

Registration number: 04698798

Connect M77/GSO PLC

Annual Report and Financial Statements

for the Year Ended 31 March 2026

Connect M77/GSO PLC

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Connect M77/GSO PLC

Strategic Report for the Year Ended 31 March 2026

The Directors present their strategic report for the year ended 31 March 2026.

Principal activity

The Company is incorporated in Great Britain, registered in England and Wales and domiciled in the United Kingdom.

On 7 May 2003 Connect M77/GSO plc signed a contract with East Renfrewshire Council (the "Client") (on behalf of the Scottish Government for the M77 and South Lanarkshire Council and East Renfrewshire Council for the Glasgow Southern Orbital (GSO)) to design, build, finance and operate the M77 from Fenwick to Malletsheugh and the GSO from Malletsheugh to Philipshill, East Kilbride and sections of the A726 and to maintain these roads under a licence over a 32 year period as well as modify certain sections of the A77 (the "Concession Agreement"). In accordance with the Concession Agreement the Company is responsible for operating the roads together with carrying out all of the routine and major life cycle maintenance for the life of the concession.

The new road sections were opened to the public in April 2005 and the final completion certificate was issued in September 2005.

There have been no changes to the Company's activities in the year under review and none are currently contemplated.

Review of business

The results for the year are set out on page 13. The profit for the year before taxation was £2,937k (2025: £2,588k) and the net liabilities position as at 31 March 2026 was £22,106k (2025: £24,309k) for the Company.

The Directors expect the Company to continue its operations and the Directors are not aware, at the date of this report, of any major changes in the Company's activities in the next year.

Key performance indicators

As part of the stewardship of the project the Directors regularly consider Board reports related to the performance of the Company and the information and Key Performance Indicators ("KPI's") contained therein. These include, amongst other things, variance against budget in the financial statements and forward cash flow forecasting and other qualitative and quantitative indicators of performance that, as a whole, provide the basis for the management of the Company.

The Company has set specific business objectives, which are monitored using a number of KPI's. The relevant KPI's for this report are detailed below.

	2026	2025
	£ 000	£ 000
Turnover	5,016	3,644
Profit after taxation	2,203	1,941
Net liabilities	<u>(22,106)</u>	<u>(24,309)</u>

Connect M77/GSO PLC

Strategic Report for the Year Ended 31 March 2026 (continued)

The Company has a net liability position at the year end of £22,106k (2025: £24,309k). This is primarily due to rolled up subordinated debt interest charges due to the shareholders as the Company has not been permitted to make any subordinated interest payments for an extended period under the terms of its senior debt financial covenants. In order to manage the compounding impact of the subordinated debt interest roll up the shareholders have waived their rights to receive interest for the years ended 31 March 2025 and 31 March 2026.

Details of the Directors' assessment of the use of the going concern basis of preparation are given in the Directors' Report.

Principal risks and uncertainties

The Company recognises that effective risk management is fundamental to achieving its business objectives in order to meet its commitments in fulfilling the Private Finance Initiative ("PFI") contract and in delivering a safe and efficient service. Risk management contributes to the success of the business by identifying opportunities and anticipating risks in order to improve business performance and fulfil our contractual obligations. The contract with East Renfrewshire Council is 100% availability-based and as such, there is no demand risk.

Credit and cash flow risk

The relevant financial risks to the Company 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 government organisation.

Interest rate risk

The financial risk management objective of the Company is to ensure that financial risks are mitigated by the use of financial instruments where they cannot be addressed by means of contractual provisions. There are no derivatives, risk is mitigated through a fixed rate loan instrument. Financial instruments are not used for speculative purposes.

Liquidity risk

The Company's liquidity risk is principally managed through financing the Company by means of long-term borrowings, with an amortisation profile that matches the expected availability of funds from the Company's operating activities. In addition, the Company maintains reserve bank accounts to provide short-term liquidity against future debt service and other expenditure requirements. Further information about the going concern basis of preparation is given in the Directors' report.

Contractual relationships

The Company operates within a contractual relationship with its Client. A significant impairment of this relationship could have a direct and detrimental effect on the Company's results and could ultimately result in termination of the concession.

To manage this risk the Company has regular meetings with the Client including discussions on performance, project progress, future plans and customer requirements.

The Directors do not believe that the Company is exposed to any significant Financial Risk. The Company's principal activity as detailed above is low risk as all relationships with the customer, funders and sub-contractors within the Company in which it sits are determined by the terms of the respective contracts.

Economic Uncertainty

The Directors have considered the consequences to the Company of the current economic conditions, including movements in inflation. As at the date of signing this report, this has not had a significant impact on the Company, and it is not currently anticipated that this will have a significant impact in the future. This is primarily due to the contractual nature of most of the Company's cash flows, including those which cover financing, which ensures that any inflationary changes to outflows will be largely offset by equivalent changes to the Company's inflows. The Directors have assessed this risk within Note 1 (Going Concern).

Connect M77/GSO PLC

Strategic Report for the Year Ended 31 March 2026 (continued)

Section 172 Companies Act 2006 Statement

The Directors have a duty to promote the success of the Company for the benefit of the shareholders as a whole and to describe 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 identified the Company's main stakeholders as the following:

- *The Company's shareholders, bondholders and credit providers*

Principal considerations of the board are to ensure that the Company is meeting shareholder, credit provider and bondholder expectations regarding its ability to meet its financing obligations. These are discussed at all project board meetings, which are held regularly throughout the year. The board regularly discusses the obligations under the financing contracts, and how to ensure these are fulfilled. In addition, regular meetings are held with the funders, and attended by Directors, to keep them updated on matters as required.

Throughout the year the board has given due consideration during its discussions and decision-making of the matters set out in Section 172 and below is a description of how the Directors have had regard to these matters when performing their duties:

- a) *the likely consequences of any decision in the long term*

The communication and reporting provided ensure that the board is fully informed and able to make appropriate decisions.

- b) *the interests of the Company's employees,*

The Company has no employees. The Company does, however, pay due regard to the interests and safety of those who perform services on its behalf.

- c) *the need to foster the Company's business relationships with suppliers, customers and others*

The Company has regular meetings with the Client, including discussions on performance, project processes, future plans and customer requirements. The Company ensures that regular communication is maintained between the parties to ensure that all obligations are met.

- d) *the impact of the Company's operations on the community and the environment*

The Company is committed to minimising environmental disruption from its activities.

- e) *the desirability of the Company maintaining a reputation for high standards of business conduct*

The Company is committed in its day to day activities and dealings with all parties to uphold the highest standard of business conduct and integrity.

- f) *the need to act fairly as between members of the Company*

The members of the Company are represented at board meetings by their appointed Directors. Conflicts on matters to be discussed are identified at each meeting of the board. Directors representing a member with a conflict of interest may therefore be excluded from any discussion or vote in regard to it.

The Directors are cognisant of their duty under Section 172 in their deliberation as a board on all matters. Decisions made by the board consider the interest of all the Company's key stakeholders and reflect the board's belief that the long-term sustainable success of the Company is linked directly to its key stakeholders.

Connect M77/GSO PLC

Strategic Report for the Year Ended 31 March 2026 (continued)

Future developments

The Directors expect the general level of activity to remain stable in the forthcoming year. There have been no other changes to the Company's activities in the year under review and no others are currently contemplated.

31 July 2026

Approved by the Board on and signed on its behalf by:



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M P Mageean
Director

Registered office Q14 Quorum Business Park
Benton Lane
Newcastle Upon Tyne
NE12 8BU

Connect M77/GSO PLC

Directors' Report for the Year Ended 31 March 2026

The Directors present their annual report together with the audited financial statements for the year ended 31 March 2026.

The following information has been disclosed in the Strategic Report:

- Principal activities and business review
- Key performance indicators
- Principal risks and uncertainties
- Indication of likely future developments in the business

Going concern

The Directors do not expect any significant changes to the Company's activities to occur in the following financial year. The Company has met its debt principal and interest obligations for its Senior Secured Bonds in all periods to date and forecasts to continue to do so for the foreseeable future.

After making enquiries, as further elaborated in Note 1 of the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operation for at least 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Due to historic commercial issues faced by Connect M77/GSO PLC from having exposure to traffic usage risk within the project from its set up until the payment mechanism was changed in the year ended 31 March 2016, very few payments of interest (and none of principal) relating to the Company's subordinated Secured loan stock have been able to be made to Connect M77/GSO Holdings Limited and consequently by Connect M77/GSO Holdings Limited to its subordinated debt creditors. Interest is charged on unpaid interest leading to increasing balances and the Company will be unable to make subordinated Secured loan stock repayments until such time that debt covenants allow. It is currently forecast that the compounding interest-on-interest roll up incurred historically will lead to outstanding amounts payable of the Company's subordinated Secured loan stock at the conclusion of the project in 2035 and no further available cash flows to settle these amounts.

Whilst further subordinated Senior loan interest payments owed by the Company have been waived annually by the lender since the year ended 31 March 2013, including for the year to 31 March 2026, further waivers are not certain to be agreed in future years.

The Company and its shareholders are considering options to address and mitigate this long-term issue, although changes to the subordinated Secured loan stock funding documents are not within the Company's control. Based on the above, the Directors believe it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances represent a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern in the later years of the project if the issue is not mitigated.

Results and dividends

The audited financial statements for the year ended 31 March 2026 are set out on pages 13 to 28. The profit for the year after tax was £2,203k (2025: £1,941k).

The Directors declared and paid dividends of £Nil (2025: £Nil). The Directors expect the Company to continue its operations for the foreseeable future.

Connect M77/GSO PLC

Directors' Report for the Year Ended 31 March 2026 (continued)

Directors of the Company

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

J C Bond

M J Edwards

M P Mageean

A M Mughal

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

As the total period of engagement by KPMG is 10 financial years ended 31 March 2026, the Directors will complete a process to select an auditor for the year ending 31 March 2027 under the Mandatory audit tender and firm rotation rules applicable to UK Public Interest Entities after which the auditor for the year ending 31 March 2027 will be appointed.

The Company expects to qualify and adopt the available exemption from the qualifying selection criteria for Small Medium Enterprises.

Responsibility statement of the Directors in respect of the Annual Financial Report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face.

31 July 2026

Approved by the Board on and signed on its behalf by:



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M P Mageean
Director

Registered office

Q14 Quorum Business Park
Benton Lane
Newcastle Upon Tyne
NE12 8BU

Connect M77/GSO PLC

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 Company and of the profit or loss for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, and Directors' Report that complies with that law and those regulations.

Independent Auditor's Report to the Members of Connect M77/GSO PLC

1. Our opinion is unmodified

We have audited the financial statements of Connect M77/GSO PLC (the 'Company') for the year ended 31 March 2026, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2026 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the Directors on 17 October 2016. The period of total uninterrupted engagement is for the 10 financial years ended 31 March 2026. We have fulfilled our ethical responsibilities under, and we remain independent of the Company in accordance with UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

2. Material Uncertainty related to going concern

Going concern

We draw attention to note 1 to the financial statements. This explains that the Directors are confident that the Company 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 that the Company has met its debt principal and interest obligations for its Senior Secured Bonds in all periods to date and forecasts to continue to do so for the foreseeable future. However, it also explains that the Company has forecast a long-term funding shortfall in respect of repayment of its subordinated Secured loan stock at the end of its project in 2035. Future annual waivers of interest payable on the Company's subordinated Secured Loan Stock by its lenders are also not certain to be received.

These events and conditions, along with the other matters explained in note 1, constitute a material uncertainty that may cast significant doubt on the Group's and the parent Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

The risk

Disclosure quality

The financial statements explain how the Directors have formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Company.

That judgement is based on an evaluation of the inherent risks to the Company's business model and how those risks might affect the Company's financial resources or ability to continue operations over a period of at least a year from the date of approval of the financial statements, and also over the full lifetime of its project to 2035.

There is little judgement involved in the Directors' conclusion that risks and circumstances described in note 1 to the financial statements represent a material uncertainty over the ability of the Company to continue as a going concern.

Independent Auditor's Report to the Members of Connect M77/GSO PLC (continued)

However, clear and full disclosure of the facts and the Directors' rationale for the use of the going concern basis of preparation, including that there is a related material uncertainty, is a key financial statement disclosure and so was the focus of our audit in this area. Auditing standards require that to be reported as a key audit matter.

Our response

Our procedures included:

- **Assessing transparency:** Considering whether the going concern disclosure in note 1 to the financial statements gives a full and accurate description of the Directors' assessment of going concern.

Our assessment of management's going concern assessment also included:

- **Forecast review:** We critically assessed the key assumptions in the base case and downside scenarios, by considering our knowledge of the entity, as well as historic trends.
- **Sensitivity analysis:** We used our knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model and performed sensitivity analysis over management's cashflows.

The factor that we considered most likely to adversely affect the Company's available financial resources in the next twelve months are delays in the receipt of the unitary charge receipts.

Our results

We found the going concern disclosure in note 1 with a material uncertainty to be acceptable.

3. Other key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

Going concern is a significant key audit matter and is described in section 2 of our report, together with our key audit procedures to address this matter and, as required for public interest entities, our results from those procedures. This matter was addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on this matter.

We identified no further key audit matters.

4. Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £1,190,000 (2025: £1,200,000) determined with reference to a benchmark of total assets, of which it represents 1% (2025: 1%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2025: 75%) of materiality for the financial statements as a whole, which equates to £893,000 (2025: £900,000). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Directors any corrected or uncorrected identified misstatements exceeding £59,000 (2025: £60,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level set out above and was performed remotely.

Independent Auditor's Report to the Members of Connect M77/GSO PLC (continued)

5. Going concern basis of preparation

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic for at least a year from the date of approval of the financial statements ("the going concern period"). As stated in section 2 of our report, they have also concluded that there is a material uncertainty related to going concern.

An explanation of how we evaluated management's assessment of going concern is set out in section 2 of our report.

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.

6. 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, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue is a fixed mark up by way of an agreement with a single customer.

We have not identified any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on criteria and comparing the identified entries to supporting documentation. These included but not limited to entries posted to unexpected account combinations and post-closing entries; and
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Independent Auditor's Report to the Members of Connect M77/GSO PLC (continued)

Identifying and responding to risks of material misstatement related to 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 Directors (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety and anti-bribery. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to use or evident from relevant correspondence, an audit will not detect that breach.

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.

7. We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information.

Strategic Report and Directors' Report

Based solely on our work on the other information:

- 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.

Independent Auditor's Report to the Members of Connect M77/GSO PLC (continued)

8. We have nothing to report on the other 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 Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

9. Respective responsibilities

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 including 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 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 Company or to cease operations, or have no realistic alternative but to do so.

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, other irregularities 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.

10. 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.



David Derbyshire (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

Date:.....31 July 2026.....

Connect M77/GSO PLC

Profit and Loss Account for the Year Ended 31 March 2026

	Note	2026 £ 000	2025 £ 000
Turnover	6	5,016	3,644
Cost of sales		<u>(4,520)</u>	<u>(3,232)</u>
Gross profit		496	412
Administrative expenses		<u>(309)</u>	<u>(233)</u>
Operating profit		187	179
Interest receivable and similar income	7	8,281	8,770
Interest payable and similar expenses	8	<u>(5,531)</u>	<u>(6,361)</u>
Profit before tax		2,937	2,588
Taxation	9	<u>(734)</u>	<u>(647)</u>
Profit for the financial year		<u><u>2,203</u></u>	<u><u>1,941</u></u>

The above results were derived from continuing operations.

The Company has no recognised gains or losses for the year other than the results above. Accordingly no Statement of Comprehensive Income is presented.

Connect M77/GSO PLC

(Registration number: 04698798)
Balance Sheet as at 31 March 2026

	Note	2026 £ 000	2025 £ 000
Non current assets			
Financial asset	12	82,924	91,033
Current assets			
Debtors	13	1,058	299
Financial assets	12	5,742	5,283
Cash at bank and in hand	11	29,865	26,744
		36,665	32,326
Creditors: Amounts falling due within one year	14	(11,452)	(9,614)
Net current assets		25,213	22,712
Total assets less current liabilities		108,137	113,745
Creditors: Amounts falling due after more than one year	14	(128,732)	(136,396)
Provisions - Deferred tax liabilities	10	(1,511)	(1,658)
Net liabilities		(22,106)	(24,309)
Capital and reserves			
Called up share capital	17	50	50
Profit and loss account		(22,156)	(24,359)
Deficit in shareholders' funds		(22,106)	(24,309)

Approved and authorised by the Board on **31 July 2026**..... and signed on its behalf by:

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M P Mageean
Director

Connect M77/GSO PLC

Statement of Changes in Equity for the Year Ended 31 March 2026

	Called up share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 April 2024	50	(26,300)	(26,250)
Total comprehensive income	-	1,941	1,941
At 31 March 2025	50	(24,359)	(24,309)
	Called up share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 April 2025	50	(24,359)	(24,309)
Total comprehensive income	-	2,203	2,203
At 31 March 2026	50	(22,156)	(22,106)

Connect M77/GSO PLC

Notes to the Financial Statements for the Year Ended 31 March 2026

1 Accounting policies

Connect M77/GSO PLC (the "Company") is a company limited by shares and incorporated, domiciled and registered in England and Wales in the UK. The registered number is 04698798 and the registered address is Q14 Quorum Business Park, Benton Lane, Newcastle Upon Tyne, NE12 8BU.

A summary of the principal accounting policies of the Company, 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 Company's immediate parent undertaking, Connect M77/GSO Holdings Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Connect M77/GSO Holdings Limited are available to the public and may be obtained from the address in note 19.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Connect M77/GSO Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1 of the Companies Act 2006.

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 discussed in note 2.

Measurement convention

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

Going concern

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.

Connect M77/GSO PLC

Notes to the Financial Statements for the Year Ended 31 March 2026 (continued)

1 Accounting policies (continued)

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cashflow forecasts for the period to September 2026 which indicate that, taking account of severe but plausible downside scenarios, the Company will have sufficient funds to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements. The Company has met its debt principal and interest obligations for its Senior Secured Bonds in all periods to date and forecasts to continue to do so for the foreseeable future. Those forecasts are dependent on the underlying customer continuing to meet its obligations under the Concession Agreement which are underwritten by The Cabinet Ministers.

The Company operating cash inflows are dependent on unitary charge receipts receivable from East Renfrewshire Council. The Directors have no reason to believe these amounts will not continue to be received but, even in a severe but plausible downside scenario where there are delays in the receipt of the unitary charge receipts, the Company could continue to meet its liabilities as they fall due through its available cash balances. The contract with East Renfrewshire Council is 100% availability-based and as such, there is no demand risk.

The Directors believe the Company has sufficient funding in place and expect the Company to be in compliance with its debt covenants even in severe but plausible downside scenarios for at least the next 12 months.

Consequently, the Directors are confident that the Company 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.

Due to historic commercial issues faced by Connect M77/GSO PLC from having exposure to traffic usage risk within the project from its set up until the payment mechanism was changed in the year ended 31 March 2016, very few payments of interest (and none of principal) relating to the Company's subordinated Secured loan stock have been able to be made to Connect M77/GSO Holdings Limited and consequently by Connect M77/GSO Holdings Limited to its subordinated debt creditors. Interest is charged on unpaid interest leading to increasing balances and the Company will be unable to make subordinated Secured loan stock repayments until such time that debt covenants allow. It is currently forecast that the compounding interest-on-interest roll up incurred historically will lead to outstanding amounts payable of the Company's subordinated Secured loan stock at the conclusion of the project in 2035 and no further available cash flows to settle these amounts.

Whilst further subordinated Senior loan interest payments owed by the Company have been waived annually by the lender since the year ended 31 March 2013, including for the year to 31 March 2026, further waivers are not certain to be agreed in future years.

The Company and its shareholders are considering options to address and mitigate this long-term issue although changes to the subordinated Secured loan stock funding documents are not within the Company's control. Based on the above, the Directors believe it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances represent a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern in the later years of the project if the issue is not mitigated allowing liabilities to be discharged in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Connect M77/GSO PLC

Notes to the Financial Statements for the Year Ended 31 March 2026 (continued)

1 Accounting policies (continued)

Turnover

In the operational phase, revenue is recognised by allocating a proportion of total unitary income receivable over the life of the project to service costs by means of a deemed constant rate of return on these costs. Revenue is recognised by applying a 5% mark-up on the operational costs, representing the fair value of operational services.

Finance costs

Finance costs in relation to the fixed rate senior secured bonds and the secured loan stock are recognised using the effective interest rate method under FRS 102 whereby expected interest over the life of the project is spread and recognised in each period.

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.

Connect M77/GSO PLC

Notes to the Financial Statements for the Year Ended 31 March 2026 (continued)

1 Accounting policies (continued)

Financial instruments

Classification

The Company accounts for the project as a service concession arrangement. The Company entered into a Concession Agreement with the Client to design, build, finance and operate the M77 from Fenwick to Malletsheugh and the GSO from Malletsheugh to Philipshill, East Kilbride and sections of the A726 and to maintain these roads under a license over a 32 year period. The Company is responsible for operating the roads together with carrying out all of the routine and major lifecycle maintenance for the life of the concession. As per the terms of the Concession Agreement, the Client pays the project a monthly unitary charge. There is no demand risk within this arrangement and therefore the Directors have used their judgement to conclude that the most appropriate accounting basis for the concession is to record the contract as a financial asset.

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.

Secured subordinated debt is 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 that period.

Investments realisable within one year held by the Company 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.

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 M77/GSO PLC

Notes to the Financial Statements for the Year Ended 31 March 2026 (continued)

2 Critical accounting estimates and judgements

Judgements

In the application of the Company'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 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.

There are no estimates and assumptions which may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities in the next financial period. Other judgements and estimates are as follows.

Subordinated debt interest waiver

As disclosed in Note 1, the Company received a waiver for accrual of subordinated debt interest between 1 April 2025 and 31 March 2026. In accordance with FRS102, the Directors' judgement is that the interest waiver constitutes a non-substantial modification. The Directors considered a quantitative threshold where effect of the modification is considered non-substantial if the difference between the present value of the original and revised cash flows, discounted at the original interest rate is less than 10% of the original debt balance. The value of the interest waived during the year was £277k, which is a less than 10% difference. As such, the Directors consider this modification to be quantitatively non-substantial. There are no further qualitative factors. No modification adjustment is required as the subsequent re-solve of the effective interest rate captures the value of the modification by the balance sheet date.

As the waiver was provided by a related entity the Directors considered whether this represented a capital transaction in nature, but concluded on the basis that the related entity was acting in capacity as lender that the treatment set out above, and the waiver impacting profit/loss, was the most appropriate presentation.

Service concession arrangement

The Company accounts for the project as a service concession arrangement. The Directors use their judgement in selecting the appropriate accounting basis for the concession at its inception and after any relevant change in concession terms. The Directors have concluded that the most appropriate accounting basis for the concession is to record the contract as a financial asset, as there is no demand risk within the arrangement since the year ended 31 March 2016.

The Directors used 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 of 5% that is used to recognise service revenue, which is based on comparable contracts at the time of entering the Concession Agreement. The Directors continue to use their judgement in assessing the appropriateness of the future maintenance costs that are included in the Company's forecasts. The Directors will continue to monitor the condition of the assets and undertake a regular review of maintenance spend.

Connect M77/GSO PLC

Notes to the Financial Statements for the Year Ended 31 March 2026 (continued)

3 Auditors' remuneration

The audit fee for the Company amounted to £57k (2025: £57k).

4 Directors' remuneration

The Company does not employ directors, services are provided by group companies through the Managed Services Agreement included within Administrative expenses and disclosed within the amounts in note 18.

5 Staff costs

All staff costs are borne by Balfour Beatty Investments Limited, which second its employees to the Company and charges related service costs. The Company had no employees during the current or prior year.

6 Analysis of turnover

Turnover by origin and destination from the Company's principal activity

	2026	2025
	£ 000	£ 000
UK	<u>5,016</u>	<u>3,644</u>

Turnover relating to lifecycle replacement costs for the maintenance of the road (as disclosed in note 12), which is billed at no margin, has been presented within revenue in the current year rather than being presented net within cost of sales, to better reflect the operations of the Company. The prior year comparative has not been restated based on the immateriality of the balance.

The Board of Directors is the Company's chief operating decision-making body. The Board of Directors has determined that there is only one operating segment - Road Network. Turnover comprises operating revenues of £3,844k (2025: £3,475k), maintenance revenues of £993k (2025: £926k within cost of sales) and additional works income of £179k (2025: £169k).

7 Interest receivable and similar income

	2026	2025
	£ 000	£ 000
Interest income on financial assets	7,203	7,707
Interest on bank accounts and deposits	<u>1,078</u>	<u>1,063</u>
	<u>8,281</u>	<u>8,770</u>

Connect M77/GSO PLC

Notes to the Financial Statements for the Year Ended 31 March 2026 (continued)

8 Interest payable and other expenses

	2026	2025
	£ 000	£ 000
Secured bond interest	5,380	5,777
Secured loan stock interest (note 2)	151	584
	<u>5,531</u>	<u>6,361</u>

9 Taxation

Tax charged/(credited) in the income statement

	2026	2025
	£ 000	£ 000
Current taxation		
UK corporation tax	881	781
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(147)</u>	<u>(134)</u>
Total deferred taxation	<u>(147)</u>	<u>(134)</u>
Tax expense in the income statement	<u>734</u>	<u>647</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2025: the same as the standard rate of corporation tax in the UK) of 25% (2025: 25%).

The differences are reconciled below:

	2026	2025
	£ 000	£ 000
Profit before tax	<u>2,937</u>	<u>2,588</u>
Corporation tax at standard rate	<u>734</u>	<u>647</u>
Total tax charge	<u>734</u>	<u>647</u>

Deferred tax is measured at a tax rate of 25% (2025: 25%) in line with rates enacted by the Finance Act 2021 which was enacted on 24 May 2021.

Connect M77/GSO PLC

Notes to the Financial Statements for the Year Ended 31 March 2026 (continued)

10 Provisions - Deferred tax liability

	2026 £ 000	2025 £ 000
At 1 April	(1,658)	(1,792)
Credited to the profit and loss account	147	134
At 31 March	<u>(1,511)</u>	<u>(1,658)</u>

The deferred tax liability is a timing difference relating to capitalised interest for which a deduction was previously recognised. The timing difference is being released in line with the release of the capitalised interest element held within the financial asset.

11 Cash and cash equivalents

	2026 £ 000	2025 £ 000
Cash at bank	<u>29,865</u>	<u>26,744</u>

Cash at bank and in hand includes £26,081k (2025: £22,815k) restricted from use in the business, being held in the Company's reserve accounts under the terms of its senior loan facility.

12 Financial asset

	2026 £ 000	2025 £ 000
Balance brought forward	96,316	103,185
Service income received in the year	(19,690)	(18,977)
Operating revenues	3,844	3,475
Lifecycle replacement costs	993	926
Notional interest	<u>7,203</u>	<u>7,707</u>
Balance carried forward	<u>88,666</u>	<u>96,316</u>

Financial asset comprising:

	2026 £ 000	2025 £ 000
Amounts falling due within one year	5,742	5,283
Amounts falling due after more than one year	<u>82,924</u>	<u>91,033</u>
	<u>88,666</u>	<u>96,316</u>

Connect M77/GSO PLC

Notes to the Financial Statements for the Year Ended 31 March 2026 (continued)

13 Debtors

	2026 £ 000	2025 £ 000
Prepayments and accrued income	290	299
Corporation tax receivable (note 14)	768	-
	<u>1,058</u>	<u>299</u>

14 Creditors

	2026 £ 000	2025 £ 000
Due within one year		
Fixed rate senior secured bonds	7,980	7,370
Accruals and deferred income	992	1,420
VAT payable	267	264
Corporation tax payable	1,864	560
Amounts due to group undertakings	349	-
	<u>11,452</u>	<u>9,614</u>
Due after one year		
Fixed rate senior secured bonds	79,224	87,038
Secured loan stock	14,865	14,865
Secured loan stock interest	34,643	34,493
	<u>128,732</u>	<u>136,396</u>

In the comparative numbers in the table, amounts due to group undertakings of £406k are presented in Accruals and deferred income. In the current year the equivalent amounts have been included in Amounts due to group undertakings.

In the comparative period, group relief payable to group undertakings of £1,121k was presented within Corporation tax payable net of £561k UK tax receivable from HMRC. In the current year, Corporation tax payable solely comprises group relief payable to group undertakings and amounts receivable from HMRC are included within debtors (note 13). £739k of group relief was claimed in 2026 (2025: £840k).

The prior year comparative information for each item has not been restated as the Directors do not believe the balances are material.

Fixed rate guaranteed senior secured bonds due 2034 of £152,429k were issued on 7 May 2003. The bonds have been unconditionally and irrevocably guaranteed by Syncora Guarantee (UK) Limited (formerly XL Capital Assurance (UK) Limited) for payment of principal and interest.

Connect M77/GSO PLC

Notes to the Financial Statements for the Year Ended 31 March 2026 (continued)

14 Creditors (continued)

After repayment of principal amounts, the carrying value of fixed rate guaranteed senior secured bond at 31 March 2026 was £87,204k (2025: £94,408k).

Interest on the bonds is payable semi-annually in arrears on 31 March and 30 September in each year at a fixed rate of 5.404% per annum commencing on 30 September 2003.

Fixed rate guaranteed senior secured bonds are stated net of unamortised issue costs of £838k (2025: £1,003k). The Company incurred total issue costs of £4,403k in respect of the fixed rate bonds. These costs, together with the interest expense, are allocated to the profit and loss account over the term of the bonds. Interest is calculated using the effective interest rate method.

Unless previously redeemed or purchased and cancelled, the bonds will mature on 31 March 2034 and are subject to redemption in part from, and including, 30 September 2006 in accordance with the amortisation schedule set out in the bonds offering circular.

The secured loan stock bears interest at 12.1% per annum and accrues from the date of final completion, with the final instalment due in 2035, or as the Company elects, but subject to certain restrictions in the collateral deed. The secured loan stock issued by the Company is held by the Company's immediate parent company. The Company's immediate parent company has waived its right to receive interest within 12 months for the years ended 31 March 2025 and 31 March 2026.

All borrowings contain either a fixed or varying security interest over the assets of the Company, as defined by an intercreditor agreement. The bonds have certain covenants attached.

The Company's committed borrowing facilities are fully drawn.

15 Loans and borrowings

Loans not wholly repayable within five years:

	2026 £ 000	2025 £ 000
Fixed rate guaranteed senior secured bonds	88,042	95,411
Secured loan stock	14,865	14,865
	102,907	110,276

Analysis of maturity of debt:

	2026 £ 000	2025 £ 000
Within one year or on demand	7,980	7,370
Between one and two years	8,589	7,979
Between two and five years	29,710	27,620
After five years	56,628	67,307
	102,907	110,276

Connect M77/GSO PLC

Notes to the Financial Statements for the Year Ended 31 March 2026 (continued)

16 Financial instruments

Capital risk management

The Company manages its capital to ensure its ability to continue as a going concern, to meet the requirements of its collateral deed and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Company comprises equity attributable to equity holders consisting of ordinary share capital and profit and loss account and cash and cash equivalents and borrowings. The Company has complied with capital requirements imposed by the collateral deed throughout the year. There have been no changes in the Company's management of capital from previous years.

The principal risks and uncertainties faced are highlighted in the strategic report on page 2.

The Company has the following gross capital cash flow commitments:

	2026	2025
	£ 000	£ 000
Due on demand or within one year	12,776	12,586
Due within one to two years	12,932	12,776
Due within two to five years	40,745	39,150
Due after more than five years	88,837	102,463
	<u>155,290</u>	<u>166,975</u>

17 Share capital

Allotted, called up and fully paid shares

	No.	2026	No.	2025
		£		£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

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 Company's other reserves are as follows:

- The profit and loss reserve represents cumulative profits or losses, net of dividends paid.

Connect M77/GSO PLC

Notes to the Financial Statements for the Year Ended 31 March 2026 (continued)

18 Related party transactions

Transactions during the year

	2026
	£ 000
Balfour Beatty Civil Engineering - operation and maintenance	4,445
Balfour Beatty Group - tax group relief (note 14)	739
Balfour Beatty Investments - staff secondment charges	192
	<u>5,376</u>
	2025
	£ 000
Balfour Beatty Civil Engineering - operation and maintenance	3,978
Balfour Beatty Investments - staff secondment charges	158
	<u>4,136</u>

Outstanding balances at the end of the year

	2026
	£ 000
Balfour Beatty Civil Engineering - operation and maintenance	311
Balfour Beatty Group - tax group relief	1,864
Balfour Beatty Investments - staff secondment charges	38
	<u>2,213</u>
	2025
	£ 000
Balfour Beatty Civil Engineering - operation and maintenance	380
Balfour Beatty Investments - staff secondment charges	26
	<u>406</u>

Information about group relief to Balfour Beatty Group in the comparative period is disclosed in note 14.

The Company's parent undertaking, Connect M77/GSO Holdings Limited is the lender of the secured loan stock principal and accrued interest respectively (note 14).

All the above outstanding related party balances were accrued at year end.

Connect M77/GSO PLC

Notes to the Financial Statements for the Year Ended 31 March 2026 (continued)

19 Parent and ultimate parent undertaking

The Company's immediate parent is Connect M77/GSO Holdings Limited, incorporated in the United Kingdom and registered in England and Wales.

The ultimate parent is Balfour Beatty plc and BIIF LP (acting by its manager, BIFM Investments Ltd), incorporated in the United Kingdom and registered in England and Wales.

The largest and smallest group in which the results of Connect M77/GSO plc are consolidated is Connect M77/GSO Holdings Limited, copies of whose financial statements are available from Q14 Quorum Business Park, Benton Lane, Newcastle Upon Tyne, NE12 8BU.

20 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.