

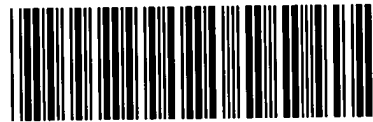
**Northern Trust Group 2 Limited**

**Directors' report and financial  
statements**

Registered number 09032106

31 March 2018

TUESDAY



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## Contents

Strategic report	1
Directors' report	2
Statement of directors' responsibilities in respect of the Directors' report and the financial statements	3
Independent auditor's report to the members of Northern Trust Group 2 Limited	4
Profit and Loss account and other comprehensive income	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes to the financial statements	9

## **Strategic report**

### **Objectives and Strategy**

The Company is a holding company and has not traded during the current or prior financial year.

### **Principal risks and uncertainties**

As the Company is a holding company and does not trade, there are not considered to be any relevant uncertainties.

### **Position at the end of the year**

As noted above, the Company is a holding company and has not traded during the current or prior year.

The Group to which the Company belongs refinanced in June 2017 securing new loan facilities of £230m for a further 5-year term. The Group and Company have a sound financial base and sufficient financial resources to meet the business's requirements.

By order of the board



**ML Widders**  
*Director*

Lynton House  
Ackhurst Park  
Chorley  
Lancashire  
PR7 1NY

11 July 2018

## Directors' report

The directors present their report, together with the financial statements for the year ended 31 March 2018.

### Principal activities

The Company is a holding company and does not operate a trade.

### Results and dividends

The profit for the period is £3,000,000 (2017: £1,500,000). A dividend of £3,000,000 (2017: £1,500,000) was paid in the year.

### Directors

The directors who held office during the period were as follows:-

PL Hemmings  
JC Kay  
K Revitt  
ML Widders

### Political contributions

The Company made no political donations nor incurred any political expenditure during the year.

### Disclosure of information to 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 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 auditor is aware of that information.

### Auditor

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

By order of the board



ML Widders  
Director

Lynton House  
Ackhurst Park  
Chorley  
Lancashire  
PR7 1NY

11 July 2018

## **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.



**KPMG LLP**

1 St Peter's Square  
Manchester  
M2 3AE  
United Kingdom

**Independent auditor's report to the members of Northern Trust Group 2 Limited**

**Opinion**

We have audited the financial statements of Northern Trust Group 2 ("the company") for the year ended 31 March 2018 which comprise the Statement of Profits and Loss and Other Comprehensive Income, Balance Sheet, 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 2018 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**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

**Strategic report and directors' report**

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

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

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

## **Independent auditor's report to the members of Northern Trust Group 2 Limited (continued)**

- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

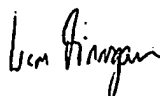
### **Auditor's responsibilities**

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

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

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

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



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

19 July

2018  
5

**Profit and Loss account and other comprehensive income**  
*for the year ended 31 March 2018*

	2018 £	2017 £
Income from shares in group undertakings	3,000,000	1,500,000
<b>Profit before taxation</b>	<b>3,000,000</b>	<b>1,500,000</b>
Taxation on profit	-	-
<b>Profit for the financial year</b>	<b>3,000,000</b>	<b>1,500,000</b>

There was no other comprehensive income in either period.

All income and profit received by Northern Trust Group 2 is exempt from tax.

Notes from pages 9 to 10 form an integral part of the financial statements.



## Balance Sheet

as at 31 March 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Investments	2	28,150,019	28,150,019
<b>Net assets</b>		<u>28,150,019</u>	<u>28,150,019</u>
<b>Capital and reserves</b>			
Called up share capital	3	28,150,019	28,150,019
Profit and loss account		-	-
<b>Equity shareholders' funds</b>		<u>28,150,019</u>	<u>28,150,019</u>

Approved by the board of directors on 11 July 2018 and signed on its behalf by:



ML Widders  
Director

Registered number 09032106

Notes from pages 9 to 10 form an integral part of the financial statements.

## Statement of Changes in Equity

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 April 2016	28,150,019	-	28,150,019
<b>Total comprehensive income for the period</b>			
Profit for the period	-	1,500,000	1,500,000
<b>Transactions with owners recorded directly in equity</b>			
Dividends paid	-	(1,500,000)	(1,500,000)
<b>Balance at 31 March 2017</b>	<b>28,150,019</b>	<b>-</b>	<b>28,150,019</b>
	£	£	£
Balance at 1 April 2017	28,150,019	-	28,150,019
<b>Total comprehensive income for the period</b>			
Profit for the period	-	3,000,000	3,000,000
<b>Transactions with owners recorded directly in equity</b>			
Dividends paid	-	(3,000,000)	(3,000,000)
<b>Balance at 31 March 2018</b>	<b>28,150,019</b>	<b>-</b>	<b>28,150,019</b>

Notes from pages 9 to 10 form an integral part of the financial statements.

## Notes to the financial statements

### 1 Statement of accounting policies

#### *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*") as issued in August 2014. All amounts in the financial statements have been rounded to the nearest £.

The Company's parent undertaking, Northern Trust Group 1 Limited, includes the Company in its consolidated financial statements. 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.
- Related Party Transactions

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements are prepared on the historical cost basis.

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 holding company. The directors, having considered the company's identifiable risks, working capital requirements and the availability of finance, are of the opinion that the Company is a going concern. The accounts have been prepared on this basis.

#### *Investments*

##### *Investments in subsidiaries*

Investments are stated at cost less provision for any impairment.

#### *Taxation*

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Full provision is made for deferred taxation in accordance with FRS 102 where appropriate.

## Notes (continued)

### 2 Investments

The operating subsidiaries and associated undertakings at 31 March 2018 are set out below. All operate in the United Kingdom and are registered in England.

Subsidiary undertakings	Class of capital and percentage held	Activity
Northern Trust Group Limited*	Ordinary 100%	Holding Company
Northern Trust Company Limited	Ordinary 100%	Property investment
Metacre Limited	Ordinary 100%	Land investment
Whittle Jones Group Limited	Ordinary 100%	Chartered surveyors
Victory Park Holdings Limited	Ordinary 100%	Property investment
Cairn Hotels Limited	Ordinary 100%	Property investment
Lanley Developments Limited	Ordinary 100%	Develops and sells residential housing
Brad Estates Limited	Ordinary 100%	Property investment

\*Interest held directly by Northern Trust Group 2 Limited

Shares in subsidiary companies	2018 £	2017 £
At start and end of the period	28,150,019	28,150,019

### 3 Called up share capital

	2018 £	2017 £
<i>Allotted and fully paid</i>		
28,150,019 ordinary shares of £1 each	28,150,019	28,150,019

### 4 Ultimate parent Company

The parent company in the UK is Northern Trust Group 1 Limited, a company registered in England and Wales. The consolidated financial statements of Northern Trust Group 1 Limited are available to the public and may be obtained from:

The Registrar of Companies  
 Companies House  
 Crown Way  
 Cardiff  
 CF14 3UZ

The company's ultimate parent company is Wordon Limited which is incorporated in the Isle of Man and is wholly-owned by the family interests of Mr TJ Hemmings. Wordon Limited does not prepare consolidated financial statements.