees	19,255	1,390	20,645	5,143
Bank charges	136	10	146	226
Premises costs	98,039	7,079	105,118	18,673
Subscriptions	769	56	825	349
Training & recruitment	634	46	680	-
Printing, postage and stationery	755	55	810	-
Governance costs	12,697	917	13,614	12,299
TOTAL 2025	<u>414,929</u>	<u>29,962</u>	<u>444,891</u>	<u>468,453</u>
TOTAL 2024	<u>434,753</u>	<u>33,700</u>	<u>468,453</u>	

Governance costs

	2025 £	2024 £
Trustees expenses	845	-
Audit fees	12,769	12,299
	<u>13,614</u>	<u>12,299</u>

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10. ANALYSIS OF GRANTS

	Grants to Institutions 2025 £	Total funds 2025 £	Total funds 2024 £
Grants, Education	2,002,191	2,002,191	1,802,139
Grants, Elderly	144,574	144,574	139,696
TOTAL 2025	<u>2,146,765</u>	<u>2,146,765</u>	<u>1,941,835</u>
TOTAL 2024	<u>1,941,835</u>	<u>1,941,835</u>	

ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

During the year, the following material grants were made to institutions.

	2025 £	2024 £
ALS Pals	-	1,000
Bangladesh Youth	-	2,500
Bedford Citizen	6,000	6,000
Buzzer Buses	-	10,000
Community Safety	2,200	2,200
DeafBlind	1,174	996
Dilkush Health	2,900	2,500
Ekta Hindu Centre	2,900	2,500
Friends for Life	-	10,000
Grand Union Housing	-	6,000
Guru Nanak	2,900	2,500
Guru Ravidass	2,900	2,500
Houghton Regis Baptist Church	5,000	-
Khidmat	2,900	2,500
Music24	8,400	-
Peabody Community	12,000	6,000
Respite for Volunteers	-	4,000
Sight Concern	5,400	10,000
St Charalambos Luton	1,000	-
Stopsley Baptist Church	10,000	-
Sue Ryder	60,000	60,000

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Tibbs Dementia	16,000	-
Ujala Support Group	2,900	2,500
Villager Minibus	-	6,000
Total elderly	144,574	139,696
Academic grants	491,250	426,500
Att10tive	-	8,000
Bedford College	222,876	295,007
Bedford Creative Arts	10,000	-
Bedford Giving	100,000	100,000
Bedford Tigers RLFC	5,000	-
Bedfordshire Opportunities for Learning Disabilities	35,000	-
Blues Foundation	30,000	30,000
Boxing Saves Lives	-	10,000
Careers and Enterprise	-	46,000
Centre of Youth	2,900	-
Challney High School	14,246	19,655
Chiltern Academy	23,800	-
Chiltern Teaching School Hub	25,000	-
Community Interest Luton	29,795	-
Daubeney Academy	37,400	1,000
Diverse Community	15,000	-
English Opera House	-	11,000
Enterprising Youth	-	5,000
Falkes Scouts	-	2,500
FND Careers Hub	-	23,000
Full House Theatre	10,000	-
Grow Your Potential	15,000	-
Kempston Academy	20,395	-
Level Trust	50,000	-
Link to Change	5,000	-
Luton Literature	5,000	-
Luton Town FC Community Trust	20,000	-
Mark Rutherford Upper School	10,150	-
Oak bank School	100,000	-
Out of Class	5,000	-
Peace Child International	-	3,380
Power 2 Inspire	750	1,000
Redborne School	493,854	338,648
Samual Whitbread	42,000	31,000
Sandy School	2,500	-

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Smallpeice Trust	5,570	5,060
Social Innovation	7,500	-
St Thomas Catholic School	-	6,965
STEMpoint	29,750	-
Teaching grants	21,000	23,000
The Hygiene Group	1,709	1,500
Wadham College - Oxford Thinking Project	70,000	70,000
West Herts College	63,030	194,178
Yes Futures	7,600	-
YouthScape	-	175,000
Zoological Society	6,000	5,746
Total education and young people	2,034,075	1,833,139
Less total grant write backs	(31,884)	(31,000)
Total grants	2,146,765	1,941,835

11. AUDITORS' REMUNERATION

	2025	2024
	£	£
Fees payable to the Charity's auditor for the audit of the Charity's and subsidiaries' annual accounts	29,000	29,650
Fees payable to the Charity's auditor in respect of:		
Taxation compliance services	2,500	4,650
All non-audit services not included above	-	4,850

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12. STAFF COSTS, TRUSTEE REMUNERATION AND THE COST OF KEY MANAGEMENT PERSONNEL

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Wages and salaries	291,910	492,380	201,641	319,350
Social security costs	36,432	58,033	24,595	34,805
Contribution to defined contribution pension schemes	22,105	95,742	20,090	27,842
	350,447	646,155	246,326	381,997

The average number of persons employed by the Charity during the year was as follows:

	Group 2025 No.	Group 2024 No.
Directors (who are trustees)	1	1
Administration	3	3
Commercial trading activities	1	2
	5	6

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2025 No.	Group 2024 No.
In the band £60,001 - £70,000	1	1
In the band £90,001 - £100,000	1	-
In the band £120,001 - £130,000	-	1
In the band £170,001 - £180,000	-	1

The Trustees receive no remuneration in their capacity as Trustees. M A Callanan is remunerated in his capacity as director of the trading subsidiaries, as permitted in the Articles of Association and his salary is in the highest band disclosed above.

No Trustees received reimbursement of expenses during the year (2024 - £nil). Trustees expenses incurred directly by the Charity on behalf of the Trustees amounted to £845 (2024 - £nil). These expenses related to the Trustees' away day meeting.

The key management personnel of the Charity comprise the Trustees of the Charity, the director of the subsidiaries and the Chief Operating Officer of the Charity. Total remuneration attributable to key management personnel is £181,729 (2024 - £331,612).

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13. TAXATION

	2025	2024
	£	£
Connolly Estates Limited		
Corporation tax	-	15,664
	-	15,664

14. TANGIBLE FIXED ASSETS

GROUP

	Freehold property £	Plant and machinery £	Office equipment £	Total £
COST				
At 1 June 2024	656,700	77,644	53,500	787,844
Additions	-	-	3,160	3,160
Disposals	-	(40,000)	(43,979)	(83,979)
At 31 May 2025	656,700	37,644	12,681	707,025
DEPRECIATION				
At 1 June 2024	-	59,872	34,265	94,137
Charge for the year	-	7,530	10,699	18,229
On disposals	-	(40,000)	(40,819)	(80,819)
At 31 May 2025	-	27,402	4,145	31,547
NET BOOK VALUE				
At 31 May 2025	656,700	10,242	8,536	675,478
At 31 May 2024	656,700	17,772	19,235	693,707

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14. TANGIBLE FIXED ASSETS (CONTINUED)

CHARITY

	Freehold property £	Plant and machinery £	Office equipment £	Total £
COST				
At 1 June 2024	-	-	21,339	21,339
Transfers intra group	656,700	37,644	-	694,344
At 31 May 2025	656,700	37,644	21,339	715,683
DEPRECIATION				
At 1 June 2024	-	-	9,001	9,001
Charge for the year	-	7,530	8,912	16,442
Transfers intra group	-	19,872	-	19,872
At 31 May 2025	-	27,402	17,913	45,315
NET BOOK VALUE				
At 31 May 2025	656,700	10,242	3,426	670,368
At 31 May 2024	-	-	12,338	12,338

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15. INVESTMENT PROPERTY

GROUP AND CHARITY

	As restated Freehold investment property £
VALUATION	
At 1 June 2024 (as restated)	4,514,023
Prior Year Adjustment (note 22)	2,319,650
	6,833,673
At 1 June 2024 (as restated)	6,833,673
	6,833,673

The 2025 valuations were made by the Trustees on an open market value for existing use basis. In valuing the investment property, the Trustees have had to make many assumptions, including the discount rate and timing of cash flows expected to be received.

All investment property is held by the parent.

16. FIXED ASSET INVESTMENTS

	Listed investments (Valuation) £	Other investments (Cost) £	Total £
GROUP			
COST OR VALUATION			
At 1 June 2024	59,914,143	610,859	60,525,002
Additions	10,661,596	19,705	10,681,301
Disposals	(10,732,102)	-	(10,732,102)
Revaluations	679,519	-	679,519
Movement in cash at investors	51,125	-	51,125
AT 31 MAY 2025	60,574,281	630,564	61,204,845

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16. FIXED ASSET INVESTMENTS (CONTINUED)

CHARITY	Investments in subsidiary companies (Cost) £	Listed investments (Valuation) £	Other investments (Cost) £	Total £
COST OR VALUATION				
At 1 June 2024	38,914,790	59,914,143	610,859	99,439,792
Additions	2,630,799	10,661,596	19,705	13,312,100
Disposals	-	(10,732,102)	-	(10,732,102)
Revaluations	-	679,519	-	679,519
Movement in cash at investors	-	51,125	-	51,125
AT 31 MAY 2025	<u>41,545,589</u>	<u>60,574,281</u>	<u>630,564</u>	<u>102,750,434</u>

PRINCIPAL SUBSIDIARIES

The following were subsidiary undertakings of the Charity:

Names	Company number	Country of incorporation	Holding
Connolly Homes Limited	00761425	England and Wales	100%
DB(NI) Realisations Limited	010800(NI)	Northern Ireland	100%
Connolly Estates Limited	03743402	England and Wales	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(loss) for the year £	Net assets £
Connolly Homes Limited	11,667,740	6,409,804	5,257,936	40,894,121
DB(NI) Realisations Limited	-	-	-	1,189,786
Connolly Estates Limited	13,603	2,883	10,720	-

17. STOCKS

	Group 2025 £	Group 2024 £
Land in course of development	<u>17,279,014</u>	<u>14,002,188</u>

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18. DEBTORS

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
DUE AFTER MORE THAN ONE YEAR				
Prepayments and accrued income	-	1,360,436	-	-
DUE WITHIN ONE YEAR				
Trade debtors	4,750,000	-	-	-
Amounts owed by group undertakings	-	-	-	1,098,538
Other debtors	213,360	206,436	1,073	537
Prepayments and accrued income	1,530,519	1,602,156	19,974	28,566
	6,493,879	3,169,028	21,047	1,127,641

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Trade creditors	14,686	12,026	-	-
Amounts owed to group undertakings	-	-	3,044,233	3,304,293
Other taxation and social security	6,533	28,622	6,383	20,481
Other creditors	-	5,577	-	5,577
Accruals	797,007	739,260	126,964	64,880
Grants accrued - institutional	168,924	343,996	168,924	343,996
	987,150	1,129,481	3,346,504	3,739,227

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20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Accrued grants payable to institutions	135,000	35,000	135,000	35,000

21. GRANT COMMITMENTS MOVEMENT

	2025 £	2024 £
Balance at 1 June 2024	378,996	542,380
Grant commitments net of write-offs (Note 10)	2,146,765	1,941,835
Payments	(2,221,837)	(2,105,219)
BALANCE AT 31 MAY 2025	303,924	378,996

22. PRIOR YEAR ADJUSTMENTS

During the current financial year, a review of the accounting treatment of certain property transactions between group entities identified an error in the application of consolidation adjustments in prior periods.

Certain properties were transferred between group entities and initially classified as stock (work-in-progress) with the intention of short-term resale. In line with FRS 102 and the Charity SORP, unrealised profits on these intra-group transactions were eliminated on consolidation.

Subsequently, the strategic intention for these properties changed, and they were reclassified as investment properties to be held for long-term purposes. Under FRS 102 Section 16, investment properties are required to be measured at fair value through profit or loss. At the point of reclassification, the elimination of unrealised profit should have ceased, and the profit should have been recognised in the consolidated financial statements.

This error has been corrected by restating the prior year consolidated balance sheet. The correction results in an increase in investment properties of £2,319,650 and a corresponding increase in consolidated reserves (see note 15). There is no impact on the consolidated statement of financial activities for the current year.

This adjustment has been made in accordance with FRS 102 Section 10 (Accounting Policies, Estimates and Errors), and comparative figures have been restated accordingly.

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23. STATEMENT OF FUNDS

GROUP STATEMENT OF FUNDS - CURRENT YEAR

	As restated Balance at 1 June 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 May 2025 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Anticipated grant funding	2,883,996	-	-	(176,887)	-	2,707,109
Fixed assets fund	693,707	-	-	(18,229)	-	675,478
Investment fund	59,914,143	-	-	660,138	-	60,574,281
	<u>63,491,846</u>	<u>-</u>	<u>-</u>	<u>465,022</u>	<u>-</u>	<u>63,956,868</u>
GENERAL FUNDS						
General funds	35,186,479	2,308,897	(2,904,969)	7,057,284	661,585	42,309,276
Subsidiaries	5,476,199	11,681,343	(6,262,268)	(7,548,306)	-	3,346,968
Pension reserve	-	-	(12,000)	26,000	(14,000)	-
	<u>40,662,678</u>	<u>13,990,240</u>	<u>(9,179,237)</u>	<u>(465,022)</u>	<u>647,585</u>	<u>45,656,244</u>
TOTAL	<u><u>104,154,524</u></u>	<u><u>13,990,240</u></u>	<u><u>(9,179,237)</u></u>	<u><u>-</u></u>	<u><u>647,585</u></u>	<u><u>109,613,112</u></u>

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23. STATEMENT OF FUNDS (CONTINUED)

GROUP STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 June 2023 (as restated) £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 May 2024 (as restated) £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Anticipated grant funding	2,957,746	-	-	(73,750)	-	2,883,996
Fixed assets fund	708,220	-	-	(14,513)	-	693,707
Investment fund	55,380,320	-	-	4,533,823	-	59,914,143
	<u>59,046,286</u>	<u>-</u>	<u>-</u>	<u>4,445,560</u>	<u>-</u>	<u>63,491,846</u>
GENERAL FUNDS						
General funds	34,651,775	1,861,463	(2,515,044)	(3,698,650)	4,886,935	35,186,479
Subsidiaries	5,736,007	1,413,657	(865,555)	(807,910)	-	5,476,199
Pension reserve	-	-	(17,000)	61,000	(44,000)	-
	<u>40,387,782</u>	<u>3,275,120</u>	<u>(3,397,599)</u>	<u>(4,445,560)</u>	<u>4,842,935</u>	<u>40,662,678</u>
TOTAL UNRESTRICTED FUNDS	<u><u>99,434,068</u></u>	<u><u>3,275,120</u></u>	<u><u>(3,397,599)</u></u>	<u><u>-</u></u>	<u><u>4,842,935</u></u>	<u><u>104,154,524</u></u>

Designated funds

Anticipated grant funding

These are funds set aside to settle anticipated grant applications.

Fixed asset fund

Represents fixed assets that are primarily used by the Charity's subsidiaries to generate profits that can be donated to the Charity.

Investment fund

Represents listed investments that are designated to generate sustainable investment income for the Charity's grant making activities.

Transfers represent gift aid distributions from the Charity's subsidiaries, transfer of funds into the defined benefit pension scheme and movements in the value of fixed assets and listed investments.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2025

23. STATEMENT OF FUNDS (CONTINUED)

CHARITY STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 June 2024	Income	Expenditure	Transfers	Gains/(Losses)	Balance at 31 May 2025
	£	£	£	£	£	£
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Anticipated grant funding	2,883,996	-	-	(176,887)	-	2,707,109
Fixed asset fund	12,338	-	-	658,030	-	670,368
Investment fund	59,914,143	-	-	660,138	-	60,574,281
	<u>62,810,477</u>	<u>-</u>	<u>-</u>	<u>1,141,281</u>	<u>-</u>	<u>63,951,758</u>
GENERAL FUNDS						
General fund	36,117,125	12,132,092	(2,904,969)	(1,141,281)	895,260	45,098,227
TOTAL	<u><u>98,927,602</u></u>	<u><u>12,132,092</u></u>	<u><u>(2,904,969)</u></u>	<u><u>-</u></u>	<u><u>895,260</u></u>	<u><u>109,049,985</u></u>

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CHARITY STATEMENT OF FUNDS - CURRENT YEAR (CONTINUED)

CHARITY STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 June 2023	Income	Expenditure	Transfers	Gains/(Losses)	Balance at 31 May 2024
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Anticipated grant funding	2,957,746	-	-	(73,750)	-	2,883,996
Fixed asset fund	499	-	-	11,839	-	12,338
Investment fund	55,380,320	-	-	4,533,823	-	59,914,143
	<u>58,338,565</u>	<u>-</u>	<u>-</u>	<u>4,471,912</u>	<u>-</u>	<u>62,810,477</u>
GENERAL FUNDS						
General fund	35,608,773	2,823,951	(2,730,622)	(4,471,912)	4,886,935	36,117,125
TOTAL	<u>93,947,338</u>	<u>2,823,951</u>	<u>(2,730,622)</u>	<u>-</u>	<u>4,886,935</u>	<u>98,927,602</u>

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	675,478	675,478
Fixed asset investments	61,204,845	61,204,845
Investment property	6,833,673	6,833,673
Current assets	42,021,266	42,021,266
Creditors due within one year	(987,150)	(987,150)
Creditors due in more than one year	(135,000)	(135,000)
TOTAL	<u>109,613,112</u>	<u>109,613,112</u>

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2025

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

GROUP ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	(As restated) Unrestricted funds 2024 £	As restated Total funds 2024 £
Tangible fixed assets	693,707	693,707
Fixed asset investments	60,525,002	60,525,002
Investment property	6,833,673	6,833,673
Debtors due after more than one year	1,360,436	1,360,436
Current assets	35,906,187	35,906,187
Creditors due within one year	(1,129,481)	(1,129,481)
Creditors due in more than one year	(35,000)	(35,000)
TOTAL	104,154,524	104,154,524

CHARITY ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	670,368	670,368
Fixed asset investments	102,750,434	102,750,434
Investment property	6,833,673	6,833,673
Current assets	2,277,013	2,277,013
Creditors due within one year	(3,346,504)	(3,346,504)
Creditors due after one year	(135,000)	(135,000)
	109,049,984	109,049,984

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2025

CHARITY ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	12,338	12,338
Fixed asset investments	99,439,792	99,439,792
Current assets	3,249,699	3,249,699
Creditors due within one year	(3,739,227)	(3,739,227)
Creditors due after one year	(35,000)	(35,000)
	<u>98,927,602</u>	<u>98,927,602</u>

25. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2025 £	Group 2024 £
Net income for the year (as per Statement of Financial Activities)	5,472,588	4,764,456
ADJUSTMENTS FOR:		
Depreciation charges	18,229	17,930
Gains on investments	(842,765)	(4,245,321)
Dividends, interests and rents from investments	(2,830,925)	(2,829,201)
Profit on the sale of fixed assets	(4,800)	-
Increase in stocks	(3,276,826)	(394,535)
(Increase)/decrease in debtors	(3,331,627)	1,417,638
Decrease in creditors	(42,331)	(314,124)
Decrease in pension liability	(14,000)	(44,000)
NET CASH USED IN OPERATING ACTIVITIES	<u>(4,852,457)</u>	<u>(1,627,157)</u>

THE CONNOLLY FOUNDATION (UK) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2025

26. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2025	Group 2024
	£	£
Cash in hand	18,248,373	20,095,407
TOTAL CASH AND CASH EQUIVALENTS	18,248,373	20,095,407

27. ANALYSIS OF CHANGES IN NET DEBT

	At 1 June 2024	Cash flows	At 31 May 2025
	£	£	£
Cash at bank and in hand	20,095,407	(1,847,034)	18,248,373
	20,095,407	(1,847,034)	18,248,373

28. PENSION COMMITMENTS

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £22,105 (2024 - £95,742). Contributions totalling £Nil (2024 - £12,244) were payable to the fund at the Balance Sheet date and are included in creditors.

The Group operates a defined benefit pension scheme.

The Connolly Group Pension Fund ("the Fund") provides benefits for some of the employees of the Charity and some employees of fellow group companies.

The Fund became "paid up" in 2003, since when members have built up no further benefits. The assets of the Fund are administered by trustees and are independent of the companies' finances. Contributions by the participating employers are paid to the Fund in accordance with the recommendations of an independent actuarial advisor.

The funding plan is for the Fund to hold assets equal to the value of the benefits earned by employees, based on a set of assumptions used for funding the Fund. The funding assumptions differ from the assumptions used to calculate the figures for these accounts, and therefore produce different results. If there is a shortfall against this funding plan, then the participating employers and trustees agreed on deficit contributions to meet this deficit over a period. As the Fund was in a surplus at 1 October 2023, no deficit contributions were required.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2025

28. PENSION COMMITMENTS (CONTINUED)

The results of the formal actuarial valuation as at 1 October 2023 were updated to the accounting date by an independent qualified actuary in accordance with FRS102. As required by FRS102, the value of the defined benefit liabilities has been measured using the projected unit method and both the assets and the liabilities include the value of those pensions in payment which are secured with insured annuities.

The results, based on assumptions used for FRS102, are as follows:

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 May 2025	At 31 May 2024
	%	%
Price inflation (RPI)	3.0	3.2
Price inflation (CPI)	2.2	2.4
Discount rate	5.7	5.1
Pension increase in payment		
- RPI, subject to a maximum of 5% pa	2.9	3.1
- CPI, subject to a maximum of 5% pa	2.2	2.4
- Fixed 3%	3.0	3.0
Pension increases in deferment	2.2	2.4
	At 31 May 2025	At 31 May 2024
	Years	Years
Mortality rates		
- For a male aged 65 now	21.4	21.5
- At 65 for a male aged 45 now	22.4	22.5

The Group's share of the assets in the scheme was:

	At 31 May 2025	At 31 May 2024
	£	£
Equity instruments	467,000	471,000
Debt instruments	689,000	738,000
Property	292,000	279,000
All other assets	540,000	770,000
TOTAL FAIR VALUE OF ASSETS	1,988,000	2,258,000

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2025

28. PENSION COMMITMENTS (CONTINUED)

The total loss on the assets over the year was £210,000 (2023/24 - a gain of £194,000).

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2025 £	2024 £
Running costs	12,000	17,000

Movements in the present value of the defined benefit obligation were as follows:

	2025 £	2024 £
Opening defined benefit obligation	1,215,000	1,202,000
Interest on obligation	60,000	62,000
Actuarial gains/losses	236,000	33,000
Benefits paid	(74,000)	(82,000)
CLOSING DEFINED BENEFIT OBLIGATION	1,437,000	1,215,000

Movements in the fair value of the Group's share of scheme assets were as follows:

	2025 £	2024 £
Opening fair value of scheme assets	2,258,000	2,102,000
Running costs	(12,000)	(17,000)
Interest on plan assets	113,000	110,000
Actuarial return less interest on plan assets	(323,000)	84,000
Contributions by the employer	26,000	61,000
Benefits paid	(74,000)	(82,000)
CLOSING FAIR VALUE OF SCHEME ASSETS	1,988,000	2,258,000

THE CONNOLLY FOUNDATION (UK) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2025

28. PENSION COMMITMENTS (CONTINUED)

	2025	2024
	£	£
Fair value of plan assets	1,988,000	2,258,000
Present value of plan liabilities	(1,437,000)	(1,215,000)
Amount not recognised due to asset limit	(551,000)	(1,043,000)
	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>

The plan does not invest directly in property occupied by the Group or in financial securities issued by the Group.

29. RELATED PARTY TRANSACTIONS

During the year, the Foundation undertook a group reorganisation which resulted in the winding-up of three subsidiary undertakings: Connolly Holdings Limited (direct subsidiary), Connolly Estates Limited, and Flitchway Settlement Limited (both indirect subsidiaries).

The balances outstanding at the end of the prior year were as follows:

Connolly Holdings Limited - £942,213 due from the Foundation
 Connolly Estates Limited - £Nil
 Flitchway Settlement Limited - £156,325 due from the Foundation

The balances were settled during the year and, as a result of the entities being wound up, there were no balances outstanding as at 31 May 2025.

At the year end, an amount of £3,044,233 (2024 - £3,304,293) was due to Connolly Homes Limited, an indirect subsidiary undertaking.

Transactions with the Trustees are disclosed in note 12. There are no other related party transactions.

The Connolly Foundation (UK) Limited

England & Wales - Charity number 1109135

Accounts

The **Connolly**
Foundation
(UK) Limited

**TRUSTEES
REPORT
AND
FINANCIAL
STATEMENTS**

For the year ended
31 May 2023

The Connolly Foundation

Report of the Trustees for the year ended 31 May 2023

- Objectives and activities Pages 2 - 5
- Strategic report Pages 6 - 16
- Structure, governance and management Pages 17 - 20
- Administrative details Page 21
- Report of the Auditors Pages 22 - 26
- Statement of Financial Activity Page 27
- Consolidated Balance Sheet Page 28
- Charity Balance Sheet Page 29
- Consolidated Statement of Cash Flows Page 30
- Notes to the Financial Statement Pages 31 - 57

1. Objectives and activities

Purposes

The Charity's Memorandum of Association sets out its objectives as

1. The relief of poverty anywhere in the United Kingdom and overseas, in particular within the county of Bedfordshire, by the provision of accommodation, and;
2. The advancement of education by the provision of training and apprenticeships to persons 14 and upwards who are in need of such provision by reason of their economic and social circumstances.

Activities

The main activity of the charity is to achieve its objectives through existing charitable or educational establishments by providing grants to applicants who meet the selection criteria. These grants are in two areas – the support of young people in further or higher education, and the support of older people in the community.

Aims

The charity has two main aims:

- To support younger people by giving grants to schools to improve the opportunities available to young people and to reward those to seek to benefit from the opportunities made available to them; and
- to support older people by giving grants to charities that benefit older people.

The charity provides grants and donations to schools, school students, hospice care and welfare care and receives funding from its subsidiaries.

Strategies

Trading subsidiaries

The charity was formed when Michael Connolly donated his shares in his building company, Connolly Holdings plc, to the Foundation. We have made significant steps towards our ambition of becoming a grant-giving charity funding and supporting activities which will improve the lives of many in Bedfordshire. Connolly Holdings plc and its subsidiaries continue to trade. The Foundation, together with Connolly Holdings plc and other subsidiary companies owned by Connolly Holdings plc, are collectively referred to as “The Group”.

The charity invests funds generated by the business activities of The Group and uses the income from the investments to provide grants. Over the next five years the Trustees anticipate that income from invested funds will be sufficient to support a substantial expansion of the grant making programme.

Measurements and criteria

The charity measures the number of students being supported in further and higher education. It asks all successful applicants to keep the charity updated as to how they are using the funds we give and the progress they are making as a result. Where the charity donates to other charities and schools, the charity agrees with the beneficiary a range of measures and outcomes that will be reported to Connolly Foundation.

Grant making criteria

The Foundation grants focus on benefitting people in Bedfordshire. Grants are normally only considered on receipt of a formal application via an appropriate institution. An application form is available on our website, www.connollyfoundation.org.uk. The Trustees’ aim is to keep the application process as simple and streamlined as possible.

Public Benefit

The Trustees have complied with section 2(1)(b) of the Charities Act 2011, having due regard for the Charity Commission’s guidance on public benefit when reviewing the Foundation’s aims and objectives, when setting the grant-making policy and in making awards.

Investment for charitable purposes



The Bedford River Valley Park is an ambitious multi million pound regeneration project to transform the eastern approach to the town. Our principal partners are Bedford Borough Council and the Forest of Marston Vale Trust. It will provide an exceptional asset for the recreation, education and enjoyment of the people of Bedfordshire.

The Connolly Foundation has been involved since 2006 when the planning consent was obtained. Despite some difficulties, we hope the project will begin soon, following a reorganisation at Bedford Borough Council. The plans are to transform a mineral excavation site into a 2000-acre country park with a 2,300 metre sports lake, an education campus, a hotel and leisure complex, a science and technology park and housing.

At its heart will be 600 acres of floodplain forest, which will become one of England's largest complexes of woodland, marsh, pools and channels, managed by the Forest of Marston Vale Trust

This rare and valuable habitat will bring far-reaching opportunities for wildlife, flood alleviation and the production of renewable energy. It will support the charity's objectives by providing:

- a new site for higher and/or further education
- employment and training opportunities for young people

2. Strategic report

2.1 Achievements and performance

Grants awarded can be analysed as follows:

	2023	2022
	£	£
Education	2,018,503	1,532,410
Community (net repayments – see below)	-	(247,500)
Older people	143,000	101,502
	2,161,503	1,386,412

In the year ended 31 May 2016 the Foundation paid a grant of £250,000 to The Hillersdon Trust to fund the construction of a village hall for the village of Hockliffe. The Hillersdon Trust were unable to gain planning consent for the building, and repaid the grant to the Connolly Foundation in October 2021.

Education

Graduate tutors

The Foundation is funding recently graduated students considering teaching as a career who are being employed by Redborne School in Ampthill for two terms to work in 11 schools (2022: 8 schools) in Bedfordshire. They work with teachers to support students on an individual or small group basis particularly focusing on disadvantaged students and catch-up work. The work of the graduates was very well received in schools and the trustees have recently agreed to fund a further year of support in 2023/24.

The total spending on this intervention was £600,000 (2021: £525,000).

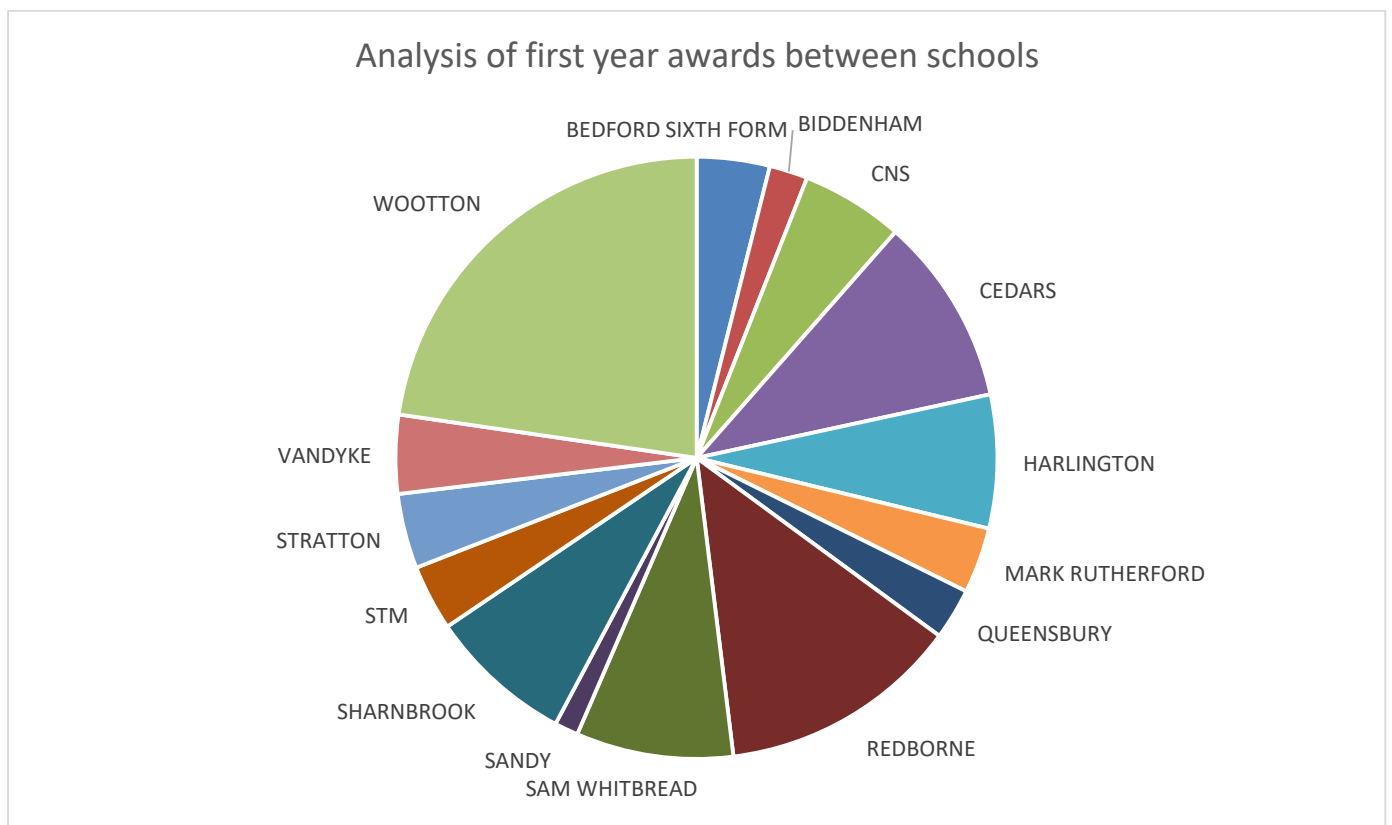
Student Award scheme

The Foundation runs an award scheme available to students attending its fifteen partner secondary schools in the county. The Foundation is working towards bringing all state schools offering A levels in Bedfordshire into the scheme. We have brought in three more schools in 2023/24 and estimate that this leaves six further schools to bring on board.

It is an award for academic excellence open to students from these schools who are going on to university. The award is available to those studying a range of academic subjects mainly drawn from the core subjects looked for by the Russell Group of universities. The Academic Excellence Award provides a sum of up to £1,000 per student depending on the grades achieved. Successful students are invited to re-apply after successfully completing each academic year at university.

In addition, each of the Foundation’s partner schools are invited to put forward up to six students for the Foundation’s Discretionary Award. This is available to students who do not meet the Foundation’s academic criteria but whom the school believe merit an award. The number of students receiving grants during the year was 725 (2022: 616).

The Trustees have increased the number of schools with whom we work from thirteen to fifteen. The Foundation paid grants totalling £413,000 (2022: £392,500) to students. The increases are due to the new schools added. Amount paid per student decreased following the return to examinations replacing teacher assessments which were used during Covid-related lockdown. Entitlement is based on the grades achieved by the students and fewer students achieved the top grades. The Trustees were pleased to be able to increase take-up of awards during this difficult time.



Oxford Thinking

In partnership with Wadham College, Oxford University, we have set up a programme to help give talented children from disadvantaged backgrounds the confidence to apply for university courses. Six schools are currently signed up to the scheme as hubs, with all secondary schools in Bedfordshire nominating up to five year ten students per school. More than fifty students are currently taking part in the programme. Our funding supports the employment of experienced teachers to mentor the students and arrange attendance at events organised by Wadham College.

The Foundation started the partnership four years ago and the real impact will be known in the next year when the first cohort of students will be starting University, but feedback on the programme from pupils, parents and schools has been very positive.



Students taking part in an engineering challenge, part of the Oxford Thinking project

Weatherfield / Oakbank schools

The Foundation committed £100,000 to two Special Educational Needs schools in Bedfordshire to work jointly to develop specialist therapeutic learning programmes. During the year support was provided to over 100 pupils at the two schools, and the schools were able to run outreach services to support children with special educational needs in mainstream schools in Central Bedfordshire. The trustees are pleased with this project and intend to continue to commit funding on an annual cycles.

Bedford College, Central Bedfordshire College and Barnfield College

Bedford College is the largest provider of further education in the South East Midlands region and one of the largest employers in Bedfordshire. Over 15,000 students' study at the College, travelling from across the region. Central Bedfordshire College (CBC) serves communities across southern Central Bedfordshire and Luton local authorities, with campuses in Dunstable, Houghton Regis, Leighton Buzzard and Luton. Barnfield College is a Further Education College with two specialist campuses located in Luton.

During the year the Foundation expanded its funding of Health and Social Care learning at Bedford College to include students at CBC and Barnfield College.

Health and Social Care Bursaries have been paid as follows

	2023		2022	
	Number	£	Number	£
Bursaries				
Bedford College	95	47,500	55	27,500
Central Bedfordshire College	121	60,500	-	-
Barnfield College	150	75,000	-	-
	<u>366</u>	<u>183,000</u>	55	27,500
Equipment grant		-		50,000
		<u>183,000</u>		<u>77,500</u>

The trustees are pleased to have opened the funding out to students developing skills to support older people.

The Foundation has also paid £75,000 to Bedford College to expand counselling services at a time when many students are finding it hard to settle at College following an extended period of lockdown and home-based learning, £33,767 towards a new welding workshop at the Bedford College and £5,859 towards an engineering project at Barnfield College.

“The Connolly Foundation are champions of opportunity for young people. We are grateful for their continuing support.”

Ian Pryce CBE, Principal and CEO of The Bedford College

Bedford Giving

Bedford Giving is a group of passionate businesses, charities and other partners, who have all come together to form Bedford Giving with a united single goal – to help create a brighter future for the next generation in Bedford. The Connolly Foundation is a partner in the project and has given £100,000 towards partnership funds. Programmes are currently at the consultation stage, listening to young people and parents and deciding where spending could have the most impact. We expect to be able to report exciting new projects in future years.



Careers Hub

The Connolly Foundation has contributed £92,000 towards the Bedford and Luton Careers Hub. The Careers Hub is part of the national pilot initiative funded by the Department for Education (DfE) through the Careers and Enterprise Company (CEC) via South East Midlands Local Enterprise Partnership (SEMLEP). It supports schools and colleges to meet their obligations under statutory guidance for careers education and provides opportunities to collaborate and innovate together to create a high impact careers education system.

Impact will be measured by schools achieving the Gatsby benchmarks of good careers guidance:

1. A stable careers programme
2. Learning from career and labour market information
3. Addressing the needs of each pupil
4. Linking curriculum learning to careers
5. Encounters with employers and employees
6. Experiences of workplaces
7. Encounters with further and higher education
8. Personal guidance

Realising Aspirations

Realising Aspirations is our new programme, open to all state schools in Bedfordshire, a project which aims to increase the number of young people from across Bedfordshire securing places at some of the country's leading universities. Activities to date have included application workshops and mock interviews. The project started at the beginning of the academic year and outcomes are not known at this stage, but the target age group and objectives fit neatly alongside the Oxford Thinking programme and our Academic Awards to support young people through academic achievement and selection of next steps towards rewarding careers.

Social Care skills

Working Options in Education has been awarded a grant of £55,000 over three years to inspire 14–19-year-olds in Bedfordshire to consider career opportunities in the growing social care sector.

“Working Options in Education has been delivering a free employability and life skills programme in schools and colleges and online for 10 years. We are excited to be adding social care professionals to our network of industry volunteers thanks to the Connolly Foundation.”

Rachel Roxburgh, Strategic Lead at Working Options in Education.



Youthscape

Youthscape supports young people facing big issues that have a negative effect on their lives – affecting their education, their emotional wellbeing and their motivation for making the best of their future. Their work concentrates on where the biggest difference can be made to these outcomes – mental health, social and educational disengagement. During the year Youthscape worked with 1,950 students of whom 475 were involved in intensive courses. The

Connolly Foundation has donated £100,000 towards the running of Youthscape in Luton.

Elderly

Keech Hospice

Keech Hospice provides Hospice care for people in Bedfordshire. During the year the Foundation donated £50,000 to keep the Hospice running and continue to provide its expert care during this past challenging year. The hospice cares for people with life-limiting conditions across Bedfordshire, as well as supporting their families.

Sue Ryder Hospice, Moggerhanger, Bedfordshire

The Foundation continues to support the Sue Ryder St Johns Hospice Palliative Care Hub. The £60,000 grant is for funding, specialist care, support and advice to patients who prefer to receive care in their own homes as well as supporting families.

"This grant will make a huge difference in helping us to ensure that people across Bedfordshire are able to access specialist care in their own homes."

Allison Mann, Sue Ryder St John's Hospice Director

Smaller grants

In addition to the above the Foundation donated smaller grants towards projects benefitting the people of Bedfordshire.

Progress against plans for future periods

Our plans for future periods stated in the 31 May 2022 accounts are presented below, together with progress achieved against those plans.

Planned activity	Achievements to date
Promote grants for older people and establish key funding streams	We have made less progress on this than we had hoped, but plans are being developed for a consultation exercise which will guide further giving.
Develop sponsorship of college courses in Central Bedfordshire	Health and Social Care bursaries are now being paid both in Central Bedfordshire and in Luton.
Recruit new trustees	Two new trustees recruited.
Develop channels and systems to measure and report impact	First Impact Report published.
Develop an environmental plan.	IT infrastructure developed to allow more flexible working. Environmental plan not yet drafted.

2.2 Financial Review

Statement of Financial Activity	2023	2022
	£	£
Profits made by trading subsidiaries	5,431,374	7,669,175
Covenanted transfers from subsidiaries to the charity	5,160,842	7,618,584
Investment income	1,626,928	1,245,628
Grants awarded	2,665,503	1,386,412

Balance Sheet	2023	2022
Net working capital	£42,374,916	£30,532,104
Working capital ratio	25.76	24.83

2.3 Investments

The Trustees have the power to invest in any way they wish, subject to obtaining expert advice.

Income is invested in line with the charity's reserves policy. Therefore, income is held in cash on deposit and in managed investment funds after review of performance of funds and assessment of the wider economy. At the year end the charity held discretionary funds with Quilter Cheviot Ltd, Charles Stanley Investment Management Ltd and Smith and Williamson Investment Management LLP.

Over the longer term the Trustees look to achieve a total return of 7 per cent on the value at the start of the year, and to spend 4.5 per cent. This allows a margin to maintain the real terms value of the portfolio.

	2023		2022	
	£	% of starting value	£	% of starting value
Total return	(1,598,941)	(2.72)%	(948,500)	(1.73)%
Total spend	2,665,503	4.54%	1,386,412	2.52%

The amount invested at the end of the year was £55,380,320 (2022 - £58,655,873).

2.4 Key risks and uncertainties

The Trustees have considered the major risks to which the charity and its subsidiaries are exposed and have established systems and procedures to mitigate these risks. Trustees review risks at their quarterly meetings.

The main risks affecting the charity and its subsidiaries are as follows.

Risk	Mitigation
Lack of Trustees with the right skills	Trustees regularly review the skills matrix of the Board and compare with the skills anticipated as needed given the strategic direction of the Foundation. Two new Trustees were appointed during the year.
Trustees fail to keep charitable business separate from trading business	Governance programme followed to improve charity governance
Failure of financial investments	Funds are invested in a diverse portfolio and managed by professional Investment Managers. Performance of the investment managers is reviewed regularly. By using more than one fund manager we diversify the risk of dealers taking bad investment decisions.
Fraud	Financial controls and processes, due diligence on requests for funding.
Charitable expenditure is not controlled.	Financial monitoring, planning programme within the expected capacity
Failure of key projects to have an impact	Continued contact with funded organisations, performance reporting
Loss of key personnel	Plan in advance for potential loss of staff by documenting processes and improving archiving.

2.5 Plans for future periods

In the next financial year, the charity plans to:

- Promote grants for older people and establish key funding streams
- Develop sponsorship of college courses
- Increase the number of schools on the Academic Awards programme
- Develop an environmental plan

2.6 Reserves

The Trustees have chosen to retain funds generated within the group as follows.

Restricted Funds

The Foundation has no restricted funds.

Designated funds

Designated funds are funds which the Trustees have set aside for specific purposes. It is not necessary to set up Designated Funds, but it indicates where Trustees have set funds aside which could otherwise be used to further the charitable causes.

The total funds held by the Group as at 31 May 2023 were £99,4759,391 (2022: £96,038,116). All are unrestricted in both years.

Included within the funds balance are £55,380,320 which is invested to provide an income that will fund future donations, £871,269 of fixed assets, designated funds of £996,246 which represent anticipated payments in the coming year, and the value of stock held within the subsidiaries, excluding resale properties of £13,607,604.

Free reserves that are readily available to spend are £30,612,444 (2022: £19,200,225).

Over the next five years The Foundation aims to increase funds invested to £100 million. This will be achieved through profits in the trading companies which will be donated to the charity and invested through our investment managers. This will allow the trustees to increase donations budgets to £4.5 million per year.

2.7 Fundraising

The charity does not seek to raise funds from third parties either by way of grants or donations. All income is derived either from the profits of its trading subsidiaries or from returns on investments.

2.8 Pension Liabilities

The group's pension assets and liabilities are explained in Note 24 to the accounts. The plan's assets are valued slightly higher than the present value of its expected future liabilities, and this is not expected to have a significant impact on the activities of the group. The Pension Trustees are currently seeking to identify the full liabilities of the scheme after pension equalisation with a view to closing the scheme.

2.9 Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies

3. Structure, Governance and Management

Governing Document and Constitution

The Connolly Foundation (UK) Limited is a charitable company limited by guarantee. It was incorporated on 16 December 2004 and registered as a charity on 19 April 2005. The charity changed its name from The Kathleen and Michael Connolly Foundation (UK) Limited to the Connolly Foundation (UK) Limited on 30 July 2020. The company was established under a Memorandum of Association that sets out the objects and powers of the company and is governed by the rules set out in its Articles of Association.

In the event of the company being wound up the members are required to contribute an amount not exceeding £50.

Recruitment of Trustees

The Articles of Association provide for a minimum of three and a maximum of nine Trustees. There are currently seven Trustees. One third of the Trustees must retire by rotation at each Annual General Meeting.

The Trustees regularly review the range of skills available to them. Should they deem that additional skills and experience are required through new Trustees it is expected that the Foundation will advertise for new Trustees. Potential new Trustees will be interviewed and the Trustees then decide whether new appointments are appropriate.

Remuneration

Trustees are not remunerated for their work as Trustees of the charity. Remuneration of the Directors of the trading subsidiaries is approved annually by the Trustees. The Charity Commission has given its consent for one Director of the subsidiary companies to be a Trustee of the charity.

Any payments made to undertakings related to Trustees for services provided by Trustees in their professional capacities are approved by the Board of Trustees. The Trustees concerned are not permitted to vote on these matters.

Organisational structure

The Board of Trustees manages the charity. The Trustees meet at least four times a year with additional meetings arranged if needed.

The activities and ownership of each subsidiary undertaking is set out in note 12 to the accounts. Each subsidiary is run by a Board of Directors. The Directors of each company report to the Board of Trustees for the administration of the company.

Decision making

The Board of Trustees meet to make decisions on the key strategic issues affecting the charity. Papers are circulated at least a week in advance of each meeting to allow Trustees time to consider the proposals in advance of the meeting. Minutes documenting key decisions are circulated to Trustees after the meeting to check for accuracy and are approved at the following meeting as a true record.

Induction and training of new Trustees

New Trustees undergo an induction programme which includes reading recent accounts and the Memorandum and Articles of Association, together with a detailed briefing. The Trustees come to the Trust with a great deal of experience and knowledge and are expected to keep this up to date. Where appropriate the charity will support this through circulation of relevant literature and opportunities to attend seminars and training events.

Trustees' Responsibilities statement

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under Company Law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the Group and of the incoming resources and application of resources, including income and expenditure, of the charitable group for that period. In preparing these financial statements the Trustees are required to:

- select suitable policies and apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charities and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group. This enables them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who were Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant information of which the charity's auditors are unaware
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

A resolution to reappoint PEM, Chartered Accountants, as auditor will be put to the members at the annual general meeting.

This report was approved by the Trustees on 05 February 2024 and signed on their behalf by:



M.A.Callanan

Chair of trustees

4. Administrative details

Registered name

The Connolly Foundation (UK) Limited

Registered as a charity in England and Wales, number 1109135

Company number

05315014

Registered office

Manor Farm Court, Lower Sundon, Luton, Bedfordshire LU3 3UZ

Trustees

S Ashoka (resigned 24/11/2022)

M A Callanan

V S Connolly

M A Groves (appointed 24/11/2022)

C McKeaveney (appointed 24/11/2022)

A S Rowe (resigned 16/11/2023)

S White

D Wilkins

Secretary

D J Oldham

Bankers

Barclays Bank plc, Midsummer Place Shopping Centre, Milton Keynes MK9 3GB

Auditor

PEM, Salisbury House, Station Road, Cambridge, CB1 2LA

Investment managers

Quilter Cheviot One Kingsway, London, WC2B 6AN

Charles Stanley, 55 Bishopsgate, London, EC2N 3AS

Evelyn Partners, 14th Floor, 103 Colmore Row, Birmingham, B3 2BJ

Solicitors

Gunner Cooke, 1 Cornhill, London, EC 3V 3ND

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONNOLLY FOUNDATION (UK)
LIMITED**

OPINION

We have audited the financial statements of The Connolly Foundation (UK) Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 May 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 May 2023 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONNOLLY FOUNDATION (UK)
LIMITED (CONTINUED)**

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 themselves. 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.

OPINION 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONNOLLY FOUNDATION (UK)
LIMITED (CONTINUED)**

RESPONSIBILITIES OF TRUSTEES (CONTINUED)

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable 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 Trustees either intend to liquidate the Group or the parent charitable 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with trustees and other management, and from our knowledge of charity and company law and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group, including the Charities Act 2011, Companies Act 2006 and taxation legislation;
- in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Charity's ability to operate or to avoid material penalty;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit; and
- we reviewed the minutes of Trustees' and Directors' meetings to identify any references to non-compliances with laws and regulations.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONNOLLY FOUNDATION (UK)
LIMITED (CONTINUED)**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

To address the risk of fraud through management bias and override of controls, we;

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- evaluated the assumptions and judgements used by management within significant accounting estimates and assessed whether these indicated evidence of management bias; and
- performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with relevant regulators such as the Charity Commission.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONNOLLY FOUNDATION (UK)
LIMITED (CONTINUED)**

USE OF OUR REPORT

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an Auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Edward Napper (Senior Statutory Auditor)

for and on behalf of

Peters Elworthy & Moore

Chartered Accountants

Statutory Auditors

Salisbury House

Station Road

Cambridge

CB1 2LA

Date: 08 February 2024

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MAY 2023

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
INCOME FROM:				
Other trading activities	4	13,394,928	13,394,928	14,427,996
Investments	5	2,281,534	2,281,534	1,341,095
TOTAL INCOME		15,676,462	15,676,462	15,769,091
EXPENDITURE ON:				
Raising funds:	6,7			
Commercial trading		8,533,089	8,533,089	4,938,218
Investment management		324,719	324,719	336,717
Charitable activities	8	3,031,284	3,031,284	1,711,262
TOTAL EXPENDITURE		11,889,092	11,889,092	6,986,197
NET INCOME BEFORE NET LOSSES ON INVESTMENTS				
Net losses on investments		(2,667,068)	(2,667,068)	(1,456,399)
NET INCOME BEFORE TAXATION				
Taxation		-	-	(12,108)
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)				
		1,120,302	1,120,302	7,314,387
OTHER RECOGNISED GAINS/(LOSSES):				
Actuarial losses on defined benefit pension schemes	24	(44,000)	(44,000)	(29,000)
NET MOVEMENT IN FUNDS		1,076,302	1,076,302	7,285,387
RECONCILIATION OF FUNDS:				
Total funds brought forward		96,038,116	96,038,116	88,752,729
Net movement in funds		1,076,302	1,076,302	7,285,387
TOTAL FUNDS CARRIED FORWARD		97,114,418	97,114,418	96,038,116

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 31 to 57 form part of these financial statements.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05315014

CONSOLIDATED BALANCE SHEET
AS AT 31 MAY 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	13	211,410	1,119,080
Investments	15	55,991,106	59,261,789
Investment property	14	5,010,833	5,125,143
		<u>61,213,349</u>	<u>65,506,012</u>
CURRENT ASSETS			
Stocks	16	13,607,653	16,465,739
Debtors	17	4,569,085	6,228,891
Cash at bank and in hand		19,202,448	9,118,659
		<u>37,379,186</u>	<u>31,813,289</u>
Creditors: amounts falling due within one year	18	(1,478,117)	(1,281,185)
NET CURRENT ASSETS		35,901,069	30,532,104
TOTAL NET ASSETS		97,114,418	96,038,116
CHARITY FUNDS			
Unrestricted funds	19	97,114,418	96,038,116
TOTAL FUNDS		97,114,418	96,038,116

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



M A Callanan
Trustee

Date: 05 February 2024

The notes on pages 31 to 57 form part of these financial statements.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05315014

CHARITABLE COMPANY BALANCE SHEET
AS AT 31 MAY 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	13	499	-
Investments	15	94,905,896	98,176,579
		<u>94,906,395</u>	<u>98,176,579</u>
CURRENT ASSETS			
Debtors	17	50,990	-
Cash at bank and in hand		5,457,256	2,335,817
		<u>5,508,246</u>	<u>2,335,817</u>
Creditors: amounts falling due within one year	18	(6,467,303)	(7,101,568)
NET CURRENT LIABILITIES		<u>(959,057)</u>	<u>(4,765,751)</u>
TOTAL NET ASSETS		<u><u>93,947,338</u></u>	<u><u>93,410,828</u></u>
CHARITY FUNDS			
Unrestricted funds	19	93,947,338	93,410,828
TOTAL FUNDS		<u><u>93,947,338</u></u>	<u><u>93,410,828</u></u>

The Charitable Company's net movement in funds for the year was £536,510 (2022 - £5,139,782).

The Charitable Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



M A Callanan
Trustee

Date: 05 February 2024

The notes on pages 31 to 57 form part of these financial statements.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2023

	Note	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	21	4,096,269	4,919,066
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		2,281,534	1,341,095
Proceeds from the sale of tangible fixed assets		400,000	-
Purchase of tangible fixed assets		(6,104)	(43,730)
Net sales/(purchase) of fixed asset investments		2,376,403	(5,741,349)
Net proceeds from sale/(purchase) of investment property		935,687	1,056,829
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		5,987,520	(3,387,155)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowing		-	(4,100,000)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		-	(4,100,000)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		10,083,789	(2,568,089)
Cash and cash equivalents at the beginning of the year		9,118,659	11,686,748
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	22	19,202,448	9,118,659

The notes on pages 31 to 57 form part of these financial statements

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

1. GENERAL INFORMATION

The Connolly Foundation (UK) Limited is a charitable company limited by guarantee and incorporated in England and Wales. Its registered office is Manor Farm Court, Lower Sundon, Luton, Bedfordshire, LU3 3UZ.

The Group's functional and presentational currency is GBP.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Connolly Foundation (UK) Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charitable Company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Charitable Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 GOING CONCERN

The Trustees have assessed budgets and forecasts of the Company's financial performance and position. Based on this assessment, the Trustees continue to prepare the financial statements on a going concern basis. No material uncertainties in relation to going concern have been identified.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.3 INCOME

All income is recognised once the Charitable Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Trading income is recognised to the extent that it is probable that the economic benefits will flow to the group and can be measured reliably. Trading income from house sales is recognised when the sale is legally complete. Trading income in respect of work performed for local housing associations is recognised as work is carried out by reference to the stage of completion of the contract at the balance sheet date when it is reasonably certain that a profit is foreseen. Trading income from the sale of land represents amounts receivable, net of selling expenses, when the sale is legally complete.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

2.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment and included in the designated fund for anticipated grant funding, but not accrued as expenditure.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.5 TAXATION

The Charitable Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charitable Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are discounted.

2.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Freehold land and buildings are not depreciated as the Trustees are of the opinion that the difference between the carrying value and residual value are immaterial. Such properties are subject to an annual impairment review, with any write down being recognised in the Statement of Financial Activities.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Plant and machinery	- rates varying between 25% and 33.3% per annum
Fixtures and fittings	- 20% per annum
Office equipment	- 25% per annum

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.7 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment.

Investment property is carried at fair value determined annually based on professional advice received and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Financial Activities.

Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 STOCKS

Stock, work in progress and land held for development are valued at the lower of cost and net sales proceeds after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the consolidated statement of financial activities.

2.9 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.11 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.12 FINANCIAL INSTRUMENTS

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Group operates two defined contribution plans for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

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2. ACCOUNTING POLICIES (CONTINUED)

2.13 PENSIONS (CONTINUED)

DEFINED BENEFIT PENSION PLAN

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

2.14 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Stock and work in progress - management makes judgements and estimates as to the stage of completion of each building contract, which in turn has an affect on the valuation of work in progress at the balance sheet date.

Pension scheme assumptions are set out in note 24.

4. INCOME FROM COMMERCIAL TRADING ACTIVITIES

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Connolly Homes Limited	12,761,683	12,761,683	14,245,812
Connolly Estates Limited	221,145	221,145	158,517
Connolly Holdings Limited	22,100	22,100	23,667
Fritchway Settlement Limited	390,000	390,000	-
TOTAL 2023	<u>13,394,928</u>	<u>13,394,928</u>	<u>14,427,996</u>
TOTAL 2022	<u>14,427,996</u>	<u>14,427,996</u>	

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5. INVESTMENT INCOME

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Listed investments	1,626,928	1,626,928	1,319,841
Bank and other interest	654,606	654,606	21,254
TOTAL 2023	<u>2,281,534</u>	<u>2,281,534</u>	<u>1,341,095</u>
TOTAL 2022	<u>1,341,095</u>	<u>1,341,095</u>	

6. EXPENDITURE ON RAISING FUNDS

COMMERCIAL TRADING ACTIVITIES

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Direct costs	7,864,057	7,864,057	4,437,689
Administration costs - other	344,047	344,047	229,456
Interest and charges	2,405	2,405	1,902
Administration costs - staff costs	203,003	203,003	164,542
Administration costs - NI	28,327	28,327	37,869
Administration costs - pension costs	74,374	74,374	53,304
Administration costs - depreciation	16,876	16,876	13,456
TOTAL 2023	<u>8,533,089</u>	<u>8,533,089</u>	<u>4,938,218</u>
TOTAL 2022	<u>4,938,218</u>	<u>4,938,218</u>	

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7. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment management fees	324,719	324,719	336,717
TOTAL 2023	<u>324,719</u>	<u>324,719</u>	<u>336,717</u>
TOTAL 2022	<u>336,717</u>	<u>336,717</u>	

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Education	2,491,503	341,902	2,833,405	1,587,295
Elderly	174,000	23,879	197,879	123,967
	<u>2,665,503</u>	<u>365,781</u>	<u>3,031,284</u>	<u>1,711,262</u>
TOTAL 2022	<u>1,380,412</u>	<u>330,850</u>	<u>1,711,262</u>	

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8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Education 2023 £	Elderly 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	221,113	15,442	236,555	176,555
Depreciation	82	6	88	-
Loan interest	39,436	2,754	42,190	61,263
Travel and subsistence	11,824	826	12,650	74
Promotion costs	20,831	1,455	22,286	21,000
Legal & professional fees	25,227	1,762	26,989	54,548
Bank charges	192	13	205	241
Premises costs	11,547	806	12,353	2,038
Subscriptions	695	49	744	306
Training & recruitment	123	9	132	7,128
Governance costs	10,832	757	11,589	7,697
	<u>341,902</u>	<u>23,879</u>	<u>365,781</u>	<u>330,850</u>
TOTAL 2022	<u>306,883</u>	<u>23,967</u>	<u>330,850</u>	

Governance costs

	2023 £	2022 £
Companies House filing fees	13	-
Trustees expenses	496	1,257
Audit fees	11,080	6,440
	<u>11,589</u>	<u>7,697</u>

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9. ANALYSIS OF GRANTS

	Grants to Institutions 2023 £	Total funds 2023 £	Total funds 2022 £
Grants, Education	2,491,503	2,491,503	1,280,412
Grants, Elderly	174,000	174,000	100,000
	<u>2,665,503</u>	<u>2,665,503</u>	<u>1,380,412</u>
TOTAL 2022	<u>1,380,412</u>	<u>1,380,412</u>	

ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

During the year, the following material grants were made to institutions.

	2023 £	2022 £
Alzheimers	40,000	10,000
Bedford Citizen	-	6,000
Bedford Day Hospice	-	4,502
Bedford and Luton Community Foundation	23,000	-
BPHA Ltd	-	6,000
Buzzer Buses	-	10,000
Catalyst Housing	-	6,000
Grand Union Housing	-	6,000
Keech Hospice	50,000	50,000
Men in Sheds Bedford	-	3,000
Sue Ryder	61,000	-
Total elderly	<u>174,000</u>	<u>101,502</u>
Academic grants	413,000	457,344
Arkwright Trust Engineering Programme	92,300	19,730
Bedford College	266,767	77,500
Blues Foundation	17,500	-
Careers and Enterprise	92,000	-
Cedars School	-	10,000
Central Bedfordshire College	60,500	-

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Challney High School	3,488	-
Chiltern School	-	8,836
Early Career Teachers	13,000	-
Educational Psychologists	-	(57,000)
Harpur Trust	100,000	-
Initial Teacher Education	14,000	-
Oak bank School	200,000	100,000
Peace Child International	3,500	-
Putnoe Scout Group	3,000	-
Redborne School	625,357	525,000
Samual Whitbread	258,000	-
Sandy School	2,500	-
ST Leonards	4,732	-
Thornhill	5,000	-
Vandyke School	-	200,000
Wadham College - Oxford Thinking Project	70,000	70,000
West Herts College	80,859	-
Working Options in Education	30,000	15,000
YouthScape	100,000	100,000
Level Trust	30,000	-
Shuttleworth Trust	6,000	-
Total education and young people	2,491,503	1,526,410
Chellington Centre	-	1,000
Hockliffe Village Hall	-	(250,000)
Stratton Festival	-	1,500
Total community	-	(247,500)
	2,665,503	1,380,412

10. AUDITORS' REMUNERATION

	2023	2022
	£	£
Fees payable to the Charitable Company's auditor for the audit of the Charitable Company's annual accounts	42,900	34,020
Fees payable to the Charitable Company's auditor in respect of:		
Taxation compliance services	4,150	3,780

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11. STAFF COSTS, TRUSTEE REMUNERATION AND THE COST OF KEY MANAGEMENT PERSONNEL

	Group 2023	Group 2022	Company 2023	Company 2022
	£	£	£	£
Wages and salaries	396,441	332,828	188,188	42,654
Social security costs	52,073	42,888	23,146	5,019
Contribution to defined contribution pension schemes	93,745	56,554	18,846	3,250
	542,259	432,270	230,180	50,923

The average number of persons employed by the Group during the year was as follows:

	Group 2023	Group 2022
	No.	No.
Directors (who are trustees)	1	1
Administration	3	3
Commercial trading activities	2	2
	6	6

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023	Group 2022
	No.	No.
In the band £150,001 - £160,000	1	1

The Trustees receive no remuneration in their capacity as Trustees. M A Callanan is remunerated in his capacity as director of the trading subsidiaries, as permitted in the Articles of Association.

One Trustee received reimbursement of expenses amounting to £496 in respect of travel and trustee meetings (2022 - one Trustee - £1,698).

The key management personnel of the charity comprise the Trustees of the charity, the director of the subsidiaries and the Chief Operating Officer of the charity. Total remuneration attributable to key management personnel is £288,894 (2022 - £223,897).

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12. TAXATION

	2023 £	2022 £
Connolly Homes Limited		
Adjustments recognised for current tax of prior periods	-	12,108
	-	12,108
	-	12,108

13. TANGIBLE FIXED ASSETS

GROUP AND COMPANY

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
COST					
At 1 June 2022	1,553,510	115,846	43,979	-	1,713,335
Additions	-	-	-	6,104	6,104
Disposals	(896,810)	(38,202)	-	-	(935,012)
At 31 May 2023	656,700	77,644	43,979	6,104	784,427
DEPRECIATION					
At 1 June 2022	501,622	78,202	14,431	-	594,255
Charge for the year	-	7,530	8,796	638	16,964
On disposals	-	(38,202)	-	-	(38,202)
At 31 May 2023	501,622	47,530	23,227	638	573,017
NET BOOK VALUE					
At 31 May 2023	155,078	30,114	20,752	5,466	211,410
At 31 May 2022	1,051,888	37,644	29,548	-	1,119,080

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14. INVESTMENT PROPERTY

GROUP

	Freehold investment property £
VALUATION	
At 1 June 2022	5,125,143
Disposals	(114,310)
At 31 May 2023	5,010,833

The 2023 valuations were made by the Trustees on an open market value for existing use basis. In valuing the investment property, the directors have had to make many assumptions, including the discount rate and timing of cash flows expected to be received.

No investment property is held by the parent.

15. FIXED ASSET INVESTMENTS

	Listed investments (Valuation) £	Other investments (Cost) £	Total £
GROUP			
COST OR VALUATION			
At 1 June 2022	58,655,873	605,916	59,261,789
Additions	7,663,486	4,870	7,668,356
Disposals	(7,882,021)	-	(7,882,021)
Revaluations	(2,562,126)	-	(2,562,126)
Movement in cash at investors	(494,892)	-	(494,892)
AT 31 MAY 2023	55,380,320	610,786	55,991,106

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NOTES TO THE FINANCIAL STATEMENTS
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15. FIXED ASSET INVESTMENTS (CONTINUED)

CHARITABLE COMPANY	Investments in subsidiary companies (Cost) £	Listed investments (Valuation) £	Other investments (Cost) £	Total £
COST OR VALUATION				
At 1 June 2022	38,914,790	58,655,873	605,916	98,176,579
Additions	-	7,663,486	4,870	7,668,356
Disposals	-	(7,882,021)	-	(7,882,021)
Revaluations	-	(2,562,126)	-	(2,562,126)
Movement in cash at investors	-	(494,892)	-	(494,892)
AT 31 MAY 2023	38,914,790	55,380,320	610,786	94,905,896

PRINCIPAL SUBSIDIARIES

The following were subsidiary undertakings of the Charitable Company:

Names	Company number	Country of incorporation	Holding
Connolly Holdings Limited	00766646	England and Wales	100%
Connolly Homes Limited	00761425	England and Wales	100%
Connolly Estates Limited	03743402	England and Wales	100%
DB(NI) Realisations Limited	010800(NI)	Northern Ireland	100%
Fritchway Settlement Limited	06737603	England and Wales	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(loss) for the year £	Net assets £
Connolly Holdings Limited	67,100	35,528	102,628	4,365,850
Connolly Homes Limited	13,318,502	(8,245,464)	5,073,038	40,948,616
Connolly Estates Limited	221,145	(81,993)	139,152	93,290
DB(NI) Realisations Limited	7,784	(3,540)	4,244	1,189,786
Fritchway Settlement Limited	390,000	(233,688)	156,312	156,368

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16. STOCKS

	Group 2023 £	Group 2022 £
Land in course of development	13,607,653	16,232,064
Work in progress	-	233,675
	13,607,653	16,465,739

17. DEBTORS

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
DUE AFTER MORE THAN ONE YEAR				
Other debtors	-	52,150	-	-
Prepayments and accrued income	2,656,196	3,890,250	-	-
	2,656,196	3,942,400	-	-
DUE WITHIN ONE YEAR				
Trade debtors	4,500	21,920	-	-
Amounts owed by group undertakings	-	-	13	-
Other debtors	233,379	741,516	-	-
Prepayments and accrued income	1,675,010	1,523,055	50,977	-
	4,569,085	6,228,891	50,990	-

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade creditors	61,803	66,243	-	-
Amounts owed to group undertakings	-	-	5,806,189	6,996,383
Other taxation and social security	15,924	15,829	7,263	2,730
Other creditors	5,520	6,505	5,520	4,505
Accruals	852,490	1,192,608	105,951	97,950
Grants accrued - institutional	542,380	-	542,380	-
	1,478,117	1,281,185	6,467,303	7,101,568

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NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS

GROUP STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 June 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 May 2023 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Anticipated grant funding	492,500	-	(492,500)	2,957,746	-	2,957,746
Fixed assets fund	-	-	-	708,220	-	708,220
Investment fund	-	-	-	55,380,320	-	55,380,320
	<u>492,500</u>	<u>-</u>	<u>(492,500)</u>	<u>59,046,286</u>	<u>-</u>	<u>59,046,286</u>
GENERAL FUNDS						
General funds	92,918,328	1,671,931	(2,812,128)	54,134,721	(2,991,635)	34,651,775
Subsidiaries	2,627,288	14,004,531	(8,568,464)	(4,971,565)	324,567	3,416,357
Pension reserve	-	-	(16,000)	60,000	(44,000)	-
	<u>95,545,616</u>	<u>15,676,462</u>	<u>(11,396,592)</u>	<u>59,046,286</u>	<u>(2,711,068)</u>	<u>38,068,132</u>
TOTAL	<u><u>96,038,116</u></u>	<u><u>15,676,462</u></u>	<u><u>(11,889,092)</u></u>	<u><u>-</u></u>	<u><u>(2,711,068)</u></u>	<u><u>97,114,418</u></u>

Designated funds

Anticipated grant funding

These are funds set aside to settle anticipated grant applications.

Fixed asset fund

Represents fixed assets that are primarily used by the Charity's subsidiaries to generate profits that can be donated to the Charity.

Investment fund

Represents listed investments that are designated to generate sustainable investment income for the Charity's grant making activities.

Transfers represent gift aid distributions from the Charity's subsidiaries, transfer of funds into the defined benefit pension scheme and the establishment of the fixed asset and listed investment funds.

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19. STATEMENT OF FUNDS (CONTINUED)

GROUP STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 June 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 May 2022 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Anticipated grant funding	398,836	-	-	93,664	-	492,500
GENERAL FUNDS						
General funds	87,872,210	1,281,047	(238,242)	5,429,906	(1,426,593)	92,918,328
Subsidiaries	481,683	14,488,044	(6,745,063)	(5,567,570)	(29,806)	2,627,288
Pension reserve	-	-	(15,000)	44,000	(29,000)	-
	<u>88,353,893</u>	<u>15,769,091</u>	<u>(6,998,305)</u>	<u>(93,664)</u>	<u>(1,485,399)</u>	<u>95,545,616</u>
TOTAL UNRESTRICTED FUNDS	<u><u>88,752,729</u></u>	<u><u>15,769,091</u></u>	<u><u>(6,998,305)</u></u>	<u><u>-</u></u>	<u><u>(1,485,399)</u></u>	<u><u>96,038,116</u></u>

Transfers represent gift aid distributions from the charity's subsidiaries and the transfer of funds into the defined benefit pension scheme.

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CHARITY STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 June 2022	Income	Expenditure	Transfers	Gains/(Losses)	Balance at 31 May 2023
	£	£	£	£	£	£
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Anticipated grant funding	492,500	-	(492,500)	-	-	-
Fixed asset fund	-	-	-	499	-	499
Investment fund	-	-	-	55,380,320	-	55,380,320
	<u>492,500</u>	<u>-</u>	<u>(492,500)</u>	<u>55,380,819</u>	<u>-</u>	<u>55,380,819</u>
GENERAL FUNDS						
General fund	92,918,328	6,877,773	(2,857,128)	(55,380,819)	(2,991,635)	38,566,519
TOTAL	<u><u>93,410,828</u></u>	<u><u>6,877,773</u></u>	<u><u>(3,349,628)</u></u>	<u><u>-</u></u>	<u><u>(2,991,635)</u></u>	<u><u>93,947,338</u></u>

CHARITY STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 June 2021	Income	Expenditure	Transfers	Gains/(Losses)	Balance at 31 May 2022
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Anticipated grant funding	398,836	-	-	93,664	-	492,500
GENERAL FUNDS						
General fund	87,872,210	8,944,631	(1,922,347)	(93,664)	(1,882,502)	92,918,328
TOTAL	<u><u>88,271,046</u></u>	<u><u>8,944,631</u></u>	<u><u>(1,922,347)</u></u>	<u><u>-</u></u>	<u><u>(1,882,502)</u></u>	<u><u>93,410,828</u></u>

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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	708,220	708,220
Fixed asset investments	55,991,106	55,991,106
Investment property	4,514,023	4,514,023
Debtors due after more than one year	2,656,196	2,656,196
Current assets	34,723,478	34,723,478
Creditors due within one year	(1,478,605)	(1,478,605)
TOTAL	97,114,418	97,114,418

GROUP ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	1,119,080	1,119,080
Fixed asset investments	59,261,789	59,261,789
Investment property	5,125,143	5,125,143
Debtors due after more than one year	3,942,400	3,942,400
Current assets	27,870,889	27,870,889
Creditors due within one year	(1,281,185)	(1,281,185)
TOTAL	96,038,116	96,038,116

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

CHARITY ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	499	499
Fixed asset investments	94,905,896	94,905,896
Current assets	5,508,246	5,508,246
Creditors due within one year	(6,467,303)	(6,467,303)
	<u>93,947,338</u>	<u>93,947,338</u>

CHARITY ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2023 £	Total funds 2023 £
Fixed asset investments	98,176,579	98,176,579
Current assets	2,335,817	2,335,817
Creditors due within one year	(7,101,568)	(7,101,568)
	<u>93,410,828</u>	<u>93,410,828</u>

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2023 £	Group 2022 £
Net income for the year (as per Statement of Financial Activities)	1,120,302	7,314,387
ADJUSTMENTS FOR:		
Depreciation charges	16,964	13,456
Gains on investments	569,713	1,456,399
Dividends, interests and rents from investments	(2,281,534)	(1,341,095)
Decrease in stocks	2,858,086	4,347,205
Decrease/(increase) in debtors	1,659,318	(5,381,664)
Increase/(decrease) in creditors	197,420	(1,460,622)
Decrease in pension liability	(44,000)	(29,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,096,269	4,919,066

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2023 £	Group 2022 £
Cash in hand	19,202,448	9,118,659
TOTAL CASH AND CASH EQUIVALENTS	19,202,448	9,118,659

23. ANALYSIS OF CHANGES IN NET DEBT

	At 1 June 2022 £	Cash flows £	At 31 May 2023 £
Cash at bank and in hand	9,118,659	10,083,789	19,202,448
	9,118,659	10,083,789	19,202,448

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

24. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £93,745 (2022 - £56,554). Contributions totalling £12,188 (2022 - £11,172) were payable to the fund at the balance sheet date and are included in creditors.

The Group operates a defined benefit pension scheme.

The Connolly Group Pension Fund ("the Fund") provides benefits for some of the employees of the company and some employees of fellow group companies.

The Fund became "paid up" in 2003, since when members have built up no further benefits. The assets of the Fund are administered by trustees and are independent of the companies' finances. Contributions by the participating employers are paid to the Fund in accordance with the recommendations of an independent actuarial advisor.

The funding plan is for the Fund to hold assets equal to the value of the benefits earned by employees, based on a set of assumptions used for funding the Fund. The funding assumptions differ from the assumptions used to calculate the figures for these accounts, and therefore produce different results. If there is a shortfall against this funding plan, then the participating employers and trustees agreed on deficit contributions to meet this deficit over a period. As part of the actuarial valuation with an effective date of 1 October 2020, the company agreed to pay contributions of £17,700 pa up to 31 December 2021 and £43,500 pa between 1 January 2022 and 30 September 2025, plus the cost of life assurance and any levies. The estimated amount of total employer contributions expected to be paid to the Fund during the year to 31 May 2024 is £51,900 plus the cost of life assurance and any levies. (2023 actual - £60,200).

The results of the formal actuarial valuation as at 1 October 2020 were updated to the accounting date by an independent qualified actuary in accordance with FRS102. As required by FRS102, the value of the defined benefit liabilities has been measured using the projected unit method and both the assets and the liabilities include the value of those pensions in payment which are secured with insured annuities.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

24. PENSION COMMITMENTS (CONTINUED)

The results, based on assumptions used for FRS102, are as follows:

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 May 2023	At 31 May 2022
	%	%
Price inflation (RPI)	3.2	3.5
Price inflation (CPI)	2.4	2.7
Discount rate	5.3	3.5
Pension increase in payment		
- RPI, subject to a maximum of 5% pa	3.1	3.4
- CPI, subject to a maximum of 5% pa	2.4	2.7
- Fixed 3%	3	3
Pension increases in deferment	2.4	2.7
	At 31 May 2023	At 31 May 2022
	Years	Years
Mortality rates		
- For a male aged 65 now	21.5	21.5
- At 65 for a male aged 45 now	22.5	22.5

The Group's share of the assets in the scheme was:

	At 31 May 2023	At 31 May 2022
	£	£
Equity instruments	483,000	563,000
Debt instruments	751,000	687,000
Property	271,000	335,000
All other assets	597,000	580,000
TOTAL FAIR VALUE OF ASSETS	2,102,000	2,165,000

The total loss on the assets over the year was £41,000 (2021/22 - a loss of £120,000).

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

24. PENSION COMMITMENTS (CONTINUED)

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2023	2022
	£	£
Running costs	16,000	15,000

Movements in the present value of the defined benefit obligation were as follows:

	2023	2022
	£	£
Opening defined benefit obligation	1,596,000	2,113,000
Interest on obligation	55,000	42,000
Actuarial gains/losses	(383,000)	(491,000)
Benefits paid	(66,000)	(68,000)
CLOSING DEFINED BENEFIT OBLIGATION	1,202,000	1,596,000

Movements in the fair value of the Group's share of scheme assets were as follows:

	2023	2022
	£	£
Opening fair value of scheme assets	2,165,000	2,324,000
Running costs	(16,000)	(15,000)
Interest on plan assets	75,000	46,000
Actuarial return less interest on plan assets	(116,000)	(166,000)
Contributions by the employer	60,000	44,000
Benefits paid	(66,000)	(68,000)
CLOSING FAIR VALUE OF SCHEME ASSETS	2,102,000	2,165,000

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

24. PENSION COMMITMENTS (CONTINUED)

	2023	2022
	£	£
Fair value of plan assets	2,102,000	2,165,000
Present value of plan liabilities	(1,202,000)	(1,596,000)
Amount not recognised due to asset limit	(900,000)	(569,000)
	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>

The plan does not invest directly in property occupied by the Group or in financial securities issued by the Group.

25. RELATED PARTY TRANSACTIONS

At the year end, an amount of £144,291 (2022 - £NIL) was due to Connolly Holdings Limited, the Foundation's direct subsidiary undertaking.

At the year end, an amount of £5,641,915 (2022 - £6,996,383) was due to Connolly Homes Limited, an indirect subsidiary undertaking.

The Connolly Foundation (UK) Limited

England & Wales - Charity number 1109135

Accounts

The **Connolly**
Foundation
(UK) Limited

**TRUSTEES
REPORT
AND
FINANCIAL
STATEMENTS**

For the year ended
31 May 2022

The Connolly Foundation

Report of the Trustees for the year ended 31 May 2022

- Objectives and activities Pages 2 - 4
- Strategic report Pages 5 - 13
- Structure, governance and management Pages 14 - 17
- Administrative details Page 18
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- Statement of Financial Activity Page 23
- Consolidated Balance Sheet Page 24
- Charity Balance Sheet Page 25
- Consolidated Statement of Cash Flows Page 26
- Notes to the Financial Statement Pages 27 - 50

1. Objectives and activities

Purposes

The Charity's Memorandum of Association sets out its objectives as

- 3.1 The advancement of education by the provision of grants, training and apprenticeships; and
- 3.2 The advancement of education by the provision of equipment and facilities to enable better learning; and
- 3.3 The advancement of health and relief of suffering, particularly from diseases affecting older people; and
- 3.4 The relief from poverty by provision of community development facilities.

Activities

The main activity of the charity is to achieve its objectives through existing charitable or educational establishments by providing grants to applicants who meet the selection criteria. These grants are in two areas – the support of young people in further or higher education, and the support of older people in the community.

Aims

The charity has two main aims:

- To support younger people by giving grants to schools to improve the opportunities available to young people and to reward those to seek to benefit from the opportunities made available to them; and
- to support older people by giving grants to charities that benefit older people.

The charity provides grants and donations to schools, school students, hospice care and welfare care and receives funding from its subsidiaries.

Strategies

Trading subsidiaries

The charity was formed when Michael Connolly donated his shares in his building company, Connolly Holdings plc, to the Foundation. We have made significant steps towards our ambition of becoming a grant-giving charity funding and supporting activities which will improve the lives of many in Bedfordshire. Connolly Holdings plc and its subsidiaries continue to trade. The Foundation, together with Connolly Holdings plc and other subsidiary companies owned by Connolly Holdings plc, are collectively referred to as "The Group".

The charity invests funds generated by the business activities of The Group and uses the income from the investments to provide grants. Over the next five years the Trustees anticipate that income from invested funds will be sufficient to support a substantial expansion of the grant making programme.

Measurements and criteria

The charity measures the number of students being supported in further and higher education. It asks all successful applicants to keep the charity updated as to how they are using the funds we give and the progress they are making as a result. The charity asks for beneficiaries to provide measures of outcomes. We are working towards ways of reporting this in our annual report.

Grant making criteria

The Foundation grants focus on benefitting people in Bedfordshire. Grants are normally only considered on receipt of a formal application via an appropriate institution. The Trustees' aim is to keep the application process as simple and streamlined as possible. Step by step guidelines are provided on how to make a grant application along with the details of the criteria and the information required.

Public Benefit

The Trustees have complied with section 2(1)(b) of the Charities Act 2011, having due regard for the Charity Commission's guidance on public benefit when reviewing the Foundation's aims and objectives, when setting the grant-making policy and in making awards.

Investment for charitable purposes



The Bedford River Valley Park is an ambitious multi-million pound regeneration project to transform the eastern approach to the town. Our principal partners are Bedford Borough Council and the Forest of Marston Vale Trust. It will provide an exceptional asset for the recreation, education and enjoyment of the people of Bedfordshire.

The Connolly Foundation has been involved since 2006 when the planning consent was obtained. Despite some difficulties, we hope the project will begin soon, following a reorganisation at Bedford Borough Council. The plans are to transform a mineral excavation site into a 2000-acre country park with a 2,300 metre sports lake, an education campus, a hotel and leisure complex, a science and technology park and housing.

At its heart will be 600 acres of floodplain forest, which will become one of England's largest complexes of woodland, marsh, pools and channels, managed by the Forest of Marston Vale Trust.

This rare and valuable habitat will bring far-reaching opportunities for wildlife, flood alleviation and the production of renewable energy. It will support the charity's objectives by providing:

- a new site for higher and/or further education
- employment and training opportunities for young people
- a community facility to be enjoyed by all.

2. Strategic report

2.1 Achievements and performance

Grants awarded can be analysed as follows:

	2022	2021
	£	£
Education	1,526,410	1,813,934
Community (net repayments – see below)	(247,500)	(35,500)
Older people	101,502	160,000
	1,380,412	1,976,434

In the year ended 31 May 2016 the Foundation paid a grant of £250,000 to The Hillersdon Trust to fund the construction of a village hall for the village of Hockliffe. The Hillersdon Trust were unable to gain planning consent for the building, and repaid the grant to the Connolly Foundation in October 2021.

Education

Student Award scheme

The Foundation runs an award scheme available to students attending its eleven partner secondary schools in the county.

It is an award for academic excellence open to students from these schools who are going on to university. The award is available to those studying a range of academic subjects mainly drawn from the core subjects looked for by the Russell Group of universities. The Academic Excellence Award provides a sum of up to £1,000 per student depending on the grades achieved. Successful students are invited to re-apply after successfully completing each academic year at university.

In addition, each of the Foundation's partner schools are invited to put forward up to six students for the Foundation's Discretionary Award. This is available to students who do not meet the Foundation's academic criteria but whom the school believe merit an award.

The number of students receiving grants during the year was 616 (2021: 437). The Trustees have increased the number of schools with whom we work from eleven to thirteen. The Foundation paid grants totalling £391,500 (2021 £278,250) to students. The increases are due to the new schools added and the number of students who deferred entry and started at University in autumn 2021. The Trustees were pleased to be able to increase take-up of awards during this difficult time.

Oxford Thinking

In partnership with Wadham College, Oxford University, we have set up a programme to help give talented children from disadvantaged backgrounds the confidence to apply for university courses. Six schools are currently signed up to the scheme as hubs, with all secondary schools in Bedfordshire nominating up to five year ten students per school. More than fifty students are currently taking part in the programme. Our funding supports the employment of experienced teachers to mentor the students and arrange attendance at events organised by Wadham College.

Weatherfield / Oakbank schools

The Foundation committed £100,000 to two Special Educational Needs schools in Bedfordshire to work jointly to develop specialist therapeutic learning programmes. During the year support was provided to over 100 pupils at the two schools, and the schools were able to run outreach services to support children with special educational needs in mainstream schools in Central Bedfordshire. The trustees are pleased with this project and intend to continue to fund it.



Climbing wall at Oakbank School

Vandyke School

During the year the trustees awarded a grant of £200,000 to Vandyke School in Leighton Buzzard towards the development of a new sixth form centre. The centre opened in September 2022.

Support for schools and pupils after the pandemic

The Foundation is funding recently graduated students considering teaching as a career who are being employed by Redborne School in Ampthill for two terms to work in 16 schools (2021: 8 schools) in Bedfordshire. They work with teachers to support students on an individual or small group basis particularly focusing on disadvantaged students and catch-up work. The work of the graduates was very well received in schools and the trustees have recently agreed to fund a further year of support, covering even more schools in 2022/23.

The total spending on this intervention was £525,000 (2021 £292,000).

Bedford College

Bedford College is the largest provider of further education in the South East Midlands region and one of the largest employers in Bedfordshire. Over 15,000 students study at the College, travelling from across the region.

During the year the Foundation expanded its funding of apprenticeships at Bedford College, introducing bursaries for students studying Health and Social Care. The Foundation paid £50,000 towards equipment and £27,500 towards 55 bursaries during the year (2021: £0).

The trustees are pleased to have opened the funding out to students developing skills to support older people.

“The Connolly Foundation are champions of opportunity for young people. We are grateful for their continuing support.”

Ian Pryce CBE, Principal and CEO of The Bedford College

Social Care skills

Working Options in Education has been awarded a grant of £55,000 over three years to inspire 14–19-year-olds in Bedfordshire to consider career opportunities in the growing social care sector.

“Working Options in Education has been delivering a free employability and life skills programme in schools and colleges and online for 10 years. We are excited to be adding social care professionals to our network of industry volunteers thanks to the Connolly Foundation.”

Rachel Roxburgh, Strategic Lead at Working Options in Education.

Youthscape

Youthscape supports young people facing big issues that have a negative effect on their lives – affecting their education, their emotional wellbeing and their motivation for making the best of their future. Their work concentrates on where the biggest difference can be made to these outcomes – mental health, social and educational disengagement. The Connolly Foundation has donated £100,000 towards the running of Youthscape in Luton.

Elderly

Keech Hospice

Keech Hospice provides Hospice care for people in Bedfordshire. During the year the Foundation donated £50,000 to keep the Hospice running and continue to provide its expert care during this past challenging year. The hospice cares for people with life-limiting conditions across Bedfordshire, as well as supporting their families.

Smaller grants

In addition to the above the Foundation donated smaller grants towards projects benefitting the people of Bedfordshire.

Progress against plans for future periods

Our plans for future periods stated in the 31 May 2021 accounts are presented below, together with progress achieved against those plans.

Planned activity	Achievements to date
Agree a future group structure	A simplified future structure has been agreed, and progress has started towards implementing the structure.
Launch a new website to highlight the activities of the Foundation better and offer digital applications for grants	The website was launched shortly after the year end.
Implement measures to improve cyber security	A review has taken place and measures are currently being implemented.
Establish processes and systems to ensure the smooth and efficient payment of grants	Staff now use spreadsheets to monitor the awarding and payment of grants.
Add a further school onto our schools awards scheme.	Two new schools were added.

2.2 Financial Review

Statement of Financial Activity	2022	2021
	£	£
Profits made by trading subsidiaries	7,667,175	6,906,250
Covenanted transfers from subsidiaries to the charity	7,618,584	6,745,247
Investment income	1,341,095	960,851
Grants awarded	1,386,412	1,946,734

During the year the trading subsidiaries made gains on sales of properties within developments at Woburn Sands, Ampthill and Northern Ireland, and on sales of land for development at Little Paxton. Profits of the trading companies are covenanted to the charity.

Balance Sheet	2022	2021
Net working capital	£30,532,104	£29,405,112
Working capital ratio	24.83	8.46

2.3 Investments

The Trustees have the power to invest in any way they wish, subject to obtaining expert advice.

Income is invested in line with the charity's reserves policy. Therefore, income is held in cash on deposit and in managed investment funds after review of performance of funds and assessment of the wider economy. At the year end the charity held discretionary funds with Quilter Cheviot Ltd, Charles Stanley Investment Management Ltd and Smith and Williamson Investment Management LLP.

Over the longer term the Trustees look to achieve a total return of 7 per cent on the value at the start of the year, and to spend 4.5 per cent. This allows a margin to maintain the real terms value of the portfolio.

	2022		2021	
	£	% of starting value	£	% of starting value
Total return	(473,275)	(0.86)%	11,239,289	25.96%
Total spend	1,380,412	2.52%	1,946,734	4.50%

The amount invested at the end of the year was £58,655,873 (2021 - £54,801,970).

2.4 Key risks and uncertainties

The Trustees have considered the major risks to which the charity and its subsidiaries are exposed and have established systems and procedures to mitigate these risks. Trustees review risks at their quarterly meetings.

The main risks affecting the charity and its subsidiaries are as follows.

Risk	Mitigation
Lack of Trustees with the right skills	Trustees regularly review the skills matrix of the Board and compare with the skills anticipated as needed given the strategic direction of the Foundation
Trustees fail to keep charitable business separate from trading business	Governance programme followed to improve charity governance
Failure of financial investments	Funds are invested in a diverse portfolio and managed by professional Investment Managers. Performance of the investment managers is reviewed regularly. By using more than one fund manager we diversify the risk of dealers taking bad investment decisions.
Fraud	Financial controls and processes, due diligence on requests for funding.
Business	Financial monitoring, planning programme within the expected capacity
Failure of key projects to have an impact	Continued contact with funded organisations, performance reporting
Loss of key personnel	Plan in advance for potential loss of staff by documenting processes and improving archiving.

2.5 Plans for future periods

In the next financial year, the charity plans to:

- Promote grants for older people and establish key funding streams
- Develop sponsorship of College courses in Central Bedfordshire
- Recruit new trustees
- Develop channels and systems to measure and report impact
- Develop an environmental plan

2.6 Reserves

The Trustees have chosen to retain funds generated within the group as follows.

Restricted Funds

The Foundation has no restricted funds.

Designated funds

Designated funds are funds which the Trustees have set aside for specific purposes. It is not necessary to set up Designated Funds, but it indicates where Trustees have set funds aside which could otherwise be used to further the charitable causes.

The total funds held by the Group as at 31st May 2022 were £96,038,116. All are unrestricted.

Included within the funds balance are £1,119,080 of fixed assets, designated funds of £492,500 which represent anticipated payments in the coming year, and the value of stock held within the subsidiaries, excluding resale properties of £16,465,739.

Free reserves that are readily available to spend are £77,960,797(2021: £66,369,296). Over the next five years The Foundation aims to increase funds invested to £100 million. This will be achieved through profits in the trading companies which will be donated to the charity and invested through our investment managers. This will allow the trustees to increase donations budgets to £4.5 million per year.

2.7 Fundraising

The charity does not seek to raise funds from third parties either by way of grants or donations. All income is derived either from the profits of its trading subsidiaries or from returns on investments.

2.8 Pension Liabilities

The group's pension assets and liabilities are explained in Note 20 to the accounts. The plan's assets are valued slightly higher than the present value of its expected future liabilities, and this is not expected to have a significant impact on the activities of the group.

2.9 Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies

3. Structure, Governance and Management

Governing Document and Constitution

The Connolly Foundation (UK) Limited is a charitable company limited by guarantee. It was incorporated on 16 December 2004 and registered as a charity on 19 April 2005. The charity changed its name from The Kathleen and Michael Connolly Foundation (UK) Limited to the Connolly Foundation (UK) Limited on 30 July 2020. The company was established under a Memorandum of Association that sets out the objects and powers of the company and is governed by the rules set out in its Articles of Association.

In the event of the company being wound up the members are required to contribute an amount not exceeding £50.

Recruitment of Trustees

The Articles of Association provide for a minimum of three and a maximum of nine Trustees. One third of the Trustees must retire by rotation at each Annual General Meeting.

The Trustees regularly review the range of skills available to them. Should they deem that additional skills and experience are required through new Trustees it is expected that new Trustees will be found from amongst the contacts of existing Trustees. Potential new Trustees will be interviewed and the Trustees then decide whether new appointments are appropriate.

Remuneration

Trustees are not remunerated for their work as Trustees of the charity. Remuneration of the Directors of the trading subsidiaries is approved annually by the Trustees. The Charity Commission has given its consent for one Director of the subsidiary companies to be a Trustee of the charity.

Any payments made to undertakings related to Trustees for services provided by Trustees in their professional capacities are approved by the Board of Trustees. The Trustees concerned are not permitted to vote on these matters.

Organisational structure

The Board of Trustees manages the charity. The Trustees meet at least four times a year with additional meetings arranged if needed.

The activities and ownership of each subsidiary undertaking is set out in note 12 to the accounts. Each subsidiary is run by a Board of Directors. The Directors of each company report to the Board of Trustees for the administration of the company.

Decision making

The Board of Trustees meet to make decisions on the key strategic issues affecting the charity. Papers are circulated at least a week in advance of each meeting to allow Trustees time to consider the proposals in advance of the meeting. Minutes documenting key decisions are circulated to Trustees after the meeting to check for accuracy and are approved at the following meeting as a true record.

Induction and training of new Trustees

New Trustees are provided with an information pack including recent accounts, a copy of the Memorandum and Articles of Association and minutes of previous meetings, together with a copy of the Charity Commission's guide, "The Essential Trustee". The Trustees come to the Trust with a great deal of experience and knowledge and are expected to keep this up to date. Where appropriate the charity will support this through circulation of relevant literature and opportunities to attend seminars and training events.

Trustees' Responsibilities statement

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under Company Law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the Group and of the incoming resources and application of resources, including income and expenditure, of the charitable group for that period. In preparing these financial statements the Trustees are required to:

- select suitable policies and apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group. This enables them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who were Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant information of which the charity's auditors are unaware
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

A resolution to reappoint PEM, Chartered Accountants, as auditor will be put to the members at the annual general meeting.

This report was approved by the Trustees on 25 November 2022 and signed on their behalf by:

Mick Callanan

M.A.Callanan

Chair of trustees

4. Administrative details

Registered name

The Connolly Foundation (UK) Limited

Registered as a charity in England and Wales, number 1109135

Company number

05315014

Registered office

Manor Farm Court, Lower Sundon, Luton, Bedfordshire LU3 3UZ

Trustees

S S Ashoka

M A Callanan

V S Connolly

N K Croft (resigned 20.1.2022)

A S Rowe

S. White

D. Wilkins

Secretary

K A Watts (deceased 12.7.2021)

D J Oldham (appointed 10.8.2021)

Bankers

Barclays Bank plc, Ashton House, 477 Silbury Boulevard, Milton Keynes, MK9
2LD

Auditors

PEM, Salisbury House, Station Road, Cambridge, CB1 2LA

Investment managers

Quilter Cheviot One Kingsway, London, WC2B 6AN Charles
Stanley, 55 Bishopsgate, London, EC2N 3AS

Evelyn Partners, 14th Floor, 103 Colmore Row, Birmingham, B3 2BJ

Solicitors

Gunner Cooke, 1 Cornhill, London, EC 3V 3ND

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONNOLLY FOUNDATION (UK) LIMITED

OPINION

We have audited the financial statements of The Connolly Foundation (UK) Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 May 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 May 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONNOLLY FOUNDATION (UK)
LIMITED (CONTINUED)**

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 themselves. 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.

OPINION 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONNOLLY FOUNDATION (UK) LIMITED (CONTINUED)

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable 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 Trustees either intend to liquidate the Group or the parent charitable 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with trustees and other management, and from our knowledge of charity and company law and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group, including the Charities Act 2011, Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit; and
- we reviewed the minutes of Trustees' meetings to identify any references to non-compliances with laws and regulations.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONNOLLY FOUNDATION (UK)
LIMITED (CONTINUED)**

To address the risk of fraud through management bias and override of controls, we;

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- evaluated the assumptions and judgements used by management within significant accounting estimates and assessed whether these indicated evidence of management bias; and
- performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:


- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators such as the Charity Commission.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

USE OF OUR REPORT

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an Auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Edward Napper (Senior Statutory Auditor)

for and on behalf of

Peters Elworthy & Moore

Chartered Accountants

Statutory Auditors

Salisbury House

Station Road

Cambridge

CB1 2LA

Date: 25 November 2022

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MAY 2022

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
INCOME FROM:				
Other trading activities	4	14,427,996	14,427,996	14,056,998
Investments	5	1,341,095	1,341,095	960,851
TOTAL INCOME		15,769,091	15,769,091	15,017,849
EXPENDITURE ON:				
Raising funds:	6,7			
Commercial trading		4,938,218	4,938,218	7,527,105
Investment management		336,717	336,717	246,713
Charitable activities	8	1,711,262	1,711,262	2,251,104
TOTAL EXPENDITURE		6,986,197	6,986,197	10,024,922
NET INCOME BEFORE NET (LOSSES)/GAINS ON INVESTMENTS				
Net (losses)/gains on investments		8,782,894	8,782,894	4,992,927
		(1,456,399)	(1,456,399)	10,539,093
NET INCOME BEFORE TAXATION		7,326,495	7,326,495	15,532,020
Taxation		(12,108)	(12,108)	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		7,314,387	7,314,387	15,532,020
OTHER RECOGNISED GAINS/(LOSSES):				
Actuarial losses on defined benefit pension schemes	23	(29,000)	(29,000)	(19,000)
NET MOVEMENT IN FUNDS		7,285,387	7,285,387	15,513,020
RECONCILIATION OF FUNDS:				
Total funds brought forward		88,752,729	88,752,729	73,239,709
Net movement in funds		7,285,387	7,285,387	15,513,020
TOTAL FUNDS CARRIED FORWARD		96,038,116	96,038,116	88,752,729

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 27 to 50 form part of these financial statements.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05315014

CONSOLIDATED BALANCE SHEET
AS AT 31 MAY 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible assets	12	1,119,080	1,088,806
Investments	14	59,261,789	55,407,816
Investment property	13	5,125,143	5,750,995
		<u>65,506,012</u>	<u>62,247,617</u>
CURRENT ASSETS			
Stocks	15	16,465,739	20,812,944
Debtors	16	6,228,891	847,227
Cash at bank and in hand		9,118,659	11,686,748
		<u>31,813,289</u>	<u>33,346,919</u>
Creditors: amounts falling due within one year	17	(1,281,185)	(3,941,807)
		<u>30,532,104</u>	29,405,112
NET CURRENT ASSETS		30,532,104	29,405,112
TOTAL ASSETS LESS CURRENT LIABILITIES		96,038,116	91,652,729
Creditors: amounts falling due after more than one year	18	-	(2,900,000)
TOTAL NET ASSETS		96,038,116	88,752,729
CHARITY FUNDS			
Unrestricted funds	19	96,038,116	88,752,729
TOTAL FUNDS		96,038,116	88,752,729

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Mick Callanan

M A Callanan
Trustee

Date: 25 November 2022

The notes on pages 27 to 50 form part of these financial statements.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05315014

COMPANY BALANCE SHEET
AS AT 31 MAY 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Investments	14	98,176,579	94,322,606
		<u>98,176,579</u>	<u>94,322,606</u>
CURRENT ASSETS			
Cash at bank and in hand		2,335,817	1,435,252
		<u>2,335,817</u>	<u>1,435,252</u>
Creditors: amounts falling due within one year	17	(7,101,568)	(4,586,812)
		<u>(4,765,751)</u>	<u>(3,151,560)</u>
NET CURRENT LIABILITIES		(4,765,751)	(3,151,560)
TOTAL ASSETS LESS CURRENT LIABILITIES		93,410,828	91,171,046
Creditors: amounts falling due after more than one year	18	-	(2,900,000)
		<u>-</u>	<u>(2,900,000)</u>
TOTAL NET ASSETS		93,410,828	88,271,046
		<u>93,410,828</u>	<u>88,271,046</u>
CHARITY FUNDS			
Unrestricted funds	19	93,410,828	88,271,046
		<u>93,410,828</u>	<u>88,271,046</u>
TOTAL FUNDS		93,410,828	88,271,046
		<u>93,410,828</u>	<u>88,271,046</u>

The Company's net movement in funds for the year was £5,139,782 (2021 - £15,854,677).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Mick Callanan

M A Callanan
Trustee

Date: 25 November 2022

The notes on pages 27 to 50 form part of these financial statements.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2022

	Note	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	20	4,919,066	12,683,616
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		1,341,095	960,851
Proceeds from the sale of tangible fixed assets		-	47,300
Purchase of tangible fixed assets		(43,730)	(37,893)
Net purchase of fixed asset investments		(5,741,349)	(2,241,174)
Net proceeds from sale/(purchase) of investment property		1,056,829	(5,096,785)
NET CASH USED IN INVESTING ACTIVITIES		(3,387,155)	(6,367,701)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowing		(4,100,000)	(200,000)
NET CASH USED IN FINANCING ACTIVITIES		(4,100,000)	(200,000)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR			
Cash and cash equivalents at the beginning of the year		11,686,748	5,570,833
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	21	9,118,659	11,686,748

The notes on pages 27 to 50 form part of these financial statements

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

1. GENERAL INFORMATION

The Connolly Foundation (UK) Limited is a charitable company limited by guarantee and incorporated in England and Wales. Its registered office is Manor Farm Court, Lower Sundon, Luton, Bedfordshire, LU3 3UZ.

The Group's functional and presentational currency is GBP.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Connolly Foundation (UK) Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 GOING CONCERN

The Trustees have assessed budgets and forecasts of the Company's financial performance and position. Based on this assessment, the Trustees continue to prepare the financial statements on a going concern basis. No material uncertainties in relation to going concern have been identified.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.3 INCOME

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Trading income is recognised to the extent that it is probable that the economic benefits will flow to the group and can be measured reliably. Trading income from house sales is recognised when the sale is legally complete. Trading income in respect of work performed for local housing associations is recognised as work is carried out by reference to the stage of completion of the contract at the balance sheet date when it is reasonably certain that a profit is foreseen. Trading income from the sale of land represents amounts receivable, net of selling expenses, when the sale is legally complete.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.5 TAXATION

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are discounted.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Freehold land and buildings are not depreciated as the Trustees are of the opinion that the difference between the carrying value and residual value are immaterial. Such properties are subject to an annual impairment review, with any write down being recognised in the Statement of Financial Activities.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Plant and machinery	- rates varying between 25% and 33.3% per annum
Fixtures and fittings	- 20% per annum

2.7 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment.

Investment property is carried at fair value determined annually based on professional advice received and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Financial Activities.

Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 STOCKS

Stocks and work in progress are valued at the lower of cost and net sales proceeds after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the consolidated statement of financial activities.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.9 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.12 FINANCIAL INSTRUMENTS

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.13 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Group operates two defined contribution plans for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

DEFINED BENEFIT PENSION PLAN

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.14 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Stock and work in progress - management makes judgements and estimates as to the stage of completion of each building contract, which in turn has an affect on the valuation of work in progress at the balance sheet date.

4. INCOME FROM COMMERCIAL TRADING ACTIVITIES

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Connolly Homes Limited	14,245,812	14,245,812	13,921,095
DB(NI) Realisations Limited	-	-	869
Connolly Estates Limited	158,517	158,517	116,326
Connolly Holdings Limited	23,667	23,667	18,708
TOTAL 2022	<u>14,427,996</u>	<u>14,427,996</u>	<u>14,056,998</u>
TOTAL 2021	<u>14,056,998</u>	<u>14,056,998</u>	

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

5. INVESTMENT INCOME

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Listed investments	1,319,841	1,319,841	946,909
Bank and other interest	21,254	21,254	13,942
TOTAL 2022	<u>1,341,095</u>	<u>1,341,095</u>	<u>960,851</u>
TOTAL 2021	<u>960,851</u>	<u>960,851</u>	

6. EXPENDITURE ON RAISING FUNDS

COMMERCIAL TRADING ACTIVITIES

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Direct costs	4,437,689	4,437,689	6,619,122
Administration costs - other	229,456	229,456	279,392
Interest and charges	1,902	1,902	2,260
Administration costs - staff costs	164,542	164,542	488,108
Administration costs - NI	37,869	37,869	55,601
Administration costs - pension costs	53,304	53,304	76,289
Administration costs - depreciation	13,456	13,456	6,333
TOTAL 2022	<u>4,938,218</u>	<u>4,938,218</u>	<u>7,527,105</u>
TOTAL 2021	<u>7,527,105</u>	<u>7,527,105</u>	

THE CONNOLLY FOUNDATION (UK) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

7. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment management fees	336,717	336,717	246,713
TOTAL 2022	<u>336,717</u>	<u>336,717</u>	<u>246,713</u>
TOTAL 2021	<u>246,713</u>	<u>246,713</u>	

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Total 2022 £	Total 2021 £
Education	1,280,412	1,280,412	1,909,475
Social	100,000	100,000	32,259
Grant making costs	130,921	130,921	119,011
Support costs	199,929	199,929	190,359
TOTAL 2022	<u>1,711,262</u>	<u>1,711,262</u>	<u>2,251,104</u>
TOTAL 2021	<u>2,251,104</u>	<u>2,251,104</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

During the year, the following material grants were made to institutions.

	2022 £	2021 £
Academic grants	457,344	263,070
Arkwright trust engineering programme	19,730	6,900
Bedford College	77,500	750,000
Educational Psychologists	(57,000)	155,000
Harpur Trust - school catch-up programmes	-	25,000
School facilities grants	-	56,690
Trainee teachers initiative	-	35,000
Wadham College - Oxford thinking project	70,000	70,000
Youthscape	-	56,509
Graduate teachers scheme	-	306,315
Laptops for schools	-	72,500
Redborne School - apprenticeships	-	17,000
Cedars School	10,000	-
Chiltern School	8,836	-
Oak Bank School	100,000	-
Redborne School	525,000	-
Vandyke School	200,000	-
Working Options in Education	15,000	-
Youthscape	100,000	-
Total education and young people	1,526,410	1,813,984
Keech Hospice	50,000	150,000
Sue Ryder Hospice, Moggerhanger	-	-
Alzheimers research	10,000	10,000
Bedford Day Hospice	4,502	-
Bedford Citizen	6,000	-
BPHA Ltd	6,000	-
Buzzer Buses	10,000	-
Catalyst Housing	6,000	-
Grand Union Housing	6,000	-
Men in Sheds Bedford	3,000	-
Total elderly	101,502	160,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

Bedford and Luton Coronavirus Fund (part repaid)	-	(35,500)
Harrold Cricket Club	-	250
Poynter Charitable Trust - rowing for state school pupils	-	7,000
Bedfordshire Red Cross	-	1,000
Chellington Centre	1,000	-
Hockliffe Village Hall	(250,000)	-
Stratton Festival	1,500	-
Total community	(247,500)	(27,250)
	1,380,412	1,946,734

9. AUDITORS' REMUNERATION

	2022	2021
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual accounts	34,020	32,400
Fees payable to the Company's auditor in respect of: Taxation compliance services	3,780	3,600

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

10. STAFF COSTS, TRUSTEE REMUNERATION AND THE COST OF KEY MANAGEMENT PERSONNEL

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	332,828	607,939	42,654	-
Social security costs	42,888	55,601	5,019	-
Contribution to defined contribution pension schemes	56,554	76,289	3,250	-
	432,270	739,829	50,923	-

The average number of persons employed by the Group during the year was as follows:

	Group 2022 No.	Group 2021 No.
Directors (who are trustees)	1	1
Administration	3	1
Commercial trading activities	2	8
	6	10

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022 No.	Group 2021 No.
In the band £70,001 - £80,000	-	1
In the band £140,001 - £150,000	-	1
In the band £150,001 - £160,000	1	-

The Trustees receive no remuneration in their capacity as Trustees. M A Callanan is remunerated in his capacity as director of the trading subsidiaries, as permitted in the Articles of Association. One other Trustee (2021 - one Trustee) received fees in respect of professional services, as disclosed in note 23.

One Trustee received reimbursement of expenses amounting to £1,698 in respect of travel and trustee meetings (2021 - one Trustee - £2,565).

The key management personnel of the charity comprise the Trustees of the charity and directors of the subsidiaries. Total remuneration attributable to key management personnel is £223,897 (2021 - £208,350).

THE CONNOLLY FOUNDATION (UK) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

11. TAXATION

	2022 £	2021 £
Connolly Homes Limited		
Adjustments recognised for current tax of prior periods	12,108	-
	12,108	-
	12,108	-

12. TANGIBLE FIXED ASSETS

GROUP AND COMPANY

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
COST				
At 1 June 2021	1,553,510	95,289	37,893	1,686,692
Additions	-	37,644	6,086	43,730
Disposals	-	(17,087)	-	(17,087)
At 31 May 2022	1,553,510	115,846	43,979	1,713,335
DEPRECIATION				
At 1 June 2021	496,810	95,285	5,791	597,886
Charge for the year	-	4,816	8,640	13,456
On disposals	-	(17,087)	-	(17,087)
At 31 May 2022	496,810	83,014	14,431	594,255
NET BOOK VALUE				
At 31 May 2022	1,056,700	32,832	29,548	1,119,080
At 31 May 2021	1,056,700	4	32,102	1,088,806

THE CONNOLLY FOUNDATION (UK) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

13. INVESTMENT PROPERTY

GROUP

	Freehold investment property £
VALUATION	
At 1 June 2021	5,750,995
Disposals	(625,852)
At 31 May 2022	5,125,143

The 2022 valuations were made by the Trustees, on an open market value for existing use basis, based on professional advice received.

14. FIXED ASSET INVESTMENTS

	Listed investments £	Other investments £	Total £
GROUP			
COST OR VALUATION			
At 1 June 2021	54,801,970	605,846	55,407,816
Additions	15,301,674	70	15,301,744
Disposals	(10,224,133)	-	(10,224,133)
Revaluations	(1,213,110)	-	(1,213,110)
Movement in cash at investors	(10,528)	-	(10,528)
AT 31 MAY 2022	58,655,873	605,916	59,261,789

THE CONNOLLY FOUNDATION (UK) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

14. FIXED ASSET INVESTMENTS (CONTINUED)

COMPANY	Investments in subsidiary companies £	Listed investments £	Other investments £	Total £
COST OR VALUATION				
At 1 June 2021	38,914,790	54,801,970	605,846	94,322,606
Additions	-	15,301,674	70	15,301,744
Disposals	-	(10,224,133)	-	(10,224,133)
Revaluations	-	(1,213,110)	-	(1,213,110)
Movement in cash at investors	-	(10,528)	-	(10,528)
AT 31 MAY 2022	38,914,790	58,655,873	605,916	98,176,579

PRINCIPAL SUBSIDIARIES

The following were subsidiary undertakings of the Company:

Names	Company number	Holding
Connolly Holdings Limited	00766646	100%
Connolly Homes Limited	00761425	100%
Connolly Estates Limited	03743402	100%
DB(NI) Realisations Limited	010800(NI)	100%
Connolly Plant Hire Limited	00800572	100%
Fritchway Settlement Limited	06737603	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(loss) for the year £	Net assets £
Connolly Holdings Limited	68,667	(13,975)	54,692	4,379,678
Connolly Homes Limited	14,260,834	(6,658,768)	7,602,066	40,899,085
Connolly Estates Limited	158,517	(115,067)	43,450	39,000
DB(NI) Realisations Limited	26	(2,059)	(2,033)	1,185,542
Connolly Plant Hire Limited	-	-	-	70
Fritchway Settlement Limited	-	-	-	56

THE CONNOLLY FOUNDATION (UK) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

15. STOCKS

	Group 2022 £	Group 2021 £
Land held for development	16,160,950	17,419,313
Land in course of development	71,114	1,260,606
Work in progress	233,675	2,133,025
	16,465,739	20,812,944

16. DEBTORS

	Group 2022 £	Group 2021 £
DUE AFTER MORE THAN ONE YEAR		
Other debtors	52,150	585,486
Prepayments and accrued income	3,890,250	-
	3,942,400	585,486
DUE WITHIN ONE YEAR		
Trade debtors	21,920	58,281
Other debtors	741,516	159,062
Prepayments and accrued income	1,523,055	44,398
	6,228,891	847,227

THE CONNOLLY FOUNDATION (UK) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Other loans	-	1,200,000	-	1,200,000
Trade creditors	66,243	105,940	-	-
Amounts owed to group undertakings	-	-	6,996,383	2,950,645
Other taxation and social security	15,829	5,725	2,730	-
Pension fund loan payable	4,505	-	4,505	-
Other creditors	2,000	107,532	-	71,387
Accruals	1,192,608	2,522,610	97,950	364,780
	1,281,185	3,941,807	7,101,568	4,586,812

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Other loans	-	2,900,000	-	2,900,000

THE CONNOLLY FOUNDATION (UK) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

19. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 June 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 May 2022 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Anticipated grant funding	398,836	-	-	93,664	-	492,500
GENERAL FUNDS						
General funds	87,872,210	1,281,047	(223,242)	5,429,906	(1,426,593)	92,933,328
Subsidiaries	481,683	14,488,044	(6,760,063)	(5,567,570)	(29,806)	2,612,288
Pension reserve	-	-	(15,000)	44,000	(29,000)	-
	<u>88,353,893</u>	<u>15,769,091</u>	<u>(6,998,305)</u>	<u>(93,664)</u>	<u>(1,485,399)</u>	<u>95,545,616</u>
TOTAL	<u><u>88,752,729</u></u>	<u><u>15,769,091</u></u>	<u><u>(6,998,305)</u></u>	<u><u>-</u></u>	<u><u>(1,485,399)</u></u>	<u><u>96,038,116</u></u>

Designated funds represent anticipated grant funding payments in the coming year.

Transfers represent gift aid distributions from the charity's subsidiaries and the transfer of funds into the defined benefit pension scheme.

THE CONNOLLY FOUNDATION (UK) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

19. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 June 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 May 2021 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Anticipated grant funding	848,774	-	-	(449,938)	-	398,836
GENERAL FUNDS						
General funds	71,567,595	948,323	(2,377,986)	7,195,185	10,539,093	87,872,210
Subsidiaries	823,340	14,069,526	(7,631,936)	(6,779,247)	-	481,683
Pension reserve	-	-	(15,000)	34,000	(19,000)	-
	<u>72,390,935</u>	<u>15,017,849</u>	<u>(10,024,922)</u>	<u>449,938</u>	<u>10,520,093</u>	<u>88,353,893</u>
TOTAL UNRESTRICTED FUNDS	<u><u>73,239,709</u></u>	<u><u>15,017,849</u></u>	<u><u>(10,024,922)</u></u>	<u><u>-</u></u>	<u><u>10,520,093</u></u>	<u><u>88,752,729</u></u>

Transfers represent gift aid distributions from the charity's subsidiaries and the transfer of funds into the defined benefit pension scheme.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2022 £	Group 2021 £
Net income for the year (as per Statement of Financial Activities)	7,314,387	15,532,020
ADJUSTMENTS FOR:		
Depreciation charges	13,456	6,333
Gains/(losses) on investments	1,456,399	(9,277,856)
Dividends, interests and rents from investments	(1,341,095)	(960,851)
Profit on the sale of fixed assets	-	(47,282)
Decrease in stocks	4,347,205	8,811,525
Decrease/(increase) in debtors	(5,381,664)	301,849
Decrease in creditors	(1,460,622)	(1,663,122)
Decrease in pension liability	(29,000)	(19,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,919,066	12,683,616

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2022 £	Group 2021 £
Cash in hand	9,118,659	11,686,748
TOTAL CASH AND CASH EQUIVALENTS	9,118,659	11,686,748

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

22. ANALYSIS OF CHANGES IN NET DEBT

	At 1 June 2021	Cash flows	At 31 May 2022
	£	£	£
Cash at bank and in hand	11,686,748	(2,568,089)	9,118,659
Debt due within 1 year	(1,200,000)	1,195,495	(4,505)
Debt due after 1 year	(2,900,000)	2,900,000	-
	<u>7,586,748</u>	<u>1,527,406</u>	<u>9,114,154</u>

23. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £56,554 (2021 - £76,289). Contributions totalling £11,172 (2021 - £6,665) were payable to the fund at the balance sheet date and are included in creditors.

The Group operates a defined benefit pension scheme.

The Connolly Group Pension Fund ("the Fund") provides benefits for some of the employees of the company and some employees of fellow group companies.

The Fund became 'paid up' in 2003, since when members have earned no further benefits. The assets of the Fund are administered by trustees and are independent of the group's finances. Contributions by the Company are paid into the Fund in accordance with the recommendations of an independent actuarial advisor.

The funding plan is for the Fund to hold assets equal to the value of the benefits earned by employees, based on a set of assumptions used for funding the Fund. The funding assumptions differ from the assumptions used to calculate the figures for these accounts, and therefore produce different results. If there is a shortfall against this funding plan, then the participating employers and trustees agreed on deficit contributions to meet this deficit over a period. As part of the actuarial valuation with an effective date of 1 October 2020, Connolly Holdings Plc agreed to pay contributions of £17,700 pa up to 31 December 2021 and £43,500 pa between 1 January 2022 and 30 September 2025, plus the cost of life assurance and any levies. The estimated amount of total employer contributions expected to be paid to the Fund during the year to 31 May 2023 is £43,500 plus the cost of life assurance and any levies. (2022 actual - £44,000).

The results of the formal actuarial valuation as at 1 October 2020 were updated to the accounting date by an independent qualified actuary in accordance with FRS102. As required by FRS102, the value of the defined benefit liabilities has been measured using the projected unit method and both the assets and the liabilities include the value of those pensions in payment which are secured with insured annuities.

THE CONNOLLY FOUNDATION (UK) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

23. PENSION COMMITMENTS (CONTINUED)

The results, based on assumptions used for FRS102, are as follows:

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 May 2022	At 31 May 2021
	%	%
Price inflation (RPI)	3.5	3.3
Price inflation (CPI)	2.7	2.5
Discount rate	3.5	2
Pension increase in payment		
- RPI, subject to a maximum of 5% pa	3.4	3.2
- CPI, subject to a maximum of 5% pa	2.7	2.5
- Fixed 3%	3	3
Pension increases in deferment	2.7	2.5
	At 31 May 2022	At 31 May 2021
	Years	Years
Mortality rates		
- For a male aged 65 now	21.5	23.3
- At 65 for a male aged 45 now	22.5	25

The Group's share of the assets in the scheme was:

	At 31 May 2022	At 31 May 2021
	£	£
Equity instruments	563,000	640,000
Debt instruments	687,000	712,000
Property	335,000	270,000
All other assets	580,000	702,000
TOTAL FAIR VALUE OF ASSETS	2,165,000	2,324,000

The actual return on scheme assets was £-120,000 (2021 - £91,000).

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

23. PENSION COMMITMENTS (CONTINUED)

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2022	2021
	£	£
Running costs	15,000	15,000

Movements in the present value of the defined benefit obligation were as follows:

	2022	2021
	£	£
Opening defined benefit obligation	2,113,000	2,150,000
Interest on obligation	42,000	32,000
Actuarial gains/losses	(491,000)	(2,000)
Benefits paid	(68,000)	(67,000)
CLOSING DEFINED BENEFIT OBLIGATION	1,596,000	2,113,000

Movements in the fair value of the Group's share of scheme assets were as follows:

	2022	2021
	£	£
Opening fair value of scheme assets	2,324,000	2,281,000
Running costs	(15,000)	(15,000)
Interest on plan assets	46,000	34,000
Actuarial return less interest on plan assets	(166,000)	57,000
Contributions by the employer	44,000	34,000
Benefits paid	(68,000)	(67,000)
CLOSING FAIR VALUE OF SCHEME ASSETS	2,165,000	2,324,000

THE CONNOLLY FOUNDATION (UK) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

23. PENSION COMMITMENTS (CONTINUED)

	2022	2021
	£	£
Fair value of plan assets	2,324,000	2,281,000
Present value of plan liabilities	(2,113,000)	(2,150,000)
Amount not recognised due to asset limit	(211,000)	(131,000)
	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>

The plan does not invest directly in property occupied by the Group or in financial securities issued by the Group.

24. RELATED PARTY TRANSACTIONS

At the year end, an amount of £6,315,233 (2021 - £3,022,032) was due to Connolly Homes Limited, a company with directors in common.

During the year the group incurred professional fees of £72,000 (2021 - £72,000) from Gunnercooke LLP, a business related to S S Ashoka, Trustee.

The Connolly Foundation (UK) Limited

England & Wales - Charity number 1109135

Accounts

The Connolly
Foundation
(UK) Limited

TRUSTEES
REPORT
AND
FINANCIAL
STATEMENTS

For the year ended
31 May 2021

The Connolly Foundation

Report of the Trustees for the year ended
31 May 2021

- Objectives and activities Pages 1-4
- Strategic report Pages 5-16
- Structure, governance and management Pages 17-20
- Administrative details Page 21
- Independent Auditors' Report on the Financial Statements Pages 22-26
- Consolidated Statement of Financial Activities Page 27
- Consolidated Balance Sheet Page 28
- Charity Balance Sheet Page 29
- Consolidated Statement of Cash Flows Page 30
- Notes to the Financial Statements Pages 31-54

1. Objectives and activities

Purposes

The Charity's Memorandum of Association sets out objectives as

1. The relief of poverty anywhere in the United Kingdom and Overseas, in particular within the County of Bedfordshire, by the provision of accommodation;
2. The advancement of education by the provision of grants, training and apprenticeships to persons 14 years and upwards who are in need of such provision by reason of their economic and social circumstances;
3. The advancement of education by the provision of equipment and facilities to enable better learning;
4. The advancement of health and relief of suffering, particularly from diseases affecting older people;
5. The advancement of community development by the provision of facilities.

Activities

The main activity of the charity is to achieve its objectives through existing charitable or educational establishments by providing grants to applicants who meet the selection criteria. These grants are in two areas – the support of young people in further or higher education, and the support of older people in the community.

Aims

The charity has two main aims:

- to relieve poverty and deprivation generally and in particular by providing facilities and assistance for those who are disadvantaged, and who are wholly or partly unable to do this for themselves.
- providing education and training facilities, especially funding vocational and academic training facilities for young people.

The charity provides grants and donations to schools, school students, hospice care and welfare care and receives funding from its subsidiaries.

Thanks to the Foundation many young people across Bedfordshire with talent and drive are being helped in schools, colleges and universities to achieve this. Students can apply for both Excellence and Discretionary Awards.

Some donations are given directly to the students, some via the schools, colleges and university and some in partnership with other charitable trusts. The charity also supports local charities caring for frail elderly people in Bedfordshire.

The charity provides grants for community facilities in Bedfordshire.

Strategies

Trading subsidiaries

The charity was formed when Michael Connolly donated his shares in his building company, Connolly Holdings plc, to the Foundation. While we have made significant steps towards our ambition of becoming a grant-giving charity funding and supporting activities which will improve the lives of many in Bedfordshire, Connolly Holdings plc and its subsidiaries continue to trade. The Foundation, together with Connolly Holdings plc and other subsidiary companies owned by Connolly Holdings plc, are collectively referred to as “The Group”.

The charity invests funds generated by the business activities of The Group and uses the income from the investments to provide grants. Ultimately the Trustees anticipate that income from invested funds will be sufficient to support a substantial expansion of the grant making programme.

Measurements and criteria

The charity measures the number of students being supported in further and higher education. It asks all successful applicants to keep the charity updated as to how they are using the funds we give and the progress they are making as a result. The charity asks for beneficiaries to provide measures of outcomes. We are working towards ways of reporting this in our annual report.

Grant making criteria

The Foundation grants focus on benefitting people in Bedfordshire. Grants are normally only considered on receipt of a formal application via an appropriate institution. The Trustees' aim is to keep the application process as simple and streamlined as possible. Step by step guidelines are provided on how to make a grant application along with the details of the criteria and the information required.

Investment for charitable purposes

The Bedford River Valley Park is an ambitious multi-million pound regeneration project to transform the eastern approach to the town. Our principal partners are Bedford Borough Council and the Forest of Marston Vale Trust. It will provide an exceptional asset for the recreation, education and enjoyment of the people of Bedfordshire. **See below.**



The Connolly Foundation has been involved since 2006 when the planning consent was obtained. Despite some difficulties, we hope the project will begin soon, following a reorganisation at Bedford Borough Council. The plans are to transform a mineral excavation site into a 2000-acre country park with a 2,300 metre sports lake, an education campus, hotel and leisure complex, science and technology park and a retirement village.

At its heart will be 600 acres of floodplain forest, which will become one of England's largest complexes of woodland, marsh, pools and channels, managed by the Forest of Marston Vale Trust.

This rare and valuable habitat will bring far-reaching opportunities for wildlife, flood alleviation and the production of renewable energy. It will support the charity's objectives by providing:

- a new site for higher and/or further education
- employment and training opportunities for young people
- a community facility to be enjoyed by all.

Public Benefit

The Trustees have complied with section 2(1)(b) of the Charities Act 2011, having due regard for the Charity Commission's guidance on public benefit when reviewing the Foundation's aims and objectives, when setting the grant-making policy and in making awards.

2. Strategic report

2.1 Achievements and performance

Grants awarded can be analysed as follows:

	2021 £	2020 £
Education	1,813,934	749,220
Community (net repayments)	(35,500)	86,500
Older people	160,000	194,025
	<u>1,976,434</u>	<u>1,019,025</u>

Education

Student Award scheme

The Foundation runs an award scheme available to students attending its eleven partner secondary schools in the county.

It is an award for academic excellence open to students from these schools who are going on to university. The award is available to those studying a range of academic subjects mainly drawn from the core subjects looked for by the Russell Group of universities. The Academic Excellence Award provides a sum of up to £1,000 per student depending on the grades achieved. Successful students are invited to re-apply after successfully completing each academic year at university.

In addition, each of the Foundation's partner schools are invited to put forward up to six students for the Foundation's Discretionary Award. This is available to students who do not meet the Foundation's academic criteria but whom the school believe merit an award.

The number of students receiving grants during the year was 464 (2019: 364). The Trustees have increased the number of schools with whom we work from nine to eleven. The Foundation paid grants totalling £278,250 (2019 £249,750) to students. The Trustees were pleased to be able to increase take-up of awards during this difficult time.

Student teachers

The Foundation started its programme to help Bedfordshire schools to attract high quality teaching graduates by offering incentive grants to new teachers joining schools across the county to help with housing costs.

In the year to 31 May 2021 we paid £34,000 in grants to 34 teachers (2020: £25,000). The trustees are pleased that the scheme has grown and will seek to expand it further in future years.

Oxford Thinking

In partnership with Wadham College, Oxford University, we have set up a new programme to help give talented children from disadvantaged backgrounds the confidence to apply for university courses. Six schools are currently signed up to the scheme as hubs, with all secondary schools in Bedfordshire nominating up to five year 10 students per school. More than 50 students are currently taking part in the programme. Our funding supports the employment of experienced teachers to mentor the students and arrange attendance at events organised by Wadham College.

Weatherfield / Oakbank schools

The Foundation committed £100,000 to two Special Educational Needs schools in Bedfordshire to work jointly to develop specialist therapeutic learning programmes.

Climbing wall at Oakbank School



Support for schools and pupils during the pandemic

Teachers at Mark Rutherford School were able to help conduct remote learning during the COVID-19 pandemic due to a £10,000 donation by The Connolly Foundation which was used to purchase laptops for staff.

The Connolly Foundation donated £155,000 to Central Bedfordshire Council to pay for support from Educational Psychologists for school children experiencing mental health issues during the pandemic.

The Connolly Foundation and Harpur Trust have pooled resources to pay University of Bedfordshire trainee teachers to work for one day a week in 33 schools across Bedfordshire. The aim is to support disadvantaged schools on an individual or small group work basis.

About 120 new laptops have been provided to selected schools in challenging circumstances in Bedfordshire. These laptops have been distributed to students who did not have access to I.T. at home and have proved to be vital during lockdown.

The Foundation is funding recently graduated students considering teaching as a career who are being employed by Redborne School in Ampthill for two terms to work in eight schools in Bedfordshire. They work with teachers to support students on an individual or small group basis particularly focusing on disadvantaged students and catch-up work.

Bedford College

Bedford College is the largest provider of further education in the South East Midlands region and one of the largest employers in Bedfordshire. Over 15,000 students studied at the College in 2019/20, travelling from across the region.

The Foundation donated £750,000 to Bedford College to equip the Centre of Modern Construction (CMC). The CMC contains highly specialised equipment which can be used by up to 100 students training for jobs or upgrading their existing skills to match up to emerging 'modern methods of construction.'

“The Connolly Foundation are champions of opportunity for young people. We are grateful for their continuing support.”

Ian Pryce CBE, Principal and CEO of The Bedford College



The Connolly Centre of Modern Construction (CMC) was opened by Mark Farmer, the Government's champion of Modern Methods of Construction, in October 2021.

Social Care skills

Working Options in Education has been awarded a grant of £55,000 over three years to inspire 14–19-year-olds in Bedfordshire to consider career opportunities in the growing social care sector.

“Working Options in Education has been delivering a free employability and life skills programme in schools and colleges and online for 10 years. We are excited to be adding social care professionals to our network of industry volunteers thanks to the Connolly Foundation.”

Rachel Roxburgh, Strategic Lead at Working Options in Education.

Youthscape

Youthscape supports young people facing big issues that have a negative effect on their lives – affecting their education, their emotional wellbeing and their motivation for making the best of their future. Their work concentrates on where the biggest difference can be made to these outcomes – mental health, social and educational disengagement. The Connolly Foundation has donated £56,509 towards the running of Youthscape in Luton.

Elderly

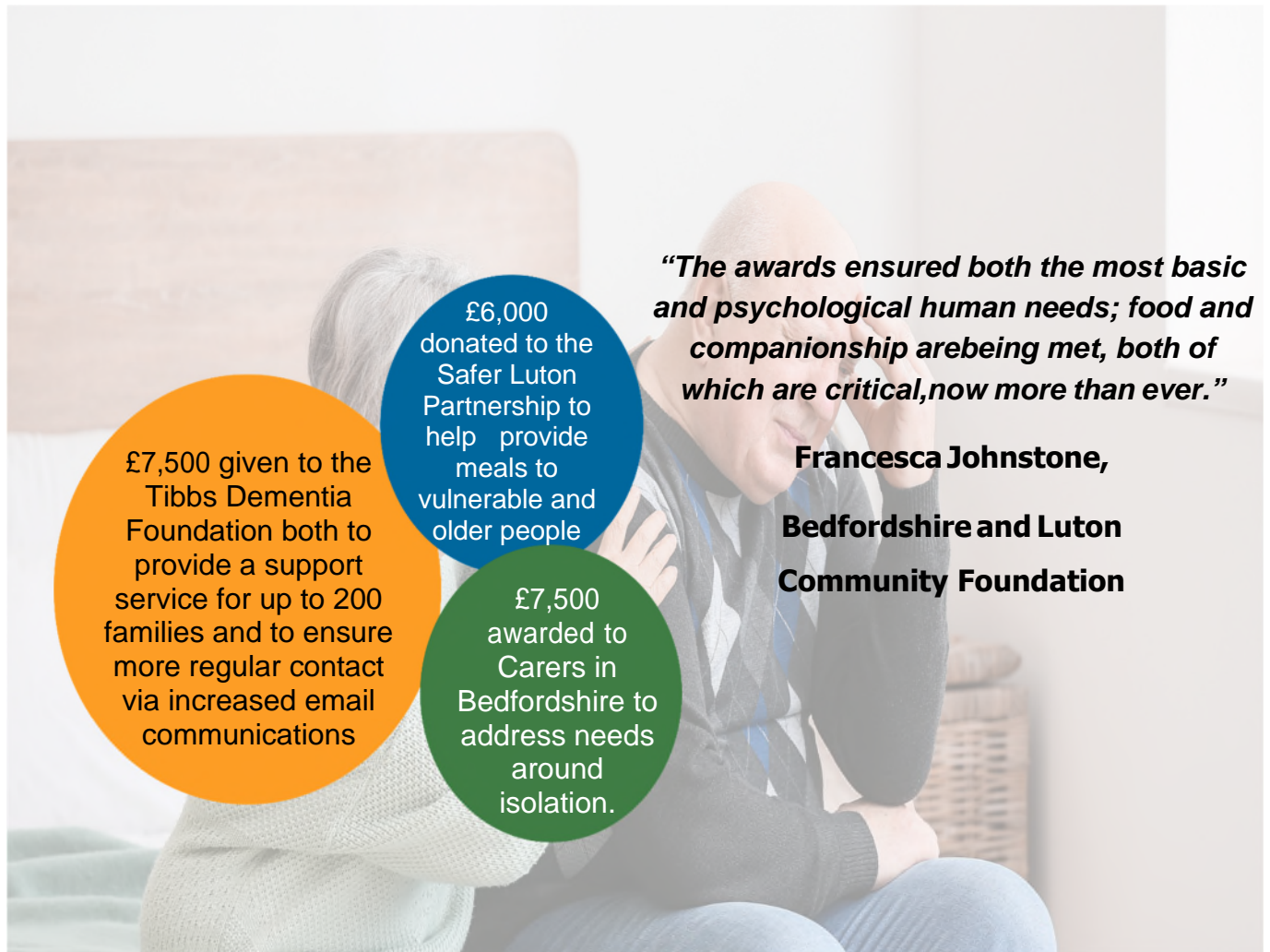
Keech Hospice

Keech Hospice provides Hospice care for people in Bedfordshire. During the pandemic the Foundation donated £150,000 to keep running and continue to provide its expert care during this past challenging year. The hospice cares for people with life-limiting conditions across Bedfordshire, as well as supporting their families.

Community

Covid -19 and the pandemic & support across the community

The Connolly Foundation has been proud to play its part in the fight against the challenges of Covid-19 during the past year. We worked in partnership with a number of organisations as part of the Bedfordshire Coronavirus Emergency Fund managed by the Bedfordshire & Luton Community Foundation. The Connolly Foundation has donated £25,000 to the Bedfordshire Coronavirus Emergency Fund including:



Smaller grants

In addition to the above the Foundation donated smaller grants towards projects benefitting the people of Bedfordshire.

Progress against plans for future periods

Our plans for future periods stated in the 31 May 2020 accounts are presented below, together with progress achieved against those plans.

Planned activity	Achievements to date
Improve monitoring of the effectiveness of the grants distributed	The Foundation has engaged with organisations receiving grants to consider suitable Key Performance Indicators (KPIs) so that impact can be reported in future years.
Make progress in working with local educational establishments to support young people wishing to obtain qualifications in care	Programme agreed with working Options in Bedford
Continue to support Bedfordshire charities that have been affected by the Coronavirus by awarding hardship grants through the Bedfordshire Coronavirus Emergency Fund	A further £25,000 was donated towards the Bedfordshire Coronavirus Emergency Fund. In addition the foundation donated over £200,000 towards projects to help school pupils overcome mental health issues, and £70,000 to schools for laptops for pupils who would otherwise have found it difficult to keep up with their education during the lockdown.
Continue to grow the number of schools with which it works.	The number of schools has grown from 9 to 11.

2.2 Financial Review

Statement of Financial Activity	2021	2020
	£	£
Profits made by trading subsidiaries	6,906,250	4,184,992
Covenanted transfers from subsidiaries to the charity	6,745,247	6,805,000
Investment income	960,851	884,683
Grants awarded	1,946,734	1,019,745
Other costs	54,901	173,753

During the year the trading subsidiaries made gains on sales of properties within developments at Rushden, Woburn Sands, Ampthill and Northern Ireland, and on sales of land for development at Little Paxton. Profits of the trading companies are covenanted to the charity.

Balance Sheet	2021	2020
Net working capital	£29,405,112	£ 30,739,449
Working capital ratio	8.46	6.48
Fixed assets : borrowings	15.18	10.60

2.3 Investments

The Trustees have the power to invest in any way they wish, subject to obtaining expert advice.

Income is invested in line with the charity's reserves policy. Therefore, income is held in cash on deposit and in managed investment funds after review of performance of funds and assessment of the wider economy. At the year end the charity held discretionary funds with Quilter Cheviot Ltd, Charles Stanley Investment Management Ltd and Smith and Williamson Investment Management LLP.

Over the longer term the Trustees look to achieve a total return of 7 per cent on the value at the start of the year, and to spend 4.5 per cent. This allows a margin to maintain the real terms value of the portfolio.

	2021		2020	
	£	% of starting value	£	% of starting value
Total return	10,668,812	24.64%	(118,133)	(0.45)%
Total spend	2,001,635	4.62%	1,193,498	4.51%

The amount invested at the end of the year was £54,801,970 (2020 - £43,299,881).

2.4 Key risks and uncertainties

The Trustees have considered the major risks to which the charity and its subsidiaries are exposed and have established systems and procedures to mitigate these risks. Trustees review risks at their quarterly meetings.

The main risks affecting the charity and its subsidiaries are as follows.

Risk	Mitigation
Lack of Trustees with the right skills	Trustees regularly review the skills matrix of the Board and compare with the skills anticipated as needed given the strategic direction of the Foundation
Trustees fail to keep charitable business separate from trading business	Governance programme followed to improve charity governance
Failure of financial investments	Funds are invested in a diverse portfolio and managed by professional Investment Managers. Performance of the investment managers is reviewed regularly. By using more than one fund manager we diversify the risk of rogue dealers.
Fraud	Financial controls and processes, due diligence on requests for funding.
Business	Financial monitoring, planning programme within the expected capacity
Failure of key projects to have an impact	Continued contact with funded organisations, performance reporting
Loss of key personnel	Plan recovery in advance

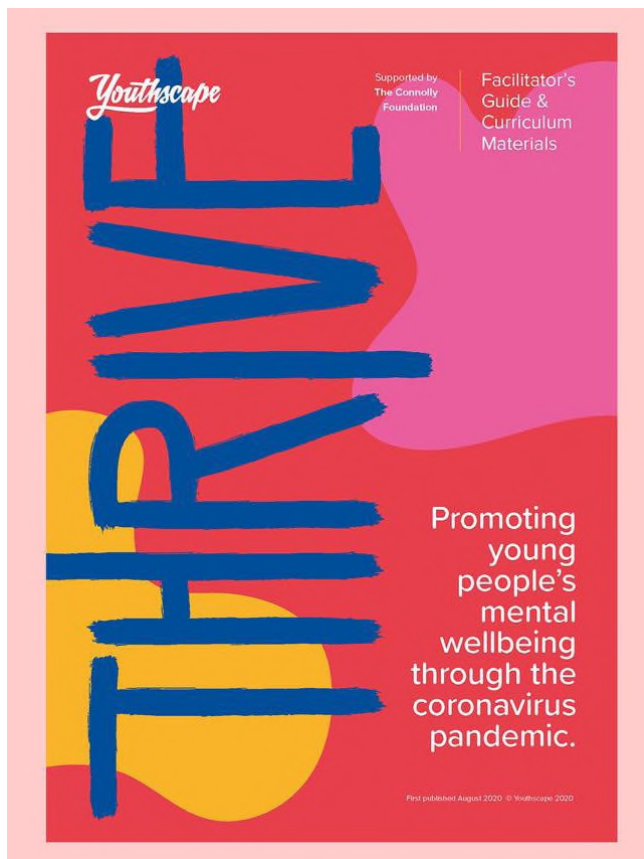
Covid 19 pandemic

The Covid 19 pandemic has affected all organisations. For the Foundation the main impacts have been to the needs of our beneficiaries. The Trustees have taken the following actions.

The foundation donated £72,500 to Bedfordshire schools to fund the acquisition of laptops to allow pupils to stay in contact with schools during the lockdown. The Trustees recognised the need to support young people dealing with childhood trauma and anxiety within an educational setting.

This included:

- Support and guidance for schools and teachers
- Direct support for young people with anxiety issues
- More rapid diagnosis of concerns and where appropriate referral to appropriate agencies
- Online crisis support.



THRIVE - A major new project to support young people's mental wellbeing during the coronavirus pandemic is being supported by the Connolly Foundation.

2.5 Plans for future periods

In the next financial year, the charity plans to:

- Agree a future group structure
- Launch a new website to highlight the activities of the Foundation better and offer digital applications for grants
- Implement measures to improve cyber security
- Establish processes and systems to ensure the smooth and efficient payment of grants
- Add a further school onto our schools awards scheme.

2.6 Reserves

The Trustees have chosen to retain funds generated within the group as follows.

Restricted Funds

Restricted funds are funds received where the donor specifies what the money is for – e.g. many of the Foundation's donations may well be restricted funds in the hands of recipient charities. The Foundation has no restricted funds.

Designated funds

Designated funds are funds which the Trustees have set aside for specific purposes. It is not necessary to set up Designated Funds, but it indicates where Trustees have set funds aside which could otherwise be used to further the charitable causes.

The total funds held by the Group as at 31st May 2021 were £ 88,752,729, all are unrestricted.

Included within the funds balance are £1,088,806 of fixed assets, designated funds of £481,683 which represent anticipated payments in the coming year, and the value of stock held within the subsidiaries, excluding resale properties of £20,812,944.

Free reserves that are readily available to spend are £66,369,296 (2020: £46,593,310).

2.7 Fundraising

The charity does not seek to raise funds from third parties either by way of grants or donations. All income is derived either from the profits of its trading subsidiaries or from returns on market investments.

2.8 Pension Liabilities

The group's pension assets and liabilities are explained in Note 20 to the accounts. The plan's assets are valued slightly higher than the present value of its expected future liabilities, and this is not expected to have a significant impact on the activities of the group.

2.9 Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies

3. Structure, Governance and Management

Governing Document and Constitution

The Connolly Foundation (UK) Limited is a charitable company limited by guarantee. It was incorporated on 16 December 2004 and registered as a charity on 19 April 2005. The company was established under a Memorandum of Association that sets out the objects and powers of the company and is governed by the rules set out in its Articles of Association.

In the event of the company being wound up the members are required to contribute an amount not exceeding £50.

The charity changed its name from The Kathleen and Michael Connolly Foundation (UK) Limited to the Connolly Foundation (UK) Limited on 30 July 2020.

On 30 July the Trustees amended the 2004 Memorandum and Articles of Association in light of later legislation and guidance and expansion of the Balance Sheet assets from £15m to £60m, enabling the charity to be more ambitious in its aims following the strengthening of the Board of Trustees.

Recruitment of Trustees

The Articles of Association provide for a minimum of three and a maximum of nine Trustees. One third of the Trustees must retire by rotation at each Annual General Meeting.

The Trustees regularly review the range of skills available to them. Should they deem that additional skills and experience are required through new Trustees it is expected that new Trustees will be found from amongst the contacts of existing Trustees. Potential new Trustees will be interviewed and the Trustees then decide whether new appointments are appropriate.

Remuneration

Trustees are not remunerated for their work as Trustees of the charity. Remuneration of the Directors of the trading subsidiaries is approved annually by the Trustees. The Charity Commission has given its consent for one Director of the subsidiary companies to be a Trustee of the charity.

Any payments made to undertakings related to Trustees for services provided by Trustees in their professional capacities are approved by the Board of Trustees. The Trustees concerned are not permitted to vote on these matters.

Organisational structure

The Board of Trustees manages the charity. The Trustees meet at least four times a year with additional meetings arranged if needed.

The activities and ownership of each subsidiary undertaking is set out in note 12 to the accounts. Each subsidiary is run by a Board of Directors. The Directors of each company report to the Board of Trustees for the administration of the company.

Decision making

The Board of Trustees meet to make decisions on the key strategic issues affecting the charity. Papers are circulated at least a week in advance of each meeting to allow Trustees time to consider the proposals in advance of the meeting. Minutes documenting key decisions are circulated to Trustees after the meeting to check for accuracy and are approved at the following meeting as a true record.

Induction and training of new Trustees

New Trustees are provided with an information pack including recent accounts, a copy of the Memorandum and Articles of Association and minutes of previous meetings, together with a copy of the Charity Commission's guide, "The Essential Trustee". The Trustees come to the Trust with a great deal of experience and knowledge and are expected to keep this up to date. Where appropriate the charity will support this through circulation of relevant literature and opportunities to attend seminars and training events.

Trustees' Responsibilities statement

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under Company Law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the Group and of the incoming resources and application of resources, including income and expenditure, of the charitable group for that period. In preparing these financial statements the Trustees are required to:

- select suitable policies and apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group. This enables them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who were Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant information of which the charity's auditors are unaware
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

A resolution to reappoint PEM, Chartered Accountants, as auditor will be put to the members at the annual general meeting.

This report was approved by the Trustees on 24 February 2022 and signed on their behalf by:

M A Callanan
Trustee

4. Administrative details

Registered name

Connolly Foundation (UK) Limited
Registered as a charity in England and Wales, number 1109135

Company number

05315014

Registered office

Manor Farm Court, Lower Sundon, Luton, Bedfordshire LU3 3UZ

Trustees

S S Ashoka

M A Callanan

V S Connolly

N K Croft

A S Rowe

S. White (appointed 25.11.2020)

D. Wilkins (appointed 25.11.2020)

Secretary

K A Watts (deceased 12.7.2021)

D J Oldham (appointed 10.8.2021)

Bankers

Barclays Bank plc, Ashton House, 477 Silbury Boulevard, Milton Keynes, MK9
2LD

Nedbank, Millennium Bridge House, 2 Lambeth Hill, London, EC2A 4AR

Auditors

PEM, Salisbury House, Station Road, Cambridge, CB1 2LA

Investment managers

Quilter Cheviot One Kingsway, London, WC2B 6AN Charles

Stanley, 55 Bishopsgate, London, EC2N 3AS

Smith & Williamson, 3rd Floor, 9 Colmore Row, Birmingham, B3 2BJ

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONNOLLY FOUNDATION (UK) LIMITED

OPINION

We have audited the financial statements of The Connolly Foundation (UK) Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 May 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 May 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONNOLLY FOUNDATION (UK)
LIMITED (CONTINUED)**

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 themselves. 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.

OPINION 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONNOLLY FOUNDATION (UK) LIMITED (CONTINUED)

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Trustees 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 Trustees are responsible for assessing the Group's and the parent charitable 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 Trustees either intend to liquidate the Group or the parent charitable 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with trustees and other management, and from our knowledge of charity and company law and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011, and data protection, anti-bribery and employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit; and
- we reviewed the minutes of Trustees' meetings to identify any references to non-compliances with laws and regulations.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONNOLLY FOUNDATION (UK) LIMITED (CONTINUED)

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- evaluated the assumptions and judgements used by management within significant accounting estimates and assessed whether these indicated evidence of management bias; and
- performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators such as the Charity Commission.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONNOLLY FOUNDATION (UK)
LIMITED (CONTINUED)**

USE OF OUR REPORT

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an Auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jayne Rowe (Senior Statutory Auditor)

for and on behalf of

Peters Elworthy & Moore

Chartered Accountants

Statutory Auditors

Salisbury House

Station Road

Cambridge

CB1 2LA

Date: 25 February 2022

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MAY 2021

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
INCOME FROM:				
Donations and legacies	4	-	-	240
Other trading activities	5	14,056,998	14,056,998	16,299,912
Investments	6	960,851	960,851	884,683
Other income	7	-	-	11,765
TOTAL INCOME		15,017,849	15,017,849	17,196,600
EXPENDITURE ON:				
Raising funds:	8,9			
Commercial trading		7,527,105	7,527,105	11,955,071
Investment management		246,713	246,713	187,564
Charitable activities	10	2,251,104	2,251,104	1,353,347
TOTAL EXPENDITURE		10,024,922	10,024,922	13,495,982
NET INCOME BEFORE NET GAINS/(LOSSES) ON INVESTMENTS				
		4,992,927	4,992,927	3,700,618
Net gains/(losses) on investments		10,539,093	10,539,093	(928,554)
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)				
		15,532,020	15,532,020	2,772,064
OTHER RECOGNISED GAINS/(LOSSES):				
Actuarial losses on defined benefit pension schemes	24	(19,000)	(19,000)	(21,000)
NET MOVEMENT IN FUNDS		15,513,020	15,513,020	2,751,064
RECONCILIATION OF FUNDS:				
Total funds brought forward		73,239,709	73,239,709	70,488,645
Net movement in funds		15,513,020	15,513,020	2,751,064
TOTAL FUNDS CARRIED FORWARD		88,752,729	88,752,729	73,239,709

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 31 to 54 form part of these financial statements.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05315014

CONSOLIDATED BALANCE SHEET
AS AT 31 MAY 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	13	1,088,806	1,057,264
Investments	15	55,407,816	43,888,786
Investment property	14	5,750,995	654,210
		62,247,617	45,600,260
CURRENT ASSETS			
Stocks	16	20,812,944	29,624,469
Debtors	17	847,227	1,135,494
Cash at bank and in hand		11,686,748	5,570,833
		33,346,919	36,330,796
Creditors: amounts falling due within one year	18	(3,941,807)	(5,591,347)
		29,405,112	30,739,449
TOTAL ASSETS LESS CURRENT LIABILITIES		91,652,729	76,339,709
Creditors: amounts falling due after more than one year	19	(2,900,000)	(3,100,000)
TOTAL NET ASSETS		88,752,729	73,239,709
CHARITY FUNDS			
Unrestricted funds	20	88,752,729	73,239,709
TOTAL FUNDS		88,752,729	73,239,709

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

M A Callanan
Trustee

Date: 24 February 2022

The notes on pages 31 to 54 form part of these financial statements.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05315014

COMPANY BALANCE SHEET
AS AT 31 MAY 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Investments	15	94,322,606	82,803,576
		<u>94,322,606</u>	<u>82,803,576</u>
CURRENT ASSETS			
Debtors	17	-	143,910
Cash at bank and in hand		1,435,252	2,995,117
		<u>1,435,252</u>	<u>3,139,027</u>
Creditors: amounts falling due within one year	18	(4,586,812)	(10,426,234)
		<u>(3,151,560)</u>	<u>(7,287,207)</u>
NET CURRENT LIABILITIES		(3,151,560)	(7,287,207)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>91,171,046</u>	<u>75,516,369</u>
Creditors: amounts falling due after more than one year	19	(2,900,000)	(3,100,000)
TOTAL NET ASSETS		<u><u>88,271,046</u></u>	<u><u>72,416,369</u></u>
CHARITY FUNDS			
Unrestricted funds	20	88,271,046	72,416,369
TOTAL FUNDS		<u><u>88,271,046</u></u>	<u><u>72,416,369</u></u>

The Company's net movement in funds for the year was £15,854,677 (2020 - £5,299,065).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

M A Callanan
Trustee

Date: 24 February 2022

The notes on pages 31 to 54 form part of these financial statements.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2021

	Note	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	21	12,683,616	10,596,197
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		960,851	884,683
Proceeds from the sale of tangible fixed assets		47,300	26,250
Purchase of tangible fixed assets		(37,893)	-
Net (purchase)/proceeds from sale of fixed asset investments		(2,241,174)	(20,895,362)
Net (purchase)/proceeds from sale of investment property		(5,096,785)	(261,210)
NET CASH USED IN INVESTING ACTIVITIES		(6,367,701)	(20,245,639)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowing		(200,000)	-
NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES		(200,000)	-
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		6,115,915	(9,649,442)
Cash and cash equivalents at the beginning of the year		5,570,833	15,220,275
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	22	11,686,748	5,570,833

The notes on pages 31 to 54 form part of these financial statements

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

1. GENERAL INFORMATION

The Connolly Foundation (UK) Limited is a charitable company limited by guarantee and incorporated in England and Wales. Its registered office is Manor Farm Court, Lower Sundon, Luton, Bedfordshire, LU3 3UZ.

The Group's functional and presentational currency is GBP.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Connolly Foundation (UK) Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements. The surplus for the year dealt with in the accounts of the charity alone was £15,854,677 (2020 - £5,299,065).

2.2 INCOME

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Trading income is recognised to the extent that it is probable that the economic benefits will flow to the group and can be measured reliably. Trading income from house sales is recognised when the sale is legally complete. Trading income in respect of work performed for local housing associations is recognised as work is carried out by reference to the stage of completion of the contract at the balance sheet date when it is reasonably certain that a profit is foreseen. Trading income from the sale of land represents amounts receivable, net of selling expenses, when the sale is legally complete.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.3 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.4 TAXATION

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are discounted.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Freehold land and buildings are not depreciated as the Trustees are of the opinion that the difference between the carrying value and residual value are immaterial. Such properties are subject to an annual impairment review, with any write down being recognised in the Statement of Financial Activities.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Plant and machinery	- rates varying between 25% and 33.3% per annum
Fixtures and fittings	- 20% per annum

2.6 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment.

Investment property is carried at fair value determined annually based on professional advice received and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Financial Activities.

Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.7 STOCKS

Stocks and work in progress are valued at the lower of cost and net sales proceeds after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the consolidated statement of financial activities.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.8 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.11 FINANCIAL INSTRUMENTS

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.12 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Group operates two defined contribution plans for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

DEFINED BENEFIT PENSION PLAN

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.13 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Stock and work in progress - management makes judgements and estimates as to the stage of completion of each building contract, which in turn has an affect on the valuation of work in progress at the balance sheet date.

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	-	-	240
TOTAL 2021	<u>-</u>	<u>-</u>	<u>240</u>
TOTAL 2020	<u>240</u>	<u>240</u>	

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

5. INCOME FROM COMMERCIAL TRADING ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Connolly Homes PLC	13,921,095	13,921,095	16,233,920
DB(NI) Realisations Limited	869	869	433
Connolly Estates Limited	116,326	116,326	39,059
Connolly Holdings PLC	18,708	18,708	26,500
TOTAL 2021	<u>14,056,998</u>	<u>14,056,998</u>	<u>16,299,912</u>
TOTAL 2020	<u>16,299,912</u>	<u>16,299,912</u>	

6. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Listed investments	946,909	946,909	810,421
Bank and other interest	13,942	13,942	74,262
TOTAL 2021	<u>960,851</u>	<u>960,851</u>	<u>884,683</u>
TOTAL 2020	<u>884,683</u>	<u>884,683</u>	

THE CONNOLLY FOUNDATION (UK) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

7. OTHER INCOMING RESOURCES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Job retention scheme	-	-	11,765
TOTAL 2021	<u>-</u>	<u>-</u>	<u>11,765</u>
TOTAL 2020	<u>11,765</u>	<u>11,765</u>	

Other incoming resources represent amounts receivable under the Coronavirus Job Retention Scheme (CJRS) to cover salaries of furloughed staff.

8. EXPENDITURE ON RAISING FUNDS

COMMERCIAL TRADING ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Direct costs	6,619,122	6,619,122	11,114,580
Administration costs - other	279,392	279,392	196,080
Interest and charges	2,260	2,260	754
Administration costs - staff costs	488,108	488,108	494,535
Administration costs - NI	55,601	55,601	55,561
Administration costs - pension costs	76,289	76,289	87,033
Administration costs - depreciation	6,333	6,333	6,528
TOTAL 2021	<u>7,527,105</u>	<u>7,527,105</u>	<u>11,955,071</u>
TOTAL 2020	<u>11,955,071</u>	<u>11,955,071</u>	

THE CONNOLLY FOUNDATION (UK) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

9. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment management fees	246,713	246,713	187,564
TOTAL 2021	<u>246,713</u>	<u>246,713</u>	<u>187,564</u>
TOTAL 2020	<u>187,564</u>	<u>187,564</u>	

10. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Education	1,909,475	1,909,475	784,745
Social	32,259	32,259	235,000
Grant making costs	119,011	119,011	131,736
Support costs	190,359	190,359	201,866
TOTAL 2021	<u>2,251,104</u>	<u>2,251,104</u>	<u>1,353,347</u>
TOTAL 2020	<u>1,353,347</u>	<u>1,353,347</u>	

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

10. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

During the year, the following material grants were made to institutions.

	2021 £	2020 £
Academic grants	263,070	213,250
Arkwright trust engineering programme	6,900	12,500
Bedford College - Methods of Modern Construction	750,000	51,970
Educational Psychologists	155,000	-
Harpur Trust - school catch-up programmes	25,000	-
School facilities grants	56,690	32,500
Trainee teachers initiative	35,000	25,000
Wadham College - Oxford thinking project	70,000	70,000
Youthscape	56,509	200,000
Graduate teachers scheme	306,315	-
Laptops for schools	72,500	-
Redborne School - apprenticeships	17,000	19,000
Oakbank / Weatherfield schools	-	100,000
Level trust school uniforms service	-	25,000
Total education and young people	1,813,984	749,220
Keech Hospice	150,000	105,000
Sue Ryder Hospice, Moggerhanger	-	50,000
Alzheimers research	10,000	10,000
Bedford Day Hospice	-	8,025
Grand Union Housing cooking project	-	10,000
Total elderly	160,000	183,025
Bedford and Luton Coronavirus Fund (part repaid)	(35,500)	50,000
Harrold Cricket Club	250	-
Poynter Charitable Trust - rowing for state school pupils	7,000	10,500
Bedfordshire Red Cross	1,000	-
St Johns Fayre	-	1,000
Country Days	-	1,000
Bedfordshire Scouts	-	25,000
Total community	(27,250)	87,500
	1,946,734	1,019,745

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

11. AUDITORS' REMUNERATION

	2021	2020
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual accounts	32,400	31,450
Fees payable to the Company's auditor in respect of: Taxation compliance services	3,600	3,500

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

12. STAFF COSTS, TRUSTEE REMUNERATION AND THE COST OF KEY MANAGEMENT PERSONNEL

	Group 2021 £	Group 2020 £
Wages and salaries	607,939	634,587
Social security costs	55,601	55,561
Contribution to defined contribution pension schemes	76,289	87,033
	<u>739,829</u>	<u>777,181</u>

The average number of persons employed by the Company during the year was as follows:

	Group 2021 No.	Group 2020 No.
Directors (who are trustees)	1	1
Administration	1	1
Commercial trading activities	8	9
	<u>10</u>	<u>11</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2021 No.	Group 2020 No.
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	-	2
In the band £140,001 - £150,000	1	1

The Trustees receive no remuneration in their capacity as Trustees. M A Callanan is remunerated in his capacity as director of the trading subsidiaries, as permitted in the Articles of Association. One other Trustee (2020 - one Trustee) received fees in respect of professional services, as disclosed in note 26. They are not reimbursed for any expenses incurred on behalf of the charity.

One Trustee received reimbursement of expenses amounting to £2,565 in the current year, (2020 - two Trustees - £1,512).

The key management personnel of the charity comprise the Trustees of the charity. Total remuneration attributable to key management personnel is £189,000 (2020 - £188,066).

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

13. TANGIBLE FIXED ASSETS

GROUP AND COMPANY

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
COST				
At 1 June 2020	1,553,510	312,752	-	1,866,262
Additions	-	-	37,893	37,893
Disposals	-	(217,463)	-	(217,463)
At 31 May 2021	<u>1,553,510</u>	<u>95,289</u>	<u>37,893</u>	<u>1,686,692</u>
DEPRECIATION				
At 1 June 2020	496,810	312,188	-	808,998
Charge for the year	-	542	5,791	6,333
On disposals	-	(217,445)	-	(217,445)
At 31 May 2021	<u>496,810</u>	<u>95,285</u>	<u>5,791</u>	<u>597,886</u>
NET BOOK VALUE				
At 31 May 2021	<u><u>1,056,700</u></u>	<u><u>4</u></u>	<u><u>32,102</u></u>	<u><u>1,088,806</u></u>
At 31 May 2020	<u><u>1,056,700</u></u>	<u><u>564</u></u>	<u><u>-</u></u>	<u><u>1,057,264</u></u>

THE CONNOLLY FOUNDATION (UK) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

14. INVESTMENT PROPERTY

GROUP

	Freehold investment property £
VALUATION	
At 1 June 2020	654,210
Additions	5,096,785
At 31 May 2021	5,750,995

The 2021 valuations were made by the Trustees, on an open market value for existing use basis, based on professional advice received.

15. FIXED ASSET INVESTMENTS

	Listed investments £	Other investments £	Total £
GROUP			
COST OR VALUATION			
At 1 June 2020	43,299,881	588,905	43,888,786
Additions	14,759,637	16,941	14,776,578
Disposals	(7,631,972)	-	(7,631,972)
Revaluations	8,032,409	-	8,032,409
Movement in cash at investors	(3,657,985)	-	(3,657,985)
At 31 May 2021	54,801,970	605,846	55,407,816

THE CONNOLLY FOUNDATION (UK) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

15. FIXED ASSET INVESTMENTS (CONTINUED)

COMPANY	Investments in subsidiary companies £	Listed investments £	Other investments £	Total £
COST OR VALUATION				
At 1 June 2020	38,914,790	43,299,881	588,905	82,803,576
Additions	-	14,759,637	16,941	14,776,578
Disposals	-	(7,631,972)	-	(7,631,972)
Revaluations	-	8,032,409	-	8,032,409
Movement in cash at investors	-	(3,657,985)	-	(3,657,985)
At 31 May 2021	<u>38,914,790</u>	<u>54,801,970</u>	<u>605,846</u>	<u>94,322,606</u>

PRINCIPAL SUBSIDIARIES

The following were subsidiary undertakings of the Company:

Names	Company number	Holding
Connolly Holdings Plc	00766646	100%
Connolly Homes Plc	00761425	100%
Connolly Estates Limited	03743402	100%
DB(NI) Realisations Limited	010800(NI)	100%
Connolly Plant Hire Limited	00800572	100%
Fritchway Settlement Limited	06737603	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(loss) for the year £	Net assets/ (liabilities) £
Connolly Holdings Plc	63,708	(7,751)	55,957	4,361,434
Connolly Homes Plc	14,647,623	(8,030,384)	6,617,239	40,908,155
Connolly Estates Limited	116,326	(47,787)	68,539	(4,450)
DB(NI) Realisations Limited	869	144,791	145,660	1,187,575
Connolly Plant Hire Limited	-	-	-	70
Fritchway Settlement Limited	-	-	-	56

THE CONNOLLY FOUNDATION (UK) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

16. STOCKS

	Group 2021 £	Group 2020 £
Land held for development	17,419,313	15,906,108
Land in course of development	1,260,606	4,401,075
Work in progress	2,133,025	4,433,178
Resale properties	-	4,884,108
	<u>20,812,944</u>	<u>29,624,469</u>

17. DEBTORS

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
DUE AFTER MORE THAN ONE YEAR				
Other debtors	585,486	774,513	-	-
	<u>585,486</u>	<u>774,513</u>	<u>-</u>	<u>-</u>
DUE WITHIN ONE YEAR				
Trade debtors	58,281	38,800	-	-
Other debtors	159,062	272,977	-	143,910
Prepayments and accrued income	44,398	49,204	-	-
	<u>847,227</u>	<u>1,135,494</u>	<u>-</u>	<u>143,910</u>

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18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Other loans	1,200,000	1,200,000	1,200,000	1,200,000
Trade creditors	105,940	278,176	-	-
Amounts owed to group undertakings	-	-	2,950,645	8,790,449
Other taxation and social security	5,725	159,772	-	-
Other creditors	107,532	22,122	71,387	-
Accruals and deferred income	2,522,610	3,931,277	364,780	435,785
	<u>3,941,807</u>	<u>5,591,347</u>	<u>4,586,812</u>	<u>10,426,234</u>

Included within other loans are unsecured loan notes of £1,200,000. Interest is payable and shall accrue on the principal amount of the outstanding loan notes at LIBOR plus a margin of 2.75%.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Other loans	<u>2,900,000</u>	<u>3,100,000</u>	<u>2,900,000</u>	<u>3,100,000</u>

Included within other loans are unsecured loan notes of £2,900,000. Interest is payable and shall accrue on the principal amount of the outstanding loan notes at LIBOR plus a margin of 2.75%.

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20. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 June 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 May 2021 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Anticipated grant funding	848,774	-	-	(449,938)	-	398,836
GENERAL FUNDS						
General funds	71,567,595	948,323	(2,377,986)	7,195,185	10,539,093	87,872,210
Subsidiaries	823,340	14,069,526	(7,646,936)	(6,745,247)	(19,000)	481,683
	<u>72,390,935</u>	<u>15,017,849</u>	<u>(10,024,922)</u>	<u>449,938</u>	<u>10,520,093</u>	<u>88,353,893</u>
TOTAL	<u><u>73,239,709</u></u>	<u><u>15,017,849</u></u>	<u><u>(10,024,922)</u></u>	<u><u>-</u></u>	<u><u>10,520,093</u></u>	<u><u>88,752,729</u></u>

Designated funds represent anticipated grant funding payments in the coming year.

Transfers represent gift aid distributions from the charity's subsidiaries to the charity and a designation of unrestricted funds.

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20. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 June 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 May 2020 £
UNRESTRICTED FUNDS						
Anticipated grant funding	-	-	-	848,774	-	848,774
GENERAL FUNDS						
General funds	67,117,304	825,837	(1,403,218)	5,956,226	(928,554)	71,567,595
Subsidiaries	3,371,341	16,370,763	(12,092,764)	(6,805,000)	(21,000)	823,340
	<u>70,488,645</u>	<u>17,196,600</u>	<u>(13,495,982)</u>	<u>(848,774)</u>	<u>(949,554)</u>	<u>72,390,935</u>
TOTAL	<u><u>70,488,645</u></u>	<u><u>17,196,600</u></u>	<u><u>(13,495,982)</u></u>	<u><u>-</u></u>	<u><u>(949,554)</u></u>	<u><u>73,239,709</u></u>

The transfer represents gift aid distributions from the charity's subsidiaries to the charity.

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21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2021 £	Group 2020 £
Net income for the year (as per Statement of Financial Activities)	15,532,020	2,772,064
ADJUSTMENTS FOR:		
Depreciation charges	6,333	6,528
Gains/(losses) on investments	(9,277,856)	3,486,824
Dividends, interests and rents from investments	(960,851)	(884,683)
Profit on the sale of fixed assets	(47,282)	(25,475)
Decrease in stocks	8,811,525	4,862,167
Decrease in debtors	301,849	481,943
Decrease in creditors	(1,663,122)	(82,171)
Decrease in pension liability	(19,000)	(21,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	12,683,616	10,596,197

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2021 £	Group 2020 £
Cash in hand	11,686,748	5,570,833
TOTAL CASH AND CASH EQUIVALENTS	11,686,748	5,570,833

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23. ANALYSIS OF CHANGES IN NET DEBT

	At 1 June 2020 £	Cash flows £	Other non- cash changes £	At 31 May 2021 £
Cash at bank and in hand	5,570,833	6,115,915	-	11,686,748
Debt due within 1 year	(1,200,000)	200,000	(200,000)	(1,200,000)
Debt due after 1 year	(3,100,000)	-	200,000	(2,900,000)
	<u>1,270,833</u>	<u>6,315,915</u>	<u>-</u>	<u>7,586,748</u>

24. PENSION COMMITMENTS

The Group operates a defined benefit pension scheme.

The Connolly Group Pension Fund ("the Fund") provides benefits for some of the employees of the company and some employees of fellow group companies.

The Fund became 'paid up' in 2003, since when members have earned no further benefits. The assets of the Fund are administered by trustees and are independent of the group's finances. Contributions by the Company are paid into the Fund in accordance with the recommendations of an independent actuarial advisor.

The funding plan is for the Fund to hold assets equal to the value of the benefits earned by employees, based on a set of assumptions used for funding the Fund. The funding assumptions differ from the assumptions used to calculate the figures for these accounts, and therefore produce different results. If there is a shortfall against this funding plan, then the participating employers and trustees agree on deficit contributions to meet this deficit over a period. As part of the actuarial valuation with an effective date of 1 October 2017, the company has agreed to pay contributions of £35,400 per annum up to 30 September 2018 and £17,700 per annum between 1 October 2018 and 30 April 2023, plus the cost of life assurance and any levies. The estimated amount of total employer contributions expected to be paid to the Fund during the year to 31 May 2022 is £17,700 plus the cost of life assurance and any levies (2021 actual - £34,000).

The results of the formal actuarial valuation as at 1 October 2017 were updated to the accounting date by an independent qualified actuary in accordance with FRS102. As required by FRS102, the value of the defined benefit liabilities has been measured using the projected unit method and both the assets and the liabilities include the value of those pensions in payment which are secured with insured annuities.

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24. PENSION COMMITMENTS (CONTINUED)

The results, based on assumptions used for FRS102, are as follows:

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 May 2021	At 31 May 2020
	%	%
Price inflation (RPI)	3.3	2.7
Price inflation (CPI)	2.5	1.9
Discount rate	2	1.5
Pension increase in payment		
- RPI, subject to a maximum of 5% pa	3.2	2.7
- CPI, subject to a maximum of 5% pa	2.5	2.0
- Fixed 3%	3	3
Pension increases in deferment	2.5	1.9
	At 31 May 2021	At 31 May 2020
	Years	Years
Mortality rates		
- For a male aged 65 now	23.3	23.2
- At 65 for a male aged 45 now	25	24.9

The Group's share of the assets in the scheme was:

	At 31 May 2021	At 31 May 2020
	£	£
Equity instruments	640,000	525,000
Debt instruments	712,000	710,000
Property	270,000	272,000
All other assets	702,000	774,000
TOTAL FAIR VALUE OF ASSETS	2,324,000	2,281,000

The actual return on scheme assets was £91,000 (2020 - £112,000).

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24. PENSION COMMITMENTS (CONTINUED)

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2021	2020
	£	£
Running costs	15,000	15,000
Interest expense/(income)	-	(2,000)
TOTAL AMOUNT RECOGNISED IN THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES	15,000	13,000

Movements in the present value of the defined benefit obligation were as follows:

	2021	2020
	£	£
Opening defined benefit obligation	2,150,000	1,959,000
Interest on obligation	32,000	46,000
Actuarial gains/losses	(2,000)	210,000
Benefits paid	(67,000)	(65,000)
CLOSING DEFINED BENEFIT OBLIGATION	2,113,000	2,150,000

Movements in the fair value of the Group's share of scheme assets were as follows:

	2021	2020
	£	£
Opening fair value of scheme assets	2,281,000	2,215,000
Running costs	(15,000)	(15,000)
Interest on plan assets	34,000	54,000
Actuarial return less interest on plan assets	57,000	58,000
Contributions by the employer	34,000	34,000
Benefits paid	(67,000)	(65,000)
CLOSING FAIR VALUE OF SCHEME ASSETS	2,324,000	2,281,000

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24. PENSION COMMITMENTS (CONTINUED)

	2021	2020
	£	£
Fair value of plan assets	2,324,000	2,281,000
Present value of plan liabilities	(2,113,000)	(2,150,000)
Amount not recognised due to asset limit	(211,000)	(131,000)
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	-	-

The plan does not invest directly in property occupied by the Group or in financial securities issued by the Group.

25. RELATED PARTY TRANSACTIONS

At the year end, an amount of £3,022,032 was due to (2020 - £8,790,449 due to) Connolly Homes PLC, a company with directors in common.

During the year, £7,000 was granted to the Poynter Charitable Trust. A Rowe is a Trustee of this charity.

During the year the group incurred professional fees of £72,000 (2020 - £72,000) from Gunnercooke LLP, a business related to S S Ashoka, Trustee.