

Registration number: 06684025

# Connect Plus (M25) Holdings Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 March 2023

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## **Connect Plus (M25) Holdings Limited**

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## **Connect Plus (M25) Holdings Limited**

### **Strategic Report for the Year Ended 31 March 2023**

The Directors present their strategic report for the year ended 31 March 2023.

#### **Principal activity**

The Company is an investment holding company whose sole business is the holding of investments in its wholly owned subsidiaries, Connect Plus (M25) Limited and Connect Plus (M25) Issuer plc (the "Group"). The principal activity of the Group is the operation of a 30 year Private Finance Initiative ("PFI") contract to develop and maintain the M25 motorway.

On 20 May 2009 Connect Plus (M25) Limited entered into a PFI contract with National Highways (the "Client") to develop and maintain the M25 motorway for 30 years (the "Construction Agreement"). The construction of the

majority of road widening on the M25 under the existing agreement and construction was completed in March 2015.

The results of the Group for the year are set out on page 17. The profit for the year after taxation was £4.4 million.

## **Connect Plus (M25) Holdings Limited**

### **Strategic Report for the Year Ended 31 March 2023 (continued)**

#### Credit & cash flow risks

The relevant financial risks to the Group are credit and cash flow risks, which arise from its Client. The credit and cash flow risks are not considered significant as the Client is a quasi governmental organisation.

#### Liquidity risk

The Group's liquidity risk is principally managed through financing the Group by means of long-term borrowings, with an amortisation profile that matches the expected availability of funds from the Group's operating activities. In addition, the Group maintains reserve bank accounts to provide short-term liquidity against future debt service and other expenditure requirements.

#### **Section 172 Companies Act 2006 Statement**

The Directors have a duty to promote the success of the Group for the benefit of the shareholders as a whole and to observe how this duty has been performed with regard to those matters set out in Section 172 of the Companies Act 2006 (Section 172).

The Directors have considered the matters set out in Section 172 of the Companies Act 2006 and are satisfied that the Group has complied with the requirements of Section 172.

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**Connect Plus (M25) Holdings Limited**

**Strategic Report for the Year Ended 31 March 2023 (continued)**

Approved by the Board on 27 September 2023 and signed on its behalf by:



.....  
A J Campbell

Company secretary and director

<b>Registered office</b>	Connect Plus House St Albans Road South Mimms Hertfordshire EN6 3NP
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The Directors have pleasure in presenting their Annual Report together with the Consolidated Financial

The following information has been disclosed in the Strategic Report:

- Key performance indicators

#### Going Concern

The Directors, as elaborated further in the Strategic Report, do not expect any significant change to the Group's activities to occur in the following financial year.

The Group operates a long term operations and maintenance contract for the M25 motorway. The Group's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Group has adequate resources to continue in operational existence for the foreseeable future.

The Group is meeting the key operational requirements of the PFI contract with National Highways and also operating within the required parameters of lenders. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

#### Review of the Business

The PFI 94m plus on your business operating profit within the year on your investment in the operation activity, and therefore profits accruing, under the PFI contract.

#### Share Capital

The issued share capital as at 31 March 2023 was 21m (2022: 21m).

#### Results and Dividends

The audited financial statements for the year ended 31 March 2023 are set out on pages 12 to 33. The profit for the year after taxation was £44,740k (2022: £37,200k). The Directors have a dividend in respect of the year ended 31 March 2023 of £42,303k (2022: £36,593k).

## **Connect Plus (M25) Holdings Limited**

### **Directors' Report for the Year Ended 31 March 2023 (continued)**

#### **Directors of the Group**

The Directors who held office during the year were as follows:

A J Campbell - Company secretary and director

S Athanassiou

P M Bentley

A M Dean

J S Gordon

J E Guyett

R D Knight

B Love

S K Preece

P A Skerman

B R Walker

S D Worthy

#### **Streamlined Energy and Carbon Report ("SECR")**

The Group has completed a SECR for the year to 31 of March 2023, this is the fourth SECR produced. During the year ended 31 March 2023 the Group estimates it:

- Consumed 32m kWh (2022: 32m kWh) of electric predominately for providing street lighting on the M25 Motorway.
- Consumed 0.1m kWh (2022: 0.01m kWh) equivalent of gas in the offices and depots associated with the M25 project, and
- Consumed 9m kWh (2022: 7m kWh) equivalent energy in Direct Transport cost.
- The Scope 1 Emissions were 2.250 tonnes (2022: 2.091 tonnes) of Carbon Dioxide equivalent ("tCO<sub>2</sub>e") a

change on the previous year and

## **Connect Plus (M25) Holdings Limited**

### **Directors' Report for the Year Ended 31 March 2023 (continued)**

#### **Disclosure of Information to the Auditor**

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware; and each Director has taken all steps that they ought to have taken to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

#### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will continue in office.



**A. I. Campbell**

Company Secretary and Director



## **Connect Plus (M25) Holdings Limited**

### **Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements**

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

have elected to prepare the Group and Parent Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial*

give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the

for:

- select suitable accounting policies and apply them consistently;

disclosed and explained in the financial statements:

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the transactions and events that are recorded in the financial statements, and to enable them to be reconciled to the financial statements. They are also responsible for ensuring that the financial statements are prepared in accordance with the requirements of the Companies Act 2006 and for ensuring that the financial statements are free from material misstatement, whether due to fraud or error. They are also responsible for ensuring that the financial statements are prepared in accordance with the requirements of the Companies Act 2006 and for ensuring that the financial statements are free from material misstatement, whether due to fraud or error. They are also responsible for ensuring that the financial statements are prepared in accordance with the requirements of the Companies Act 2006 and for ensuring that the financial statements are free from material misstatement, whether due to fraud or error.

## Connect Plus (M25) Holdings Limited

### Independent Auditor's Report to the Members of Connect Plus (M25) Holdings Limited

#### Opinion

ended 31 March 2023, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Other Comprehensive Income, Consolidated and Company Balance Sheet, the Consolidated and Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and related notes, including the

In our opinion the financial statements:

and of the Group's profit for the year then ended,

- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial*
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is sufficient and appropriate to form our

#### Going concern

requires the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a

In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model

operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;

related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

## **Connect Plus (M25) Holdings Limited**

### **Independent Auditor's Report to the Members of Connect Plus (M25) Holdings Limited (continued)**

#### **Fraud and breaches of laws and regulations - ability to detect**

##### ***Identifying and responding to risks of material misstatement due to fraud***

To identify risks of material misstatement due to fraud (fraud risks) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and management as to the Company's high-level policies and procedures to prevent and detect fraud, and the Company's channel for whistleblowing, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Board meeting minutes; and
- Using analytic procedures to identify unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as cash flow assumptions in the operating model.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included but not limited to entries posted to unusual account combinations/seldom used accounts and post-closing entries; and
- Assessing significant accounting estimates for bias.

##### ***Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations***

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the senior management and policies and procedures regarding compliance with laws and regulations.
- We communicated identified laws and regulations throughout our team and remained alert to any indications

Finally, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and

## **Connect Plus (M25) Holdings Limited**

### **Independent Auditor's Report to the Members of Connect Plus (M25) Holdings Limited (continued)**

#### ***Context of the ability of the audit to detect fraud or breaches of law or regulation***

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Financial Statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the Financial Statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

#### **Strategic Report and Directors' Report**

The Directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

#### **Directors' responsibilities**

As explained more fully in their statement set out on page 7, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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 they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

## **Connect Plus (M25) Holdings Limited**

### **Independent Auditor's Report to the Members of Connect Plus (M25) Holdings Limited (continued)**

#### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### **The purpose of our audit work and to whom we owe our responsibilities**

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 an auditor's 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
Dan Gibson (Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*  
Quayside House  
110 Quayside  
Newcastle Upon Tyne  
United Kingdom  
NE1 3DX

Date: 29 September 2023

## Connect Plus (M25) Holdings Limited

### Consolidated Profit and Loss Account for the Year Ended 31 March 2023

	Note	2023 £ 000	2022 £ 000
Turnover	6	219,740	204,111
Cost of sales		<u>(156,096)</u>	<u>(153,713)</u>
Gross profit		63,644	50,398
Administrative expenses		<u>(18,840)</u>	<u>(17,442)</u>
<b>Operating profit</b>		<b>44,804</b>	<b>32,956</b>
Interest receivable and similar income	7	112,017	112,724
Interest payable and similar expenses	8	<u>(101,501)</u>	<u>(103,807)</u>
<b>Profit before tax</b>		<b>55,320</b>	<b>41,873</b>
Taxation	9	<u>(10,374)</u>	<u>(4,605)</u>
<b>Profit for the financial year</b>		<b><u>44,946</u></b>	<b><u>37,268</u></b>

All activities are from continuing operations in the United Kingdom.

## Connect Plus (M25) Holdings Limited

### Consolidated Statement of Comprehensive Income for the Year Ended 31 March 2023

	2023 £ 000	2022 £ 000
Profit for the year	44,946	37,268
Unrealised gain/(loss) on cash flow hedges before tax	11,917	(95,672)
Income tax effect	(8,287)	33,803
Amortisation of cash flow hedge balances held in reserves	21,230	22,546
	24,860	(39,323)
<b>Total comprehensive income for the year</b>	<b>69,806</b>	<b>(2,055)</b>

The notes on pages 19 to 33 form an integral part of these financial statements.

# Connect Plus (M25) Holdings Limited

(Registration number: 06684025)

## Consolidated Balance Sheet as at 31 March 2023

	Note	2023 £ 000	2022 £ 000
<b>Non current assets</b>			
Deferred tax	10	89,491	97,207
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	92,390	83,504
Debtors: amounts falling due after one year	12	1,102,077	1,098,445
Investments due within one year		88,510	107,286
Cash at bank and in hand		36,020	29,837
		<u>1,318,997</u>	<u>1,319,072</u>
<b>Creditors: Amounts falling due within one year</b>	13	<u>(98,149)</u>	<u>(82,075)</u>
<b>Net current assets (including £1,102,077k (2022: £1,098,445k) due after one year)</b>		<u>1,220,848</u>	<u>1,236,997</u>
<b>Total assets less current liabilities</b>		<u>1,310,339</u>	<u>1,334,204</u>
<b>Creditors: Amounts falling due after more than one year</b>	13	<u>(1,523,000)</u>	<u>(1,574,368)</u>
<b>Net liabilities</b>		<u>(212,661)</u>	<u>(240,164)</u>
<b>Capital and reserves</b>			
Called up share capital	16	-	-
Cash flow hedge reserve		(224,008)	(248,868)
Profit and loss account		<u>11,347</u>	<u>8,704</u>
<b>Total equity</b>		<u>(212,661)</u>	<u>(240,164)</u>

Approved and authorised by the Board on 29 September 2023 and signed on its behalf by:



.....  
A J Campbell  
Company secretary and director

The notes on pages 19 to 33 form an integral part of these financial statements.



## Connect Plus (M25) Holdings Limited

(Registration number: 06684025)

### Balance Sheet as at 31 March 2023

	Note	2023 £ 000	2022 £ 000
<b>Fixed assets</b>			
Investments	11	50	50
<b>Creditors: Amounts falling due within one year</b>	13	<u>(50)</u>	<u>(50)</u>
<b>Net assets/(liabilities)</b>		<u>-</u>	<u>-</u>
<b>Capital and reserves</b>			
Called up share capital	16	-	-
Profit and loss account		<u>-</u>	<u>-</u>
<b>Total equity</b>		<u>-</u>	<u>-</u>

These financial statements consolidate the accounts of Connect Plus (M25) Holdings Limited and all of its subsidiary undertakings. Intra-group sales and profits are eliminated fully on consolidation. No individual profit and loss account is prepared for Connect Plus (M25) Holdings Limited, as provided for by s.408 of the Companies Act 2006.

The Company made a profit after tax for the financial year of £44,203k (2022: £36,593k). The Company has made no recognised gain or loss during either of the last two financial years.

Approved and authorised by the Board on 29 September 2023 and signed on its behalf by:



.....  
A J Campbell  
Company secretary and director

# **Connect Plus (M25) Holdings Limited**

## **Consolidated Statement of Changes in Equity for the Year Ended 31 March 2023** **Equity attributable to the Parent Company**

	<b>Share capital</b>	<b>Cash flow</b>	<b>Profit and loss</b>	<b>Total</b>
	<b>£ 000</b>	<b>hedge</b>	<b>account</b>	<b>£ 000</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
At 1 April 2021	-	(209,545)	8,029	(201,516)
Profit for the year	-	-	37,268	37,268
Other comprehensive income	-	(39,323)	-	(39,323)
Dividends	-	-	(36,593)	(36,593)
<b>At 31 March 2022</b>	<b>-</b>	<b>(248,868)</b>	<b>8,704</b>	<b>(240,164)</b>
	<b>Share capital</b>	<b>Cash flow</b>	<b>Profit and loss</b>	<b>Total</b>
	<b>£ 000</b>	<b>hedge</b>	<b>account</b>	<b>£ 000</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
At 1 April 2022	-	(248,868)	8,704	(240,164)
Profit for the year	-	-	44,946	44,946
Other comprehensive income	-	24,860	-	24,860
Dividends	-	-	(42,303)	(42,303)
<b>At 31 March 2023</b>	<b>-</b>	<b>(224,008)</b>	<b>11,347</b>	<b>(212,661)</b>

## Connect Plus (M25) Holdings Limited

### Statement of Changes in Equity for the Year Ended 31 March 2023

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 April 2021	-	-	-
Profit for the year	-	36,593	36,593
Dividends	-	(36,593)	(36,593)
<b>At 31 March 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 April 2022	-	-	-
Profit for the year	-	44,203	44,203
Dividends	-	(44,203)	(44,203)
<b>At 31 March 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>

The notes on pages 19 to 33 form an integral part of these financial statements.

## Connect Plus (M25) Holdings Limited

### Consolidated Statement of Cash Flows for the Year Ended 31 March 2023

	2023 £ 000	2022 £ 000
<b>Cash flows from operating activities</b>		
Profit for the year	44,946	37,268
Finance income	(112,017)	(112,724)
Finance costs	101,501	103,807
Corporate tax expense	<u>10,374</u>	<u>4,605</u>
	44,804	32,956
Working capital adjustments		
Decrease in debtors	97,742	134,521
Decrease in creditors	<u>(4,804)</u>	<u>(25,146)</u>
Cash generated from operations	137,742	142,331
Corporate taxes paid	<u>(10,577)</u>	<u>(7,878)</u>
Net cash flow from operating activities	<u>127,165</u>	<u>134,453</u>
<b>Cash flows from investing activities</b>		
Interest received	2,038	387
Increase in investments	<u>18,776</u>	<u>(687)</u>
Net cash flows from investing activities	<u>20,814</u>	<u>(300)</u>
<b>Cash flows from financing activities</b>		
Interest paid	(63,449)	(64,828)
Repayment of secured senior loans	(36,044)	(36,733)
Dividends paid	<u>(42,303)</u>	<u>(36,593)</u>
Net cash flows from financing activities	<u>(141,796)</u>	<u>(138,154)</u>
Net increase/(decrease) in cash and cash equivalents	6,183	(4,001)
Cash and cash equivalents at 1 April	<u>29,837</u>	<u>33,838</u>
Cash and cash equivalents at 31 March	<u><u>36,020</u></u>	<u><u>29,837</u></u>

The notes on pages 19 to 33 form an integral part of these financial statements.

## **Connect Plus (M25) Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **1 Accounting policies**

Connect Plus (M25) Holdings Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 06684025 and the registered address is Connect Plus House, St Albans Road, South Mimms, Hertfordshire, EN6 3NP.

A summary of the principal accounting policies of the Company and Group, all of which have been applied consistently throughout the current and preceding year, is set out below.

##### **Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000, unless otherwise stated.

The financial statements are prepared on the historical cost basis except that financial instruments classified as fair value through the profit or loss are stated at their fair value.

The judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are covered in note 2.

##### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 March 2023. All inter-company balances, transactions and profits are eliminated on consolidation. As permitted by Section 408 of the Companies Act 2006, the company has not presented its own profit and loss account.

##### **Going concern**

The Group and the Company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report and Directors' Report.

After making enquiries, the Directors have a reasonable expectation that the Group and the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

## **Connect Plus (M25) Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)**

#### **1 Accounting policies (continued)**

The Group had net liabilities of £212,661k as at 31 March 2023 and generated a profit for the year then ended of £44,946k. The main reason for the net liability position is due to the current market value of the Inflation rate swap financial liability.

The Directors have prepared cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, the Group will have sufficient funds to meet its liabilities as they fall due for that period and to operate within the covenants on its borrowings.

Specifically, the directors have considered if, in modelled severe but plausible downside scenarios, the level of operational performance of the Group would lead to service failure points being awarded against the Group in accordance with the terms of the Group's contract with National Highways sufficient to cause an event of default under the terms of the terms of the Group's external borrowings. To date, there has been no material adverse impact on the Group's cashflows, or the service levels provided and no indication of heightened risk of subcontractor failure. As a result, the cashflow forecasts indicate that, even in downside scenarios, the Group will be able to meet its liabilities as they fall due.

Consequently, the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### **Turnover**

Revenue is recognised as turnover as it is earned and represents amounts due, exclusive of value added tax, in respect of services provided to National Highways.

#### **Finance income and costs**

Interest income and interest payable are recognised in the profit and loss account as they accrue, using the effective interest method.

## **Connect Plus (M25) Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)**

#### **1 Accounting policies (continued)**

##### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

##### **Service concession agreement**

The Group is an operator of a PFI contract. The underlying asset is not deemed to be an asset of the Group under FRS102 section 34.1C, because the risks and rewards of ownership as set out in that Standard are deemed to lie principally with the Client.

During the construction phase of the project, all attributable expenditure was included in amounts recoverable on contracts and turnover. Upon becoming operational, the costs were transferred to the contract debtor. During the operational phase income is allocated between interest receivable and the finance debtor using a project specific interest rate. The remainder of the PFI unitary charge income is included within turnover in accordance with FRS102 section 23. The Group recognises income in respect of the services provided as it fulfils its contractual obligations in respect of those services and in line with the fair value of the consideration receivable in respect of those services.

Major maintenance costs are recognised on a contractual basis and the revenue in respect of these services is recognised when these services are performed.

## Connect Plus (M25) Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

#### 1 Accounting policies (continued)

##### Financial instruments

###### *Classification*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, reduced by allowances for estimated irrecoverable amounts and expected credit losses in the case of trade debtors.

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Term loans are initially stated at the amount of the net proceeds after deduction of related issue costs. The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the period.

Investments realisable within one year held by the Group represent amounts held on deposit with a financial institution which are not available for withdrawal without penalty in under 24 hours. Investments realisable within one year are stated at amortised cost with the interest receivable being recognised at a constant rate over the life of the investment.

Cash and cash equivalents comprise cash balances and call deposits. The Group has secured loans which place restrictions on distribution of cash to shareholders and require the Group to hold various minimum cash balances at all times. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

###### *Impairment*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.



## **Connect Plus (M25) Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)**

#### **1 Accounting policies (continued)**

##### **Derivative financial instruments**

Changes in the carrying value of financial instruments that are designated and effective as hedges of future cash flows ("cash flow hedges") are recognised directly in Other Comprehensive Income and any ineffective portion is recognised immediately in the Profit and Loss account. Amounts deferred in Other Comprehensive Income in respect of cash flow hedges are subsequently recognised in the Profit and Loss account in the same period in which the hedged item affects net profit or loss.

The Group applies the provisions of IFRS 9 to measure and recognise financial instruments. Financial Instruments are recognised in the Group's Balance Sheet when the Group becomes party to the contractual provisions of the instrument.

##### **Classification of financial instruments issued by the Group**

In accordance with FRS 102.22, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- (i) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- (ii) where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Group's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

##### **Other financial liabilities**

Other financial liabilities, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

## **Connect Plus (M25) Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)**

#### **2 Critical accounting judgements and key sources of estimation uncertainty**

##### **Judgements**

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.

##### Hedging

The Directors consider the Group to have met the criteria for hedge accounting and the Group has therefore recognised fair value movements on derivatives in effective hedging relationships through other comprehensive income as well as the deferred tax thereon.

##### **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.

##### Service concession arrangement

The Group accounts for the project as a service concession arrangement. The Directors use their judgement in selecting the appropriate financial asset rate to be applied in order to allocate the income received between revenue, and capital repayment of and interest income on the financial asset; and also the service margin that is used to recognise service revenue. The Directors have also used their judgement in assessing the appropriateness of the future maintenance costs that are included in the Group's forecasts. The Directors will continue to monitor the condition of the assets and undertake a regular review of maintenance spend.

##### Valuation of derivative financial instruments

The Directors use their judgement in selecting a suitable valuation technique for derivative financial instruments. All derivative financial instruments are valued at the mark to market valuation provided by the derivative counterparty. In these cases, the Group uses valuation techniques to assess the reasonableness of the valuation provided by the derivative counterparty. These techniques use a discounted cash flow analysis based on market observable inputs derived from similar instruments in similar and active markets.

##### Cash flow hedge reserve amortisation upon termination

As part of the refinancing transaction in 2019, the Group repaid the existing commercial loan and issued fixed rate bonds. The Group terminated the existing interest rate swaps upon issuance of fixed rate debt. This is because the interest cash flows will be fixed from this point. The Directors have made a significant judgement that the interest payments on the bonds can be regarded as representing the forecast transactions for which the interest rate swap instruments were in a hedge relationship. Accordingly, the amounts in Hedging Reserve in respect of this is amortised to the Statement of Other Comprehensive Income as interest payable and similar expenses in future periods as the interest expense on the fixed loan is recorded in the Statement of Other Comprehensive Income.

## **Connect Plus (M25) Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)**

#### **2 Critical accounting judgements and key sources of estimation uncertainty (continued)**

##### Gain share

Under the concession agreement with National Highways ("NH"), the grantor, NH, is entitled to a share of the benefits that are generated upon an advantageous refinancing transaction in 2019 - the "NH gain share". The Group applies FRS102 with the accounting policy choice of applying IFRS 9. The payment of the gain share will be via a reduction in the unitary charge. Under IFRS 9, transaction costs are included in the initial measurement of financial assets and financial liabilities, except for those measured at fair value through profit and loss. The Directors regard the gain share as a financing cost of the issuance of the new debt and modification of the European Investment Bank ("EIB") loan, and have apportioned the costs into the effective interest rate calculation of the amended EIB loan and the bond. The Directors consider that these incremental costs are those that would not have been incurred if the instrument had not been acquired, originated or issued.

##### Modification of EIB loan terms

The EIB loan has been modified as an integral part of the re-financing transaction in 2019. The Directors have considered both the qualitative and quantitative aspects of the changes to determine whether the modification is substantial or non-substantial. From the quantitative perspective, the Directors have performed the 10-percent test, assessing whether the net present value of the cash flows under the new terms, including any fees paid and discounted at the original effective interest rate differs by at least 10 percent from the net present value of the remaining cash flows under the original terms. The 10-percent test was not exceeded, based on which it was concluded that the modification is a non-substantial change and accordingly, the carrying amount of the liability is adjusted by discounting the modified future cash flows by the original effective interest rate and recognising any gain or loss immediately. In addition, the carrying amount of the liability is adjusted for fees and transaction costs incurred which are amortised over the remaining life of the modified liability. For the purpose of qualitative assessment, the Directors believe there are no changes to indicate a different conclusion.

#### **3 Auditors' remuneration**

The audit fee for the Group was £71k (2022: £62k). The fees were borne by Connect Plus (M25) Limited.

The audit fee for the Company was £4k (2022: £3k). The fees were borne by Connect Plus (M25) Limited.

Amounts payable to KPMG LLP by the Group in respect of non-audit services were £Nil (2022: £Nil).

#### **4 Directors' remuneration**

The Directors received no material salary, fees, or other benefits in the performance of their duties in respect of the Group and Parent Company in the current year or the prior year.

#### **5 Staff costs**

All staff costs are borne by the shareholders of the Group which second their employees to the Group and charge related service costs. The Group had no employees during the current year or the prior year.

## Connect Plus (M25) Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

#### 6 Analysis of turnover

The analysis of the Group's turnover for the year by market is as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
UK	219,740	204,111

#### 7 Interest receivable and similar income

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Interest income on bank deposits	2,038	387
Interest income imputed on contract debtor	109,979	112,337
	<u>112,017</u>	<u>112,724</u>

#### 8 Interest payable and similar charges

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Bank and bond interest payable	79,731	81,758
Interest payable to associated undertakings	21,770	22,049
	<u>101,501</u>	<u>103,807</u>

## Connect Plus (M25) Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

#### 9 Taxation

Tax charged/(credited) in the income statement

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Current taxation</b>		
UK corporation tax	10,945	8,560
UK corporation tax adjustment to prior periods	-	69
	<u>10,945</u>	<u>8,629</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	(434)	(603)
Arising from changes in tax rates and laws	(137)	(3,421)
Total deferred taxation	<u>(571)</u>	<u>(4,024)</u>
Tax expense in the income statement	<u>10,374</u>	<u>4,605</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2022 - lower than the standard rate of corporation tax in the UK) of 19% (2022 - 19%).

The differences are reconciled below:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Profit before tax	<u>55,320</u>	<u>41,873</u>
Corporation tax at standard rate	10,511	7,956
Effect of expense not deductible in determining taxable profit (tax loss)	-	1
UK deferred tax credit relating to changes in tax rates or laws	(137)	(3,421)
Increase current tax from adjustment for prior periods	-	69
Total tax charge	<u>10,374</u>	<u>4,605</u>

The Company earns its results primarily in the UK, therefore the tax rate used for tax on profit on ordinary activities is the current UK corporation tax rate of 19% (2022: 19%).

Deferred tax is measured at a tax rate of 25% in line with rates enacted by the Finance Act 2021 which was enacted on 24 May 2021, a rate change arises in the tax reconciliation due to this being calculated at 19%.

## Connect Plus (M25) Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

#### 9 Taxation (continued)

##### Tax relating to items recognised in other comprehensive income or equity - group

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Deferred tax related to items recognised as items of other comprehensive income	<u>(8,287)</u>	<u>33,803</u>

#### 10 Deferred tax and other provisions

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
At 1 April	97,207	59,380
Profit and loss movement	571	4,024
Other comprehensive income movement	<u>(8,287)</u>	<u>33,803</u>
At 31 March	<u>89,491</u>	<u>97,207</u>

  

	<b>Group</b>	
	<b>Fair value movement on financial instruments £ 000</b>	<b>FRS102 transitional adjustment £ 000</b>
At 1 April 2022	96,706	501
Movement in the year	<u>(7,549)</u>	<u>(167)</u>
At 31 March 2023	<u>89,157</u>	<u>334</u>

A deferred tax asset has been recognised and is considered recoverable as sufficient taxable profits are expected to arise in the foreseeable future.

#### 11 Investments

	<b>Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Investments in subsidiaries	<u>50</u>	<u>50</u>

## Connect Plus (M25) Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

#### 11 Investments (continued)

##### Details of undertakings

The Parent Company has investments in the following subsidiary undertakings incorporated in the UK:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2023	2022
Connect Plus (M25) Limited	Connect Plus House, St Albans Road Potters Bar Hertfordshire EN6 3NP United Kingdom	Ordinary	100%	100%
Connect Plus (M25) Issuer plc	Connect Plus House, St Albans Road Potters Bar Hertfordshire EN6 3NP United Kingdom	Ordinary	100%	100%

##### Subsidiary undertakings

###### *Connect Plus (M25) Limited*

The principal activity of Connect Plus (M25) Limited is a PFI company.

###### *Connect Plus (M25) Issuer plc*

The principal activity of Connect Plus (M25) Issuer plc is a financing company.

#### 12 Debtors

	Group	
	2023 £ 000	2022 £ 000
<b>Due within one year</b>		
Trade debtors	29,289	28,229
Amounts due from associate undertakings	13	35
Prepayments and other debtors	35,973	30,292
Contract debtor receivable	25,265	23,026
Corporation tax recoverable	1,850	1,922
	<u>92,390</u>	<u>83,504</u>
<b>Due after one year</b>		
Contract debtor receivable	<u>1,102,077</u>	<u>1,098,445</u>

## Connect Plus (M25) Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

#### 13 Creditors

		Group		Company	
		2023	2022	2023	2022
	Note	£ 000	£ 000	£ 000	£ 000
<b>Due within one year</b>					
Secured bank loans	14	9,840	7,722	-	-
Bonds issued	14	25,453	18,434	-	-
Loans from associated undertaking	14	4,159	3,783	-	-
Trade creditors		9,464	8,639	-	-
VAT payable		5,164	5,790	-	-
Accruals and other creditors		18,681	14,589	-	-
Amounts due to associated undertakings		25,388	23,118	50	50
		<u>98,149</u>	<u>82,075</u>	<u>50</u>	<u>50</u>
<b>Due after one year</b>					
Secured bank loans	14	356,928	366,767	-	-
Bonds issued	14	777,452	802,903	-	-
Loans from associated undertaking	14	181,538	185,698	-	-
RPI swap liability	15	207,082	219,000	-	-
		<u>1,523,000</u>	<u>1,574,368</u>	<u>-</u>	<u>-</u>

#### 14 Loans and borrowings

	Group	
	2023	2022
	£ 000	£ 000
Secured bank loans	366,768	374,489
Bonds issued	802,905	821,337
Loans from associated undertaking	185,697	189,481
	<u>1,355,370</u>	<u>1,385,307</u>

The bank loans represent amounts borrowed under facility agreements with EIB. In July 2018, the Group issued £892,575k of 2.607% Guaranteed Bonds due 31 March 2039. The proceeds were used to repay the commercial bank syndicate facility and its associated interest swap contracts (see note 15). These both bear interest at fixed rates and are repayable in instalments up to 2039.

The loans from associated undertakings bear interest at 12% and is payable to an associated undertaking in semi-annual instalments up to 2039.



## Connect Plus (M25) Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

#### 14 Loans and borrowings (continued)

##### Loan Guarantees

The secured bank loans are secured over the rights, title and interest in certain assets and/or revenues of Connect Plus (M25) Limited, and over the Company's shares in Connect Plus (M25) Limited and have certain covenants attached.

Analysis of maturity of debt:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Within one year on demand	39,452	36,046
Between one and two years	51,395	45,199
Between two and five years	175,358	170,150
After five years	1,048,493	1,099,246
Unamortised issue costs	40,672	34,666
	1,355,370	1,385,307

#### 15 Financial liabilities and instruments

##### **Financial liabilities**

	<b>Group</b>	
	<b>Non-current</b>	
	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
RPI swaps	207,082	219,000

The RPI swaps settle on a six-monthly basis and they are now hedged at an RPI rate of 2.410%.

##### **Financial instruments**

The carrying value of financial assets:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Held at amortised cost	1,127,343	1,121,471

The carrying value of financial liabilities:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Held at fair value	207,082	219,000
Held at amortised cost	1,413,860	1,437,443
	1,620,942	1,656,443

## Connect Plus (M25) Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

#### 15 Financial liabilities and instruments (continued)

##### Hedge accounting

The following table indicates the periods in which the cash flows associated with cash flow hedging instruments are expected to occur as required by FRS 102.29(a) for the cash flow hedge accounting models.

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>Carrying amount</b>	<b>Carrying amount</b>
	<b>£ 000</b>	<b>£ 000</b>
Liabilities	207,082	219,000

  

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>Expected cash flows</b>	<b>Expected cash flows</b>
	<b>£ 000</b>	<b>£ 000</b>
Less than 1 year	8,748	2,430
1 to 2 years	9,955	3,621
2 to 5 years	37,863	18,898
More than 5 years	314,734	289,713
At 31 March	371,300	314,662

#### 16 Share capital

##### Allotted, called up and fully paid shares

	<b>No.</b>	<b>2023</b>	<b>No.</b>	<b>2022</b>
		<b>£</b>		<b>£</b>
Ordinary shares of £1 each	100	100	100	100

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The Group's other reserves are as follows:

- The profit and loss reserve represents cumulative profits or losses, net of dividends paid.
- The hedging reserve represents the cumulative portion of gains and losses on hedging instruments deemed effective in hedging variable interest rate risk of recognised financial instruments. Amounts accumulated in this reserve are reclassified to profit or loss in the periods in which the hedged item affects profit or loss or when the hedging relationship ends.

## **Connect Plus (M25) Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)**

#### **17 Related party transactions**

All related parties are subsidiaries of the controlling parties in Note 18.

The group purchased road maintenance services totalling £114.5m (2022: £72.3m) from an unincorporated joint venture comprising Balfour Beatty Civil Engineering Limited, Atkins Limited and Egis Road Operations UK Limited. The outstanding balance as of 31 March 2023 was £11.1m (2022: £9.5m).

The group purchased project management services of £2.3m (2022: £2.3m) from Balfour Beatty Investments Limited and £1.5m (2022: £1.3m) from Transroute UK Limited. The balances outstanding as of 31 March 2023 were £0.3m (2022: £Nil) with Balfour Beatty Investments Limited and £0.2m Transroute UK Limited (2022: £Nil).

The group incurred interest on loans of £22.1m (2022: £22.0m) to Connect Plus (M25) Intermediate Limited, a company owned by the group's controlling parties, and as 31 March 2023 owed Connect Plus (M25) Intermediate Limited £178.4m (2022: £181.8m) plus accrued interest of £11.0m (2022: £11.2m).

#### **18 Parent and ultimate parent undertaking**

The ultimate controlling parties are Equitix Ltd, Dalmore Capital Ltd, Grosvenor Capital Management LP, Balfour Beatty plc and Egis Projects SA, with interests in the ratio 37.5:20:17.5:15:10, respectively.

Connect Plus (M25) Holdings Limited is the smallest and largest group in which these financial statements are consolidated in.

#### **19 Subsequent events**

As at the date of the approval of these accounts, there were no material post balance sheet events arising after the reporting date.