

Company Registration No. SC825310 (Scotland)

**CONNELLY GROUP FACILITIES LTD.
ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2025**

CONNELLY GROUP FACILITIES LTD.

COMPANY INFORMATION

Directors	C Connelly	(Appointed 9 October 2024)
	D Connelly	(Appointed 9 October 2024)
	L Connelly	(Appointed 9 October 2024)
	L Connelly	(Appointed 9 October 2024)
	M Connelly	(Appointed 21 October 2024)
	P Connelly	(Appointed 21 October 2024)

Company number SC825310

Registered office C/O Johnston Carmichael
227 West George Street
Glasgow
United Kingdom
G2 2ND

Auditor McLay, McAlister & McGibbon LLP
145 St Vincent Street
Glasgow
G2 5JF

CONNELLY GROUP FACILITIES LTD.

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CONNELLY GROUP FACILITIES LTD.

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 JULY 2025

The directors present the strategic report for the period ended 31 July 2025.

Fair review of the business

Connelly Group Facilities Ltd is the ultimate parent company of Connelly Group Holdings Limited (CGH). The principal activities of CGH are the sale, maintenance and servicing of electronic life and property protection services.

The recurring revenue stream which is the foundation of the business continues to grow in a challenging marketplace.

Principal risks and uncertainties

The Directors consider the following as the principal risks and uncertainties:

- Material and labour cost increases squeezing margins
- A shortage of skilled labour
- Global economic uncertainty due to the conflicts ongoing in Ukraine and the Middle East effecting the economy in the U.K.

Development and performance

Following the acquisition of Scottish Security, it continues to perform well.

Following the purchase of Clan Alarms in Peterhead the Company has recruited a proven Business development manager for the Aberdeen area as part of a 5 year strategy to develop market share and a branch in Aberdeen, this strategy was developed following unsuccessful attempts to purchase a large competitor with significant market share.

Key performance indicators

Once the group is reporting annually on a like-for-like basis, key financial indicators will be turnover, net profit before tax and net funds position.

On behalf of the board

P Connelly
Director

28 April 2026

CONNELLY GROUP FACILITIES LTD.

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 JULY 2025

The directors present their annual report and financial statements for the period ended 31 July 2025.

Principal activities

The principal activity of the company was that of a holding company for a group involved in the installation and monitoring of security systems and covers the period from incorporation to 31 July 2025.

Results and dividends

The results for the period are set out on page 8.

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

Directors

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

C Connelly	(Appointed 9 October 2024)
D Connelly	(Appointed 9 October 2024)
L Connelly	(Appointed 9 October 2024)
L Connelly	(Appointed 9 October 2024)
M Connelly	(Appointed 21 October 2024)
P Connelly	(Appointed 21 October 2024)

Financial instruments

Financial risk management objectives and policies

The group does not use derivatives for either financial risk management or for speculative purposes. The group's financial risk management objectives, policies and exposure to financial risks are not considered material for the assessment of the group's assets, liabilities, financial position or result for the year and as such, no further disclosure is considered necessary.

Post reporting date events

On 2 March 2026 The Company borrowed £1M for cashflow purposes. This is repayable over 60 months at a fixed interest rate with the monthly payments £20,161. This was borrowed after the purchase and fit out of the new logistics building adjacent the head office was paid out of existing cashflows.

Future developments

The group has chosen in accordance with Companies Act 2006 s.414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

Auditor

McLay McAlister (Financial Services) Limited were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

CONNELLY GROUP FACILITIES LTD.

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2025

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

P Connelly
Director

28 April 2026

CONNELLY GROUP FACILITIES LTD.

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 JULY 2025

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

CONNELLY GROUP FACILITIES LTD.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CONNELLY GROUP FACILITIES LTD.

Opinion

We have audited the financial statements of Connelly Group Facilities Ltd. (the 'parent company' and 'the group') for the period ended 31 July 2025 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 the parent company's affairs as at 31 July 2025 and of the group's loss for the period 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 and parent 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit 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.

CONNELLY GROUP FACILITIES LTD.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CONNELLY GROUP FACILITIES LTD.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Report of the Directors for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal controls the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:- the nature of the industry and sector, control environment and business performance;- results of our enquiries of management about their own identification and assessment of the risks and irregularities;- any matters we identified having reviewed the company's internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

CONNELLY GROUP FACILITIES LTD.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CONNELLY GROUP FACILITIES LTD.

Extent to which our procedures are capable of detecting irregularities, including fraud (continued)

We obtained an understanding of the legal and regulatory framework that the company operates in. The key laws and regulations we considered included the UK Companies Act and tax legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. 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 may be fundamental to the company's ability to operate. These included health and safety, GDPR and employment laws. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors, inspection of regulatory and legal correspondence, if any, and review of minutes of meetings. These limited procedures did not identify actual or suspected non-compliance.

We are responsible for the direction, supervision, and performance the group statements. We remain solely responsible for our audit opinion.

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

Use of our report

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

Paul Martin (Statutory Auditor)
For and on behalf of McLay McAlister & McGibbon LLP

28 April 2026

Chartered Accountants
Statutory Auditor

McLay, McAlister & McGibbon LLP
145 St Vincent Street
Glasgow
G2 5JF

CONNELLY GROUP FACILITIES LTD.

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 JULY 2025

	Notes	Period ended 31 July 2025 £
Turnover	3	10,649,584
Cost of sales		(5,893,527)
Gross profit		4,756,057
Administrative expenses		(4,588,200)
Operating profit	4	167,857
Interest receivable and similar income	8	5,484
Interest payable and similar expenses	9	(218,664)
Loss before taxation		(45,323)
Tax on loss	10	(264,664)
Loss for the financial period	24	(309,987)

Loss for the financial period is all attributable to the owners of the parent company.

Total comprehensive income for the period is all attributable to the owners of the parent company.

CONNELLY GROUP FACILITIES LTD.

GROUP BALANCE SHEET

AS AT 31 JULY 2025

	Notes	2025 £	£
Fixed assets			
Goodwill	11		4,721,100
Other intangible assets	11		67,206
Total intangible assets			4,788,306
Tangible assets	12		814,530
			5,602,836
Current assets			
Stocks	15	747,212	
Debtors	16	2,960,884	
Cash at bank and in hand		843,393	
		4,551,489	
Creditors: amounts falling due within one year	17	(5,641,721)	
Net current liabilities			(1,090,232)
Total assets less current liabilities			4,512,604
Creditors: amounts falling due after more than one year	18		(3,261,537)
Provisions for liabilities			
Deferred tax liability	21	60,974	
			(60,974)
Net assets			1,190,093
Capital and reserves			
Called up share capital	23		100
Merger reserve	24		1,499,980
Profit and loss reserves	24		(309,987)
Total equity			1,190,093

The financial statements were approved by the board of directors and authorised for issue on 28 April 2026 and are signed on its behalf by:

P Connelly
Director

CONNELLY GROUP FACILITIES LTD.

COMPANY BALANCE SHEET

AS AT 31 JULY 2025

	Notes	2025 £	£
Fixed assets			
Investments	13		6,085,596
Current assets			
Debtors	16	80	
Creditors: amounts falling due within one year	17	(522,926)	
Net current liabilities			(522,846)
Total assets less current liabilities			5,562,750
Creditors: amounts falling due after more than one year	18		(3,235,400)
Net assets			2,327,350
Capital and reserves			
Called up share capital	23		100
Merger reserve	24		1,499,980
Profit and loss reserves	24		827,270
Total equity			2,327,350

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the period was £827,270.

The financial statements were approved by the board of directors and authorised for issue on 28 April 2026 and are signed on its behalf by:

P Connelly
Director

Company Registration No. SC825310

CONNELLY GROUP FACILITIES LTD.

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 JULY 2025

		Share capital	Merge	Profit and loss	Total
			reserve	reserves	
	Notes	£	£	£	£
Period ended 31 July 2025:					
Loss and total comprehensive income for the period		-	-	(309,987)	(309,987)
Issue of share capital	23	100	1,499,980	-	1,500,080
Balance at 31 July 2025		100	1,499,980	(309,987)	1,190,093

CONNELLY GROUP FACILITIES LTD.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 JULY 2025

		Share capital	Merge	Profit and loss	Total
			reserve	reserves	
	Notes	£	£	£	£
Period ended 31 July 2025:					
Profit and total comprehensive income for the period					
		-	-	827,270	827,270
Issue of share capital	23	100	1,499,980	-	1,500,080
Balance at 31 July 2025		100	1,499,980	827,270	2,327,350

CONNELLY GROUP FACILITIES LTD.

GROUP STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 JULY 2025

	Notes	Period ended 31 July 2025	£
Cash flows from operating activities			
Cash generated from operations	30		797,029
Interest paid			(1,433)
Income taxes paid			(532)
Net cash inflow from operating activities			795,064
Investing activities			
Purchase of subsidiaries (net of cash acquired)		273,744	
Purchase of tangible fixed assets		(347,310)	
Proceeds on disposal of tangible fixed assets		116,315	
Interest received		5,484	
Net cash generated from investing activities			48,233
Financing activities			
Proceeds from issue of shares		100	
Repayment of borrowings		11,489	
Proceeds of new bank loans		6,000	
Payment of finance leases obligations		(17,493)	
Net cash generated from financing activities			96
Net increase in cash and cash equivalents			843,393
Cash and cash equivalents at beginning of period			-
Cash and cash equivalents at end of period			843,393

CONNELLY GROUP FACILITIES LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2025

1 Accounting policies

Company information

Connelly Group Facilities Ltd. ("the company") is a private limited company domiciled and incorporated in Scotland. The registered office is C/O Johnston Carmichael, 227 West George Street, Glasgow, Scotland, G2 2ND.

The group consists of Connelly Group Facilities Ltd. and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

CONNELLY GROUP FACILITIES LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2025

1 Accounting policies

(Continued)

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Connelly Group Facilities Ltd. together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 31 July 2025. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Reporting period

The group financial statements have been prepared from the date of Connelly Group Facilities Ltd. incorporation, on 9 October 2024, to 31 July 2025. There is no comparative figures as this is the first period which financial statements have been prepared.

1.6 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for the installation and monitoring of security systems and services provided in the normal course of business and is shown net of VAT and other sales related taxes. The fair value of consideration considers trade discounts, settlement discounts and volume rebates.

Turnover from installation work is recognised by reference to the stage of completion. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Turnover from alarm maintenance and monitoring is recognised on a straight line basis over the specified period.

Turnover from alarm servicing and repair is recognised on performance of the work.

1.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

CONNELLY GROUP FACILITIES LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2025

1 Accounting policies

(Continued)

1.8 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Customer list	5 years straight line
Website and software development	5 years straight line

1.9 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	50 years straight line
Leasehold land and buildings	20-50 years straight line
Plant and equipment	6-10 years straight line or 20% reducing balance
Fixtures and fittings	20% reducing balance
Motor vehicles	4-5 years straight line or 20% reducing balance
Computer equipment	20% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Statement of Comprehensive Income.

1.10 Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.11 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.12 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stock is valued on a first in, first out basis.

CONNELLY GROUP FACILITIES LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2025

1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in the Statement of Comprehensive Income.

1.13 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

1.14 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include certain debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

CONNELLY GROUP FACILITIES LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2025

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including certain creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.15 Equity instruments

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

1.16 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.17 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

CONNELLY GROUP FACILITIES LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2025

1 Accounting policies

(Continued)

1.18 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.19 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to the Statement of Comprehensive Income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

CONNELLY GROUP FACILITIES LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2025

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Impairment of fixed assets

At each reporting period end date, the directors review the carrying value of the group's fixed assets (both tangible and intangible) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The assessment of recoverable amount involves judgement over net sales value and future cash generation attributable to the underlying assets. With respect to goodwill, the assessment also involves judgement over the measurement of the fair value of the cash-generating unit(s) of which the goodwill is a part.

The carrying value of the group's intangible and tangible fixed assets at the reporting date can be found at note 11 and note 12 respectively.

Recoverability of trade debtors

Trade debtors are stated in the accounts at their transaction price less any appropriate provision for irrecoverable amounts. In determining if a provision is required, the directors exercise judgements for each debtor, considering any specific indicators that the recoverability of the balance may be in doubt. Specific indicators include balances outstanding in excess of agreed credit terms.

The carrying value of the group's trade debtors at the reporting date can be found at note 16.

Borrowings owed to related parties

Amounts owed to related parties are recognised initially at the present value of future payments discounted at a market rate of interest. Management have applied judgement in the interest rate applied.

3 Turnover and other revenue

2025

£

Turnover analysed by class of business

Installation, maintenance, monitoring and repairs

10,649,584

2025

£

Other revenue

Interest income

5,484

4 Operating profit

2025

£

Operating profit for the period is stated after charging/(crediting):

Depreciation of owned tangible fixed assets

68,872

Depreciation of tangible fixed assets held under finance leases

1,250

Profit on disposal of tangible fixed assets

(33,596)

Amortisation of intangible assets

849,624

Operating lease charges

116,981

CONNELLY GROUP FACILITIES LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2025

5 Auditor's remuneration

	2025
	£
Fees payable to the company's auditor and associates:	
For audit services	
Audit of the financial statements of the group and company	18,000

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the period was:

	Group 2025 Number	Company 2025 Number
Administrative	44	-
Sales	9	-
Alarm receiving	10	-
Engineering	87	-
Total	150	0

Their aggregate remuneration comprised:

	Group 2025 £	Company 2025 £
Wages and salaries	3,799,676	-
Social security costs	344,621	-
Pension costs	249,299	-
	4,393,596	-

7 Directors' remuneration

	2025
	£
Remuneration for qualifying services	107,611
Company pension contributions to defined contribution schemes	105,000
	212,611

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3.

CONNELLY GROUP FACILITIES LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2025

8 Interest receivable and similar income

	2025
	£
Interest income	
Interest on bank deposits	5,484
	<u><u>5,484</u></u>

9 Interest payable and similar expenses

	2025
	£
Interest on bank overdrafts and loans	6,429
Interest on finance leases and hire purchase contracts	572
Unwinding of discount on deferred consideration	210,230
Other interest	1,433
	<u><u>218,664</u></u>
Total finance costs	<u><u>218,664</u></u>

10 Taxation

	2025
	£
Current tax	
UK corporation tax on profits for the current period	246,299
	<u><u>246,299</u></u>
Deferred tax	
Origination and reversal of timing differences	17,937
Adjustment in respect of prior periods	428
	<u><u>18,365</u></u>
Total deferred tax	<u><u>18,365</u></u>
Total tax charge	<u><u>264,664</u></u>

CONNELLY GROUP FACILITIES LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2025

10 Taxation

(Continued)

The actual charge for the period can be reconciled to the expected credit for the period based on the profit or loss and the standard rate of tax as follows:

	2025 £
Loss before taxation	(45,323)
Expected tax credit based on the standard rate of corporation tax in the UK of 25.00%	(11,331)
Tax effect of expenses that are not deductible in determining taxable profit	307,591
Other permanent differences	(52,126)
Deferred tax adjustments in respect of prior years	428
Fixed asset timing differences	13,274
Chargeable gains	7,907
Movement in deferred tax not recognised	(1,079)
Taxation charge	264,664

11 Intangible fixed assets

Group	Goodwill	Customer list	Website and software development	Total
	£	£	£	£
Cost				
At 9 October 2024	-	-	-	-
Additions - business combinations	5,544,755	89,285	3,890	5,637,930
At 31 July 2025	5,544,755	89,285	3,890	5,637,930
Amortisation and impairment				
At 9 October 2024	-	-	-	-
Amortisation charged for the period	823,655	24,218	1,751	849,624
At 31 July 2025	823,655	24,218	1,751	849,624
Carrying amount				
At 31 July 2025	4,721,100	65,067	2,139	4,788,306

The company had no intangible fixed assets at 31 July 2025.

CONNELLY GROUP FACILITIES LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2025

12 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Computer equipment	Total
£	£	£	£	£	£	£	£
Cost							
At 9 October 2024	-	-	-	-	-	-	-
Additions	2,664	202,454	22,313	62,934	29,000	27,945	347,310
Business combinations	33,637	313,771	139,882	52,474	54,860	25,437	620,061
Disposals	-	(64,244)	(11,750)	-	(22,068)	-	(98,062)
At 31 July 2025	36,301	451,981	150,445	115,408	61,792	53,382	869,309
Depreciation and impairment							
At 9 October 2024	-	-	-	-	-	-	-
Depreciation charged in the period	526	8,087	40,253	9,172	3,170	8,914	70,122
Eliminated in respect of disposals	-	(5,852)	(9,491)	-	-	-	(15,343)
At 31 July 2025	526	2,235	30,762	9,172	3,170	8,914	54,779
Carrying amount							
At 31 July 2025	35,775	449,746	119,683	106,236	58,622	44,468	814,530

The company had no tangible fixed assets at 31 July 2025.

CONNELLY GROUP FACILITIES LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2025

12 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2025 £	Company 2025 £
Motor vehicles	4,999	-

13 Fixed asset investments

	Notes	Group 2025 £	Company 2025 £
Investments in subsidiaries	14	-	6,085,596

Movements in fixed asset investments Company

	Shares in subsidiaries £
Cost or valuation	
At 9 October 2024	-
Additions	6,085,596
At 31 July 2025	6,085,596
Carrying amount	
At 31 July 2025	6,085,596

On 21 October 2024, the company acquired 100% of the share capital of Connelly Group Holdings Limited for a consideration of £7,500,000 to be settled by the issue of shares with a value of £1,500,000, cash of £1,000,000 and deferred consideration of £5,000,000.

The deferred consideration is not contingent and is payable by instalments over 104 months. No interest is charged and so the directors have reduced the recorded cost of the investment by £1,451,904 to impute a market rate of interest which unwinds as the deferred consideration is settled.

CONNELLY GROUP FACILITIES LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2025

14 Subsidiaries

Details of the company's subsidiaries at 31 July 2025 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Connelly Group Holdings Limited	1	Holding company	Ordinary	100.00	-
Connelly Security Systems Limited	1	Installation and monitoring of security systems	Ordinary	0	100.00
Intruder Detection and Electrical Services Limited	1	Installation and monitoring of security systems	Ordinary	0	100.00
AFA Fire & Security Limited	2	Installation and monitoring of security systems	Ordinary	0	100.00
Pin Point Monitoring Limited	1	Installation and monitoring of security systems	Ordinary	0	100.00
Toot Suite Logistics Limited	1	Installation and monitoring of security systems	Ordinary	0	100.00
Brookfield Alarms Limited	1	Non-trading	Ordinary	0	100.00
CSS East Limited	1	Installation and monitoring of security systems	Ordinary	0	100.00
Stirling Electrical Services Limited	1	Installation and monitoring of security systems	Ordinary	0	100.00
Security & Fire Systems (Scotland) Limited	1	Installation and monitoring of security systems	Ordinary	0	100.00
Clan Alarms Limited	1	Installation and monitoring of security systems	Ordinary	0	100.00
Claymore Alarms Limited	3	Non-trading	Ordinary	0	100.00
Graham Robertson Electrical and Security Limited	1	Installation and monitoring of security systems	Ordinary	0	100.00

Registered office addresses (all UK unless otherwise indicated):

- 1 C/O Johnston Carmichael, 1st Floor, 227 West George Street, Glasgow, G2 2ND
- 2 The Unit, 3 Armadale Road, Whitburn, West Lothian, EH47 0ET
- 3 Connelly Group Holdings Limited, 100 Glentanar Road, Balmore Industrial Estate, Glasgow, G22 7XS

Post period end, on 2 September 2025, Claymore Alarm Limited was dissolved.

CONNELLY GROUP FACILITIES LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2025

15 Stocks

	Group 2025 £	Company 2025 £
Raw materials and consumables	418,483	-
Work in progress	328,729	-
	<u>747,212</u>	<u>-</u>

16 Debtors

	Group 2025 £	Company 2025 £
Amounts falling due within one year:		
Trade debtors	2,498,459	-
Other debtors	355,080	80
Prepayments and accrued income	107,345	-
	<u>2,960,884</u>	<u>80</u>

Trade debtors are stated net of provision for doubtful debt of £75,664.

17 Creditors: amounts falling due within one year

	Notes	Group 2025 £	Company 2025 £
Bank loans	19	16,000	-
Obligations under finance leases	20	3,305	-
Other borrowings	19	5,957	-
Trade creditors		653,780	-
Corporation tax payable		406,437	-
Other taxation and social security		852,077	-
Other creditors		913,711	522,926
Accruals and deferred income		2,790,454	-
		<u>5,641,721</u>	<u>522,926</u>

The obligations under finance leases and hire purchase contracts are secured over the assets that are leased or paid under the agreement.

Included in group and company other creditors is an amount of £522,926 owed to related parties in respect of deferred consideration as per note 28.

CONNELLY GROUP FACILITIES LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2025

18 Creditors: amounts falling due after more than one year

	Notes	Group 2025 £	Company 2025 £
Obligations under finance leases	20	3,305	-
Other borrowings	19	22,832	-
Other creditors		3,235,400	3,235,400
		<u>3,261,537</u>	<u>3,235,400</u>

The obligations under finance leases and hire purchase contracts are secured over the assets that are leased or paid under the agreement.

Included in group and company other creditors is an amount of £3,235,400 owed to related parties in respect of deferred consideration as per note 28. An amount of £1,350,000 is due after more than five years.

19 Loans and overdrafts

	Group 2025 £	Company 2025 £
Bank loans	16,000	-
Other loans	28,789	-
	<u>44,789</u>	<u>-</u>
Payable within one year	21,957	-
Payable after one year	22,832	-
	<u>44,789</u>	<u>-</u>

The group has in place fixed and floating charges over a bank overdraft facility not currently in use.

Other loans relate to a bounce back loan which falls due for repayment on 5 May 2030. The loan incurs interest at 2.5% per annum.

20 Finance lease obligations

	Group 2025 £	Company 2025 £
Future minimum lease payments due under finance leases:		
Within one year	3,305	-
In two to five years	3,305	-
	<u>6,610</u>	<u>-</u>

Finance lease payments represent rentals payable by the group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

CONNELLY GROUP FACILITIES LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2025

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2025 £
Group	
Accelerated capital allowances	60,974
	<u>60,974</u>

The company has no deferred tax assets or liabilities.

	Group 2025 £	Company 2025 £
Movements in the period:		
Charge to profit or loss	18,365	-
Deferred tax movements on acquisitions	42,609	-
	<u>60,974</u>	<u>-</u>
Liability at 31 July 2025	<u>60,974</u>	<u>-</u>

22 Retirement benefit schemes

	2025 £
Defined contribution schemes	
Charge to profit or loss in respect of defined contribution schemes	249,299
	<u>249,299</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

At the reporting date, pension contributions of £26,714 were outstanding and included in other creditors due within one year.

23 Share capital

	2025 Number	2025 £
Group and company		
Ordinary share capital		
Issued and fully paid		
A Ordinary shares of £1 each	80	80
B Ordinary shares of £1 each	20	20
	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>

CONNELLY GROUP FACILITIES LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2025

23 Share capital

(Continued)

80 Ordinary shares of £1 each were issued at par on incorporation and subsequently re-designated as A Ordinary shares.

On 21 October 2024, the company issued 20 Ordinary B Shares of £1 each as part of the consideration for the acquisition of Connelly Group Holdings Limited and its subsidiaries. The fair value attributed to the equity instruments issued was £1,500,000. The difference between the nominal value and the fair value of the shares issued has been reflected in a merger reserve.

Both classes of shares are ranked pari passu.

24 Reserves

Profit and loss reserves

Profit and loss reserves represent accumulated comprehensive income for the period.

Merger reserve

The merger reserve relates to a reserve created as part of a group restructuring.

25 Acquisition of a business

On 21 October 2024 the group acquired 100 percent of the issued capital of Connelly Group Holdings Limited and its subsidiaries.

	Book Value £	Adjustments £	Fair Value £
Net assets acquired			
Intangible assets	93,175	-	93,175
Property, plant and equipment	607,219	-	607,219
Stock	177,862	-	177,862
Debtors	4,219,325	-	4,219,325
Creditors	(5,768,953)	-	(5,768,953)
Deferred tax	(64,028)	-	(64,028)
Cash and cash equivalents	1,338,091	-	1,338,091
	<u>602,691</u>	<u>-</u>	<u>602,691</u>
Total identifiable net assets			
	<u>602,691</u>	<u>-</u>	<u>602,691</u>
Goodwill			5,482,905
			<u>5,482,905</u>
Total consideration			<u>6,085,596</u>
			<u>6,085,596</u>
The consideration was satisfied by:			£
Cash			1,000,000
Issue of shares			1,500,000
Deferred consideration			5,000,000
Discount of deferred consideration to present value			(1,451,904)
Legal and professional fees			37,500
			<u>6,085,596</u>
			<u>6,085,596</u>

CONNELLY GROUP FACILITIES LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2025

25 Acquisition of a business

(Continued)

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

	£
Turnover	10,567,874
Profit after tax	519,941

At the reporting date, the company had settled £Nil of the initial deferred consideration.

On 30 April 2025 the group acquired 100 percent of the issued capital of Clan Alarms Limited, a company incorporated in the United Kingdom.

	Book Value £	Adjustments £	Fair Value £
Net assets acquired			
Property, plant and equipment	12,842	-	12,842
Stock	10,000	-	10,000
Debtors	34,923	-	34,923
Creditors	(52,080)	-	(52,080)
Cash and cash equivalents	5,675	-	5,675
Deferred tax	(3,210)	-	(3,210)
Total identifiable net assets	8,150	-	8,150
Goodwill			61,850
Total consideration			70,000

The consideration was satisfied by: £

Cash	70,000
------	--------

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

	£
Turnover	81,708
Profit after tax	57,275

CONNELLY GROUP FACILITIES LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2025

26 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2025 £	Company 2025 £
Within one year	570,217	-
Between two and five years	1,070,284	-
	<u>1,640,501</u>	<u>-</u>

27 Events after the reporting date

On 2 March 2026 The Company borrowed £1M for cashflow purposes. This is repayable over 60 months at a fixed interest rate with the monthly payments £20,161. This was borrowed after the purchase and fit out of the new logistics building adjacent the head office was paid out of existing cashflows.

28 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2025 £
Aggregate compensation	<u>161,942</u>

Transactions with related parties

During the period the group entered into the following transactions with related parties:

	Rental payments made 2025 £
Group	
Other related parties	<u>40,747</u>

CONNELLY GROUP FACILITIES LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2025

28 Related party transactions

(Continued)

Other information

The company has taken advantage of exemption in FRS 102 Section 33.1A from the requirement to disclose transactions with 100% owned group companies.

Upon acquisition of the trading group on 21 October 2024, the company and group entered into a deferred consideration payment agreement with certain shareholders. At the period end, the company and group owed an amount of £5,000,000 that is to be repaid in instalments from 2025 to 2033. As the deferred consideration does not attract interest, the principal is discounted using the Directors' estimated market rate and unwound through the profit and loss account with an accounting charge each year.

At the period end, the group and company recorded a liability of £3,758,326 in relation to this deferred consideration, net of discounting.

29 Directors' transactions

Advances or credits have been granted by the group to its directors as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Director's loan	2.25	-	340,774	(236,509)	104,265
		-	340,774	(236,509)	104,265

30 Cash generated from group operations

2025
£

Loss for the period after tax	(309,987)
Adjustments for:	
Taxation charged	264,664
Finance costs	218,664
Investment income	(5,484)
Gain on disposal of tangible fixed assets	(33,596)
Amortisation and impairment of intangible assets	849,624
Depreciation and impairment of tangible fixed assets	70,122
Movements in working capital:	
Increase in stocks	(559,350)
Decrease in debtors	1,293,365
Decrease in creditors	(990,995)
Cash generated from operations	797,027

CONNELLY GROUP FACILITIES LTD.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2025

31 Analysis of changes in net funds - group

	9 October 2024	Cash flows	Acquisitions and disposals	Other non-cash changes	31 July 2025
	£	£	£	£	£
Cash at bank and in hand	-	(500,373)	1,343,766	-	843,393
Borrowings excluding overdrafts	-	(17,489)	(20,871)	(6,429)	(44,789)
Obligations under finance leases	-	17,493	(23,531)	(572)	(6,610)
	-	(500,369)	1,299,364	(7,001)	791,994

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