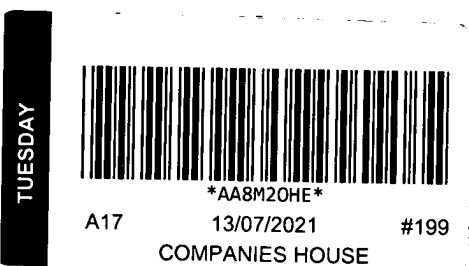


Lanley Developments Limited

**Directors' report and financial
statements**

Registered number 02225041

31 March 2021



Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' Report and the Financial Statements	2
Independent auditor's report to the members of Lanley Developments Limited	3
Profit and Loss Account	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the financial statements	10

Directors' report

The directors present their report, together with the financial statements for the year ended 31 March 2021.

Principal activities

The principal activity of the company during the year was to develop and sell residential housing.

Business review

The directors are satisfied with the result for the year.

The directors do not consider the business to be severely affected by Covid-19 but acknowledge there are uncertainties in the wider economy which may impact all UK companies going forward and the sales of residential housing.

Results and dividends

The profit for the year is £1,062,000 (2020: £276,000) and has been transferred to reserves. The Directors do not recommend the payment of a dividend (2020: £nil).

Going concern

The directors continue to adopt the going concern basis in preparing these financial statements, as set out in note 1.

Directors

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

PG Hemmings
ML Widders
MJ Grindrod

Auditor

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

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 auditors are unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



ML Widders
Director

Lynton House
Ackhurst Park
Chorley
Lancashire
PR7 1NY

06 July 2021

Statement of directors' responsibilities in respect of the Directors' Report and the Financial Statements

The directors are responsible for preparing the Directors' 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 of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

Independent auditor's report to the members of Lanley Developments Limited

Opinion

We have audited the financial statements of Lanley Developments Limited ("the company") for the year ended 31 March 2021 which comprise the Profit and Loss Account and Other Comprehensive Income, 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 2021 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 have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or a ability to continue 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;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Independent auditor's report to the members of Lanley Developments 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, local management as to the company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Considering remuneration incentive schemes and performance targets for management.

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 as our consideration of fraud risk factors associated with incentives, pressures, attitudes and opportunities did not highlight that heightened fraud risk factors were present.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation of the design and implementation of some of the company-wide fraud risk management controls.

We also performed procedures identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unexpected accounts combinations.

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 directors and other management (as required by auditing standards), and discussed with the directors and other management 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), distributable profits legislation, 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.

Independent auditor's report to the members of Lanley Developments Limited (continued)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations (continued)

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, anti-bribery, employment law, and certain aspects of company legislation recognising the nature of the company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us 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.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has 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, 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Independent auditor's report to the members of Lanley Developments Limited (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 2, 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 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 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.

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.



Liam Finnigan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

Profit and Loss Account
for the year ended 31 March 2021

	<i>Note</i>	2021 £000	2020 £000
Turnover	<i>1</i>	6,634	2,367
Cost of sales		(5,450)	(1,981)
		<hr/>	<hr/>
Gross profit		1,184	386
Administrative expenses	<i>2</i>	(51)	(22)
		<hr/>	<hr/>
Operating profit		1,133	364
Interest payable and similar charges	<i>4</i>	(71)	(88)
		<hr/>	<hr/>
Profit before taxation		1,062	276
Taxation on profit	<i>5</i>	-	-
		<hr/>	<hr/>
Profit for the financial year		1,062	276
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing activities.

The notes on pages 10 to 14 form part of the financial statements.

Statement of Other Comprehensive Income
for the year ended 31 March 2021

The Profit and Loss Account includes the only comprehensive income of the company for the current and prior year.

Balance Sheet

as at 31 March 2021

	Note	2021 £000	2020 £000
Fixed Assets			
Investments	6	-	-
Current assets			
Stock	7	1,935	3,777
Debtors	8	239	31
		<u>2,174</u>	<u>3,808</u>
Creditors: amounts falling due within one year	9	<u>(623)</u>	<u>(3,319)</u>
Net current assets		<u>1,551</u>	<u>489</u>
Net assets		<u>1,551</u>	<u>489</u>
Capital and reserves			
Called up share capital	10	10	10
Profit and loss account		1,541	479
Equity shareholders' funds		<u>1,551</u>	<u>489</u>

The notes on pages 10 to 14 form part of the financial statements.

Approved by the board of directors on 06 July 2021 and signed on its behalf by:



ML Widders
Director

Registered number 02225041

Statement of Changes in Equity

	Called up Share Capital £000	Profit and loss account £000	Total Equity £000
Balance at 1 April 2019	10	203	213
Profit for the year	-	276	276
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2020	10	479	489
	<hr/>	<hr/>	<hr/>
Balance at 1 April 2020	10	479	489
Profit for the year	-	1,062	1,062
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2021	10	1,541	1,551
	<hr/>	<hr/>	<hr/>

The notes on pages 10 to 14 form part of the financial statements.

Notes to the financial statements

1 Accounting policies

Basis of preparation

Lanley Developments Limited (the "Company") is a private company incorporated, domiciled and registered in England and Wales in the UK. The registered number is 02225041 and the registered address is Lynton House, Ackhurst Park, Chorley, Lancashire, PR7 1NY.

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*") as issued in August 2014. The amendments to FRS 102 issued in July 2016 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

The company's ultimate UK parent undertaking, Northern Trust Group 1 Limited includes the company in its consolidated financial statements. The consolidated financial statements of Northern Trust Group 1 Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from the address provided in Note 12. 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;
- Key management personnel compensation; and
- Related party transactions

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Going concern

The Company is a subsidiary of Northern Trust Group Limited and is party to a group banking arrangement with that Group. The Directors of Northern Trust Group Limited have considered the going concern status of the Group, which include the forecasts for this Company, and have concluded that it remains appropriate to prepare the financial statements of the Group on a going concern basis.

The financial statements of Northern Trust Group Limited include the following disclosures;

At 31 March 2021, the Group had cash balances of £20.4m and net current assets of £34.9m and recorded a profit (before revaluation gains on investment properties) of £22.7m for the year then ended.

The Group's activities are funded through a combination of bank facilities and cash generated from operations. The bank facilities have financial covenants associated with them. In the current and prior years, the Group has complied with the terms of its bank facility. The bank facilities mature in June 2022. Prior to this date, the Group will, in the ordinary course of its business, negotiate a new facility.

The Directors have prepared cash flow forecasts for at least 12 months from the date of approval of the financial statements, which also consider the impact of COVID-19. Whilst acknowledging the risk of ongoing uncertainties in the wider UK economy which may impact all UK companies going forward, the directors do not consider the market in which the Group operates to be significantly impacted by COVID-19.

The Group's forecasts indicate that the Group will be able to operate within the terms of its available facilities and comply with the associated covenants and will therefore be able to meet its liabilities as they fall due for payment.

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.

Notes (continued)

1 Accounting policies (continued)

Going concern (continued)

Having considered this, the directors of this company have also concluded that the going concern basis remains appropriate for this company.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the sale of goods to customers during the year. All turnover arises in the United Kingdom.

Stock

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on expenditure incurred in acquiring the stocks and other costs in bringing them to their existing condition. Work in progress comprises the cost of land plus direct materials, labour costs, site overheads, associated professional charges and other attributable overheads.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

2 Expenses and auditor's remuneration

	2021 £000	2020 £000
Auditor's remuneration:		
- in respect of statutory audit	11	7
- in respect of tax services	2	2
	<hr/>	<hr/>

3 Staff numbers and costs

The only persons employed by the company were the directors, none of whom received any remuneration (2020: £nil).

The directors of the company are employed and remunerated by other related companies. There has been no attribution of their remuneration to directors' emoluments of the Company, as their services as directors of the Company are not considered to be significant in relation to their overall duties.

Notes *(continued)*

4 Interest payable and similar charges

	2021	2020
	£000	£000
On loans from group undertakings	71	88
	<u> </u>	<u> </u>

5 Taxation

	2021	2020
	£000	£000
UK corporation tax at 19% (2020: 19%) on the profit for the year on ordinary activities	-	-
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>
	£000	£000
Profit on ordinary activities before taxation	1,062	276
	<u> </u>	<u> </u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	202	52
Effects of:		
Group relief from fellow group companies	(202)	(52)
	<u> </u>	<u> </u>
Current tax charge for the period	-	-
	<u> </u>	<u> </u>

Factors that may affect future current and total tax charge

In the 3 March 2021 Budget it was announced that the UK corporation tax rate will increase to 25% with effect from 1 April 2023. If this rate is substantively enacted, it will increase the Company's future current tax charge accordingly.

Notes (continued)

6 Fixed asset investments

	2021	2020
	£000	£000
At start of period	-	-
Acquisitions in the period	-	-
At the end of the period	<u>-</u>	<u>-</u>

During the year the company acquired 100% of the share capital of a dormant company, Farriers Place Management Company Limited, which is registered in England at Lynton House, Ackhurst Park, Chorley, Lancashire PR7 1NY.

7 Stock

	2021	2020
	£000	£000
Work in progress	<u>1,935</u>	<u>3,777</u>

8 Debtors

	2021	2020
	£000	£000
Other debtors	98	11
Prepayments and accrued income	2	20
Amounts due from group undertakings	139	-
	<u>239</u>	<u>31</u>

Notes (continued)

9 Creditors

	2021	2020
	£000	£000
<i>Amounts falling due within one year:</i>		
Trade creditors	40	-
Accruals and deferred income	583	290
Amounts due to group undertakings	-	3,029
	<u>623</u>	<u>3,319</u>

10 Called up share capital

	2021	2020
	£000	£000
<i>Allotted, called up and fully paid</i>		
10,000 ordinary shares of £1 each	10	10
	<u>10</u>	<u>10</u>

11 Contingent liabilities

The company is party to group banking arrangements for Northern Trust Company Limited. Consequently, it is jointly and severally liable for the loans and overdrafts of Northern Trust Company Limited and certain of its fellow subsidiary undertakings. At 31 March 2021 the net liability across the group under this guarantee amounted to £211,599,000 (2020: £213,513,000).

12 Ultimate parent company

The ultimate parent company in the UK is Northern Trust Group 1 Limited, a company registered in England and Wales.

The largest group in which the results of the company are consolidated is that headed by Northern Trust Group 1 Limited. The smallest group in which the results of the company are consolidated is that headed by Northern Trust Group Limited. The consolidated financial statements of Northern Trust Group 1 Limited and Northern Trust Group Limited are available to the public and may be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

The ultimate parent company is Wordon Limited, a company registered in the Isle of Man. The ultimate controlling party are the family interests of Mr T J Hemmings.