

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

**TRUSTEES  
REPORT  
AND  
FINANCIAL  
STATEMENTS**

For the year ended  
31 May 2023



## Report of the Trustees for the year ended 31 May 2023

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# 1. Objectives and activities

## Purposes

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

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

## Activities

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

## Aims

The charity has two main aims:

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

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

## **Strategies**

### **Trading subsidiaries**

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

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

## **Measurements and criteria**

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

### **Grant making criteria**

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

### **Public Benefit**

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

# Investment for charitable purposes



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

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

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

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

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

# 2. Strategic report

## 2.1 Achievements and performance

Grants awarded can be analysed as follows:

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

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

### Education

#### Graduate tutors

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

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

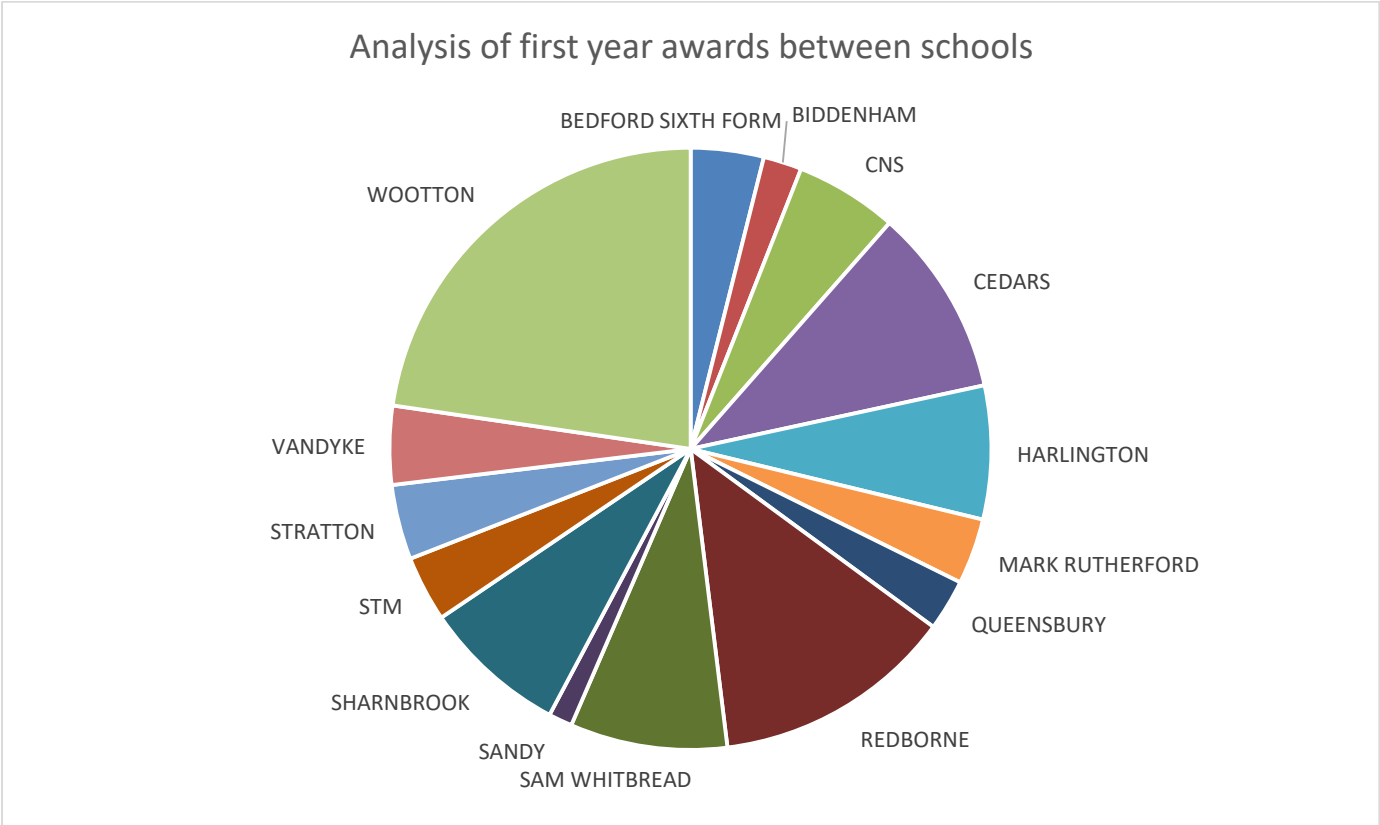
#### Student Award scheme

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

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

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

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





## Oxford Thinking

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

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



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



## Weatherfield / Oakbank schools

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

## Bedford College, Central Bedfordshire College and Barnfield College

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

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

Health and Social Care Bursaries have been paid as follows

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

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

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

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

**Ian Pryce CBE, Principal and CEO of The Bedford College**

## **Bedford Giving**

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



## **Careers Hub**

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

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

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

### **Realising Aspirations**

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

### **Social Care skills**

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

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

**Rachel Roxburgh, Strategic Lead at Working Options in Education.**



## Youthscape

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

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

## Elderly

### Keech Hospice

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

### Sue Ryder Hospice, Moggerhanger, Bedfordshire

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

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

**Allison Mann, Sue Ryder St John's Hospice Director**

### Smaller grants

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

## Progress against plans for future periods

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

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

## 2.2 Financial Review

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



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

## 2.3 Investments

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

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

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

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

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

## 2.4 Key risks and uncertainties

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

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

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

## 2.5 Plans for future periods

In the next financial year, the charity plans to:

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

## 2.6 Reserves

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

### **Restricted Funds**

The Foundation has no restricted funds.

### **Designated funds**

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

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

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

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

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

## 2.7 Fundraising

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

## 2.8 Pension Liabilities

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

## 2.9 Going Concern

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

# 3. Structure, Governance and Management

## **Governing Document and Constitution**

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

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

## **Recruitment of Trustees**

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

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

## **Remuneration**

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

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



## **Organisational structure**

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

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

## **Decision making**

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

## **Induction and training of new Trustees**

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

## Trustees' Responsibilities statement

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

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

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

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

## Disclosure of information to auditors

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

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

## Auditors

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

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



M.A.Callanan

Chair of trustees

## 4. Administrative details

### **Registered name**

The Connolly Foundation (UK) Limited

Registered as a charity in England and Wales, number 1109135

### **Company number**

05315014

### **Registered office**

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

### **Trustees**

S Ashoka (resigned 24/11/2022)

M A Callanan

V S Connolly

M A Groves (appointed 24/11/2022)

C McKeaveney (appointed 24/11/2022)

A S Rowe (resigned 16/11/2023)

S White

D Wilkins

### **Secretary**

D J Oldham

### **Bankers**

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

### **Auditor**

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

### **Investment managers**

Quilter Cheviot One Kingsway, London, WC2B 6AN

Charles Stanley, 55 Bishopsgate, London, EC2N 3AS

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

### **Solicitors**

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

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

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

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**OPINION**

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

In our opinion the financial statements:

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

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

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



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

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

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**OTHER INFORMATION**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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**RESPONSIBILITIES OF TRUSTEES (CONTINUED)**

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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**USE OF OUR REPORT**

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



**Edward Napper (Senior Statutory Auditor)**

for and on behalf of

**Peters Elworthy & Moore**

Chartered Accountants

Statutory Auditors

Salisbury House

Station Road

Cambridge

CB1 2LA

Date: 08 February 2024

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

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

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>INCOME FROM:</b>				
Other trading activities	4	13,394,928	13,394,928	14,427,996
Investments	5	2,281,534	2,281,534	1,341,095
<b>TOTAL INCOME</b>		<b>15,676,462</b>	<b>15,676,462</b>	15,769,091
<b>EXPENDITURE ON:</b>				
Raising funds:	6,7			
Commercial trading		8,533,089	8,533,089	4,938,218
Investment management		324,719	324,719	336,717
Charitable activities	8	3,031,284	3,031,284	1,711,262
<b>TOTAL EXPENDITURE</b>		<b>11,889,092</b>	<b>11,889,092</b>	6,986,197
<b>NET INCOME BEFORE NET LOSSES ON INVESTMENTS</b>		<b>3,787,370</b>	<b>3,787,370</b>	8,782,894
Net losses on investments		(2,667,068)	(2,667,068)	(1,456,399)
<b>NET INCOME BEFORE TAXATION</b>		<b>1,120,302</b>	<b>1,120,302</b>	7,326,495
Taxation		-	-	(12,108)
<b>NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)</b>		<b>1,120,302</b>	<b>1,120,302</b>	7,314,387
<b>OTHER RECOGNISED GAINS/(LOSSES):</b>				
Actuarial losses on defined benefit pension schemes	24	(44,000)	(44,000)	(29,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>1,076,302</b>	<b>1,076,302</b>	7,285,387
<b>RECONCILIATION OF FUNDS:</b>				
Total funds brought forward		96,038,116	96,038,116	88,752,729
Net movement in funds		1,076,302	1,076,302	7,285,387
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>97,114,418</b>	<b>97,114,418</b>	96,038,116

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

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

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

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MAY 2023**

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

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

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



**M A Callanan**  
**Trustee**

Date: 05 February 2024

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

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

**CHARITABLE COMPANY BALANCE SHEET**  
**AS AT 31 MAY 2023**

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

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

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

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

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



**M A Callanan**  
**Trustee**

Date: 05 February 2024

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



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

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

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

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

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

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

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**1. GENERAL INFORMATION**

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

The Group's functional and presentational currency is GBP.

**2. ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

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

**2.2 GOING CONCERN**

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

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

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

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.3 INCOME**

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

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

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

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

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

**2.4 EXPENDITURE**

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

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

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

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

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

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

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.5 TAXATION**

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

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

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

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

**2.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

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

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

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

Depreciation is provided on the following bases:

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

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

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

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**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.

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

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

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.11 LIABILITIES AND PROVISIONS**

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

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

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

**2.12 FINANCIAL INSTRUMENTS**

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

**2.13 PENSIONS**

**DEFINED CONTRIBUTION PENSION PLAN**

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

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

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

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

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.13 PENSIONS (CONTINUED)**

**DEFINED BENEFIT PENSION PLAN**

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

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

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

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

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

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

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

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

**2.14 FUND ACCOUNTING**

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

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



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

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

**3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

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

Critical accounting estimates and assumptions:

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

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

Pension scheme assumptions are set out in note 24.

**4. INCOME FROM COMMERCIAL TRADING ACTIVITIES**

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

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

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

**5. INVESTMENT INCOME**

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

**6. EXPENDITURE ON RAISING FUNDS**

**COMMERCIAL TRADING ACTIVITIES**

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

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

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

**7. INVESTMENT MANAGEMENT COSTS**

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

**8. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

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

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**8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**ANALYSIS OF SUPPORT COSTS**

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

**Governance costs**

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

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**9. ANALYSIS OF GRANTS**

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

**ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

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

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

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

**10. AUDITORS' REMUNERATION**

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

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

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

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

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

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

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

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

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

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



**THE CONNOLLY FOUNDATION (UK) LIMITED**  
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**12. TAXATION**

	2023 £	2022 £
<b>Connolly Homes Limited</b>		
Adjustments recognised for current tax of prior periods	-	12,108
	<u>-</u>	<u>12,108</u>

**13. TANGIBLE FIXED ASSETS**

**GROUP AND COMPANY**

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

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**14. INVESTMENT PROPERTY**

**GROUP**

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

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

No investment property is held by the parent.

**15. FIXED ASSET INVESTMENTS**

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

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

<b>CHARITABLE COMPANY</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 2022	38,914,790	58,655,873	605,916	98,176,579
Additions	-	7,663,486	4,870	7,668,356
Disposals	-	(7,882,021)	-	(7,882,021)
Revaluations	-	(2,562,126)	-	(2,562,126)
Movement in cash at investors	-	(494,892)	-	(494,892)
AT 31 MAY 2023	<u>38,914,790</u>	<u>55,380,320</u>	<u>610,786</u>	<u>94,905,896</u>

**PRINCIPAL SUBSIDIARIES**

The following were subsidiary undertakings of the Charitable Company:

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

The financial results of the subsidiaries for the year were:

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

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**16. STOCKS**

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

**17. DEBTORS**

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

**18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. STATEMENT OF FUNDS**

**GROUP STATEMENT OF FUNDS - CURRENT YEAR**

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

**Designated funds**

**Anticipated grant funding**

These are funds set aside to settle anticipated grant applications.

**Fixed asset fund**

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

**Investment fund**

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

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

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**19. STATEMENT OF FUNDS (CONTINUED)**

**GROUP STATEMENT OF FUNDS - PRIOR YEAR**

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

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

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**CHARITY STATEMENT OF FUNDS - CURRENT YEAR**

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

**CHARITY STATEMENT OF FUNDS - PRIOR YEAR**

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



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**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

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

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

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

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

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

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

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

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

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

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

**22. ANALYSIS OF CASH AND CASH EQUIVALENTS**

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

**23. ANALYSIS OF CHANGES IN NET DEBT**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**24. PENSION COMMITMENTS**

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

The Group operates a defined benefit pension scheme.

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

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

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

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

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**24. PENSION COMMITMENTS (CONTINUED)**

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

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

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

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

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

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

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**24. PENSION COMMITMENTS (CONTINUED)**

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

	<b>2023</b>	2022
	<b>£</b>	<b>£</b>
Running costs	<b>16,000</b>	15,000

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

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**24. PENSION COMMITMENTS (CONTINUED)**

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

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

**25. RELATED PARTY TRANSACTIONS**

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

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