

The **Connolly**  
**Foundation**  
**(UK) Limited**

**TRUSTEES'  
REPORT  
AND  
FINANCIAL  
STATEMENTS**

**For the year ended  
31 May 2025**



## Report of the Trustees for the year ended 31 May 2025

• Objectives and activities	Pages 2 – 4
• Strategic report	Pages 5 - 18
• Structure, governance and management	Pages 19 - 22
• Administrative details	Page 23
• Report of the Auditors	Pages 24 - 27
• Statement of Financial Activity	Page 28
• Consolidated Balance Sheet	Page 29
• Charity Balance Sheet	Page 30
• Consolidated Statement of Cash Flows	Page 31
• Notes to the Financial Statement	Pages 32 - 61

# 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 Flitchway 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/](http://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 £
<b>Young people grant</b>		
Schools	1,325,281	960,828
Further Education Colleges	285,906	489,185
Other charitable institutions	391,004	352,126
<b>Total Young people grants</b>	<u>2,002,191</u>	<u>1,802,139</u>
<b>Older people grant</b>		
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	-	-
<b>Total Older people grants</b>	<u>144,574</u>	<u>139,696</u>
<b>Total grants</b>	<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.*

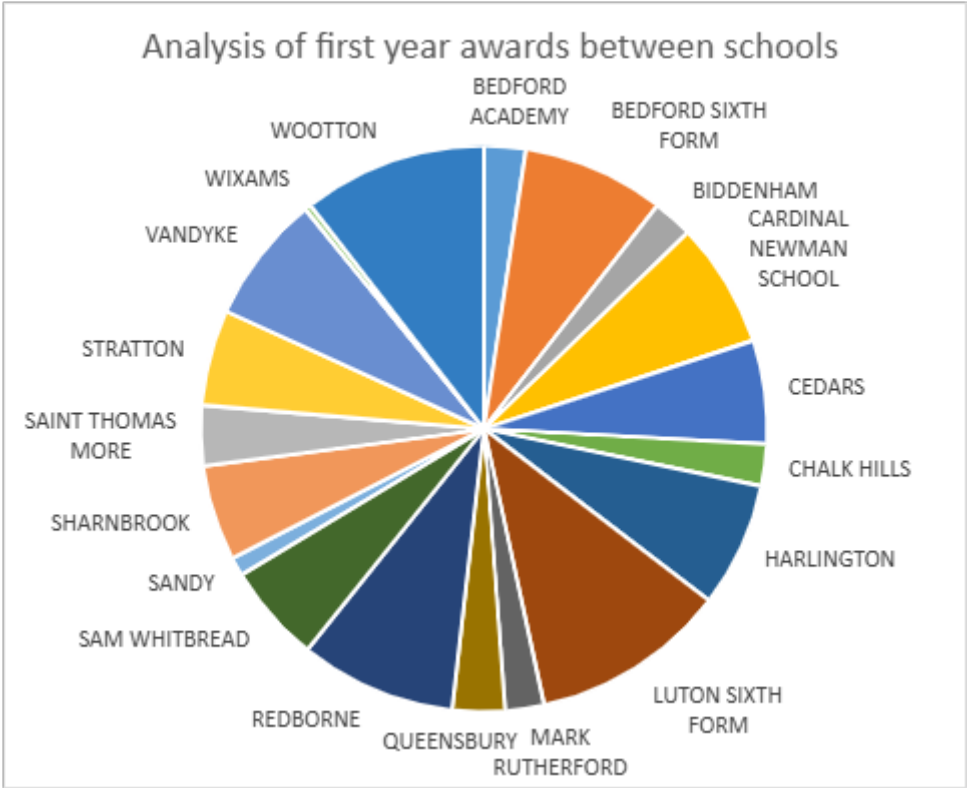
*I truly appreciate the investment you made in my education and future. Thank you for your kindness and support.*

- 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		2024
	No	£	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."***

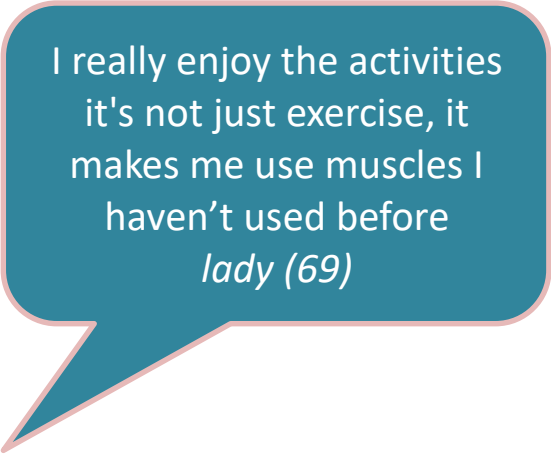
**Allison Mann, Service Director, Sue Ryder - St. Johns Hospice  
Moggerhanger, Bedford**

## 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.

<b>Risk</b>	<b>Mitigation</b>
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](http://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**

		Unrestricted funds 2025 £	Total funds 2025 £	As restated Total funds 2024 £
	Note			
<b>INCOME FROM:</b>				
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
<b>TOTAL INCOME</b>		<b>13,990,240</b>	<b>13,990,240</b>	<b>3,275,120</b>
<b>EXPENDITURE ON:</b>				
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
<b>TOTAL EXPENDITURE</b>		<b>9,179,237</b>	<b>9,179,237</b>	<b>3,381,935</b>
<b>NET INCOME/(EXPENDITURE) BEFORE NET GAINS ON INVESTMENTS</b>		<b>4,811,003</b>	<b>4,811,003</b>	<b>(106,815)</b>
Net gains on investments	15,16	661,585	661,585	4,886,935
<b>NET INCOME BEFORE TAXATION</b>		<b>5,472,588</b>	<b>5,472,588</b>	<b>4,780,120</b>
Taxation		-	-	(15,664)
<b>NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)</b>		<b>5,472,588</b>	<b>5,472,588</b>	<b>4,764,456</b>
Actuarial gains on defined benefit pension schemes	28	(14,000)	(14,000)	(44,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>5,458,588</b>	<b>5,458,588</b>	<b>4,720,456</b>
<b>RECONCILIATION OF FUNDS:</b>				
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
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>109,613,112</b>	<b>109,613,112</b>	<b>104,154,524</b>

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 £
<b>FIXED ASSETS</b>			
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>
<b>CURRENT ASSETS</b>			
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>
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	19	(987,150)	(1,129,481)
		<u>41,034,116</u>	<u>36,137,142</u>
<b>NET CURRENT ASSETS</b>			
Creditors: amounts falling due after more than one year	20	(135,000)	(35,000)
		<u>109,613,112</u>	<u>104,154,524</u>
<b>TOTAL NET ASSETS</b>			
		<u><u>109,613,112</u></u>	<u><u>104,154,524</u></u>
<b>CHARITY FUNDS</b>			
Unrestricted funds	23	109,613,112	104,154,524
		<u>109,613,112</u>	<u>104,154,524</u>
<b>TOTAL FUNDS</b>			
		<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 £
<b>FIXED ASSETS</b>			
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>
<b>CURRENT ASSETS</b>			
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>
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	19	(3,346,504)	(3,739,227)
		<u>(1,069,491)</u>	<u>(489,528)</u>
<b>NET CURRENT LIABILITIES</b>			
Creditors: amounts falling due after more than one year	20	(135,000)	(35,000)
		<u>109,049,984</u>	<u>98,927,602</u>
<b>TOTAL NET ASSETS</b>			
		<u><u>109,049,984</u></u>	<u><u>98,927,602</u></u>
<b>CHARITY FUNDS</b>			
Unrestricted funds	23	109,049,984	98,927,602
		<u>109,049,984</u>	<u>98,927,602</u>
<b>TOTAL FUNDS</b>			
		<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 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash used in operating activities	25	(4,852,457)	(1,627,157)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
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)
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>		<b>3,005,423</b>	<b>2,520,116</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		<b>(1,847,034)</b>	<b>892,959</b>
Cash and cash equivalents at the beginning of the year		20,095,407	19,202,448
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	26	<b>18,248,373</b>	<b>20,095,407</b>

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  
(A Company Limited by Guarantee)

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

4. INCOME FROM DONATIONS AND LEGACIES

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

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
<b>TOTAL 2025</b>	<b>10,841,037</b>	<b>10,841,037</b>	445,919
TOTAL 2024	445,919	445,919	

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

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

**6. INVESTMENT INCOME**

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

**7. EXPENDITURE ON RAISING FUNDS**

**COMMERCIAL TRADING ACTIVITIES**

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



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

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

8. INVESTMENT MANAGEMENT COSTS

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

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

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

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
<b>TOTAL 2025</b>	<b>414,929</b>	<b>29,962</b>	<b>444,891</b>	<b>468,453</b>
<b>TOTAL 2024</b>	<b>434,753</b>	<b>33,700</b>	<b>468,453</b>	

Governance costs

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

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

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

**10. ANALYSIS OF GRANTS**

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

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

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

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

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

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

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

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

**11. AUDITORS' REMUNERATION**

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

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

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

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
	<u>350,447</u>	<u>646,155</u>	<u>246,326</u>	<u>381,997</u>

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
	<u>5</u>	<u>6</u>

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).

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

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

13. TAXATION

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

14. TANGIBLE FIXED ASSETS  
GROUP

	Freehold property £	Plant and machinery £	Office equipment £	Total £
<b>COST</b>				
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
<b>DEPRECIATION</b>				
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
<b>NET BOOK VALUE</b>				
At 31 May 2025	656,700	10,242	8,536	675,478
At 31 May 2024	656,700	17,772	19,235	693,707

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

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

14. TANGIBLE FIXED ASSETS (CONTINUED)

CHARITY

	Freehold property £	Plant and machinery £	Office equipment £	Total £
<b>COST</b>				
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
<b>DEPRECIATION</b>				
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
<b>NET BOOK VALUE</b>				
At 31 May 2025	656,700	10,242	3,426	670,368
At 31 May 2024	-	-	12,338	12,338



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

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

**15. INVESTMENT PROPERTY**

**GROUP AND CHARITY**

	<b>As restated Freehold investment property £</b>
<b>VALUATION</b>	
At 1 June 2024 (as restated)	<b>4,514,023</b>
Prior Year Adjustment (note 22)	<b>2,319,650</b>
	<hr/>
At 1 June 2024 (as restated)	<b>6,833,673</b>
	<hr/>
At 31 May 2025	<b>6,833,673</b>
	<hr/> <hr/>

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**

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

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

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

**16. FIXED ASSET INVESTMENTS (CONTINUED)**

<b>CHARITY</b>	<b>Investments in subsidiary companies (Cost) £</b>	<b>Listed investments (Valuation) £</b>	<b>Other investments (Cost) £</b>	<b>Total £</b>
<b>COST OR VALUATION</b>				
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:

<b>Names</b>	<b>Company number</b>	<b>Country of incorporation</b>	<b>Holding</b>
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:

<b>Names</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Profit/(loss) for the year £</b>	<b>Net assets £</b>
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**

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

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

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

**18. DEBTORS**

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
<b>DUE AFTER MORE THAN ONE YEAR</b>				
Prepayments and accrued income	-	1,360,436	-	-
<b>DUE WITHIN ONE YEAR</b>				
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
	<u>6,493,879</u>	<u>3,169,028</u>	<u>21,047</u>	<u>1,127,641</u>

**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
	<u>987,150</u>	<u>1,129,481</u>	<u>3,346,504</u>	<u>3,739,227</u>

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

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

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)
<b>BALANCE AT 31 MAY 2025</b>	<b>303,924</b>	<b>378,996</b>

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.

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

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

**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 £
<b>UNRESTRICTED FUNDS</b>						
<b>DESIGNATED FUNDS</b>						
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>
<b>GENERAL FUNDS</b>						
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>
<b>TOTAL</b>	<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>

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

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

**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) £
<b>UNRESTRICTED FUNDS</b>						
<b>DESIGNATED FUNDS</b>						
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>
<b>GENERAL FUNDS</b>						
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>
<b>TOTAL UNRESTRICTED FUNDS</b>	<u>99,434,068</u>	<u>3,275,120</u>	<u>(3,397,599)</u>	<u>-</u>	<u>4,842,935</u>	<u>104,154,524</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.

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

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
	£	£	£	£	£	£
<b>UNRESTRICTED FUNDS</b>						
<b>DESIGNATED FUNDS</b>						
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>
<b>GENERAL FUNDS</b>						
General fund	36,117,125	12,132,092	(2,904,969)	(1,141,281)	895,260	45,098,227
<b>TOTAL</b>	<u>98,927,602</u>	<u>12,132,092</u>	<u>(2,904,969)</u>	<u>-</u>	<u>895,260</u>	<u>109,049,985</u>

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

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

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
<b>UNRESTRICTED FUNDS</b>						
<b>DESIGNATED FUNDS</b>						
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>
<b>GENERAL FUNDS</b>						
General fund	35,608,773	2,823,951	(2,730,622)	(4,471,912)	4,886,935	36,117,125
<b>TOTAL</b>	<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)
<b>TOTAL</b>	<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)
<b>TOTAL</b>	<b>104,154,524</b>	<b>104,154,524</b>

**CHARITY ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

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

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

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

**CHARITY ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

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

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

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

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

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
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>18,248,373</b>	<b>20,095,407</b>

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
	<b>20,095,407</b>	<b>(1,847,034)</b>	<b>18,248,373</b>

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):

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

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

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

	<b>2025</b> £	2024 £
Running costs	<b>12,000</b>	17,000

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

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

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

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

	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)
	-	-

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.