



NORTHERN TRUST

Northern Trust Securities LLP

Members' Report and Financial Statements

For the Year Ended 31 December 2017



Registered number: OC324323

General Information

Designated Members

The Northern Trust International Banking Corporation
Northern Trust Equities Limited

LLP registered number

OC324323

Registered office

50 Bank Street, Canary Wharf, London, E14 5NT

Independent auditors

KPMG LLP, 15 Canada Square, London, E14 5GL

Contents

	Page
Members' Report	1 - 2
Members' Responsibilities Statement	3
Independent Auditors' Report	4
Profit and Loss Account	5
Statement of Comprehensive Income	5
Balance Sheet	6
Reconciliation of Members' interests	7
Notes to the Financial Statements	8 - 25

Members' Report For the Year Ended 31 December 2017

The Members present their annual report together with the audited financial statements of Northern Trust Securities LLP (the "LLP") for the ended 31 December 2017.

Principal activities

The principal activities of the LLP comprise the provision of brokerage execution and research services. The LLP is located in London and has a branch in Australia.

Business Review

The LLP experienced a number of events during the year ended 31 December 2017 which impacted the business performance and operations. The business has continued with its integration into the Northern Trust group and in Q4 2017 entered into revised clearing arrangements with BNP Paribas in anticipation of Markets in Financial Instruments Directive ("MiFID2"). EMEA and APAC markets remained challenging with volumes and activity lower than expected but the LLP has focused on developing a Program Trading (PT) platform which has shown positive results in the later part of 2017 and it continues with the implementation of an Integrated Trading Solutions (ITS) model.

Key Performance Indicators

The key performance indicators used by the Members to determine the progress and performance of the LLP are in revenue figures, operating profit margins and levels of earnings in both trading and brokerage.

During the year under review, the LLP recognised £11,063,464 (31 December 2016: £8,242,879) of revenue and £1,816,171 (31 December 2016: £1,292,287) of operating profit. The brokerage write offs, foreign exchange, settlement and related interest costs amounted to 0.7% (31 December 2016: 1.2%) of revenue. The profit for the period before Members' remuneration, profit shares and taxation was £1,818,513 (31 December 2016: £1,291,866).

Post Balance Sheet events

The implementation of the EU's MiFID2, has applied in large part since 3 January 2018. This has affected many of the investment markets in which the LLP provides services and the way it transacts with market counterparties and other clients. Final rules and guidance on the application of MiFID2 are yet to be published, and so we anticipate continuing development in the application of the rules into 2018.

There have been no other significant events affecting the LLP since the year end.

Financial Risk Management

The LLP's activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the business, and operational risks are an inevitable consequence of this. The LLP aims to achieve an appropriate balance between risk and return and to minimise potential adverse effects on the LLP's financial performance. Enterprise-wide risk management oversight is maintained through the Market and Liquidity Risk Committee ("ALCO") and the Credit Risk Committee, the Fiduciary Risk Committee, the Operational Risk Committee and the Compliance and Ethics Committee of the ultimate parent company. Risk is assessed and managed by these committees under the Risk Management Policies approved by the Northern Trust Corporation's Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, liquidity risk, foreign exchange risk, operational risk and credit risk. The Internal Audit function of the Northern Trust Corporation is responsible for the independent review of both risk management and the control environment of the LLP.

The LLP also operates a Management Committee ("MC"), created by the LLP Agreement and governed by terms of reference approved at LLP Members' meeting. The MC may take decisions on any matters relating to the day-to-day management and control of the LLP provided such matters are not reserved to the LLP Members. It may delegate any function to another NT individual or entity and has reporting lines to the EMEA Executive Management Committee ("EMC"), which has strategic oversight of all NT entities in EMEA. Regional risk matters are considered at a sub-committee of the EMC called the EMEA Risk Committee and so MC may be required to report there as necessary.

Pillar 3 Disclosures

The LLP is authorised and regulated by the Financial Conduct Authority ("FCA"), and as such is required to publish on an annual basis a set of Pillar 3 disclosures. These disclosures are related to market discipline and aim to make firms more transparent by requiring them to publish prescribed details of their risks, capital and risk management. The LLP's most recent set of disclosures are published on the Northern Trust Corporation website and may be found at the following address:

<http://www.northerntrust.com/about-us/investor-relations/financial-information/sec-regulatory-filings>.

Members' Report (continued)
For the Year Ended 31 December 2017

Designated Members

The designated Members during the year under review were:

Northern Trust Equities Limited
The Northern Trust International Banking Corporation

Financial resources and going concern

The LLP's business activities and other factors likely to affect its future development and position are outlined within this Members' Report. The LLP has made a profit for 2017 and is projected to continue to generate positive cash flows in the medium term. The LLP participates in the Northern Trust Corporation group's centralised treasury arrangements and therefore shares banking arrangements with its parent and fellow subsidiaries. Consideration has been given to the financial position of the LLP's ultimate parent, Northern Trust Corporation, reported in the quarterly earnings releases. The LLP is expected to continue with current banking arrangements.

On the basis of their assessment of the LLP's financial position and assurance from the Northern Trust Corporation that it will continue at all times to provide the LLP with sufficient liquidity and funding to remain a going concern, the LLP's Members have a reasonable expectation that the LLP will be able to continue in operational existence for the foreseeable future. The LLP is evaluating the uncertainties and impact to its business around the United Kingdom (UK) leaving the European Union, otherwise known as "Brexit". The Members continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Members' capital and interests

Details of changes in Members' capital in the year ended 31 December 2017 are set out in the financial statements.

Members may contribute further capital which they determine shall be required for the purposes of the LLP.

The management committee shall allow drawings to be made quarterly in arrears by a member on account of their entitlement to share in the profits. This is only allowed where cash requirements of the business do not compete with the need to allow cash drawings by Members.

In respect of each accounting period, profits shall be allocated as agreed by the designated Members.

Members' capital may not be redeemed except on the winding up of the LLP, or where an equal amount is transferred to another such account by a former fellow member or a person replacing them as a member, or where the LLP ceases to be authorised by the FCA.

Disclosure of information to auditors

The Members at the time when this Members' Report is approved have confirmed that:


- so far as that Member is aware, there is no relevant audit information of which the LLP's auditors are unaware, and
- that Member has taken all the steps that ought to have been taken as a Member in order to be aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

Political donations

The Company made no political donations and incurred no political expenditure during the year (2016: Nil).

Auditors

KPMG LLP have indicated their willingness to continue in office. The Designated Members will propose a motion re-appointing the auditors at a meeting of the Members.


The Northern Trust International Banking Corporation
Designated Member
Date: 17 April 2018


Northern Trust Equities Limited
Designated Member
Date: 17 April 2018

**Members' Responsibilities Statement
For the Period Ended 31 December 2017**

The Members are responsible for preparing the Members' report and the financial statements in accordance with applicable law and regulations.

Company law, as applied to LLPs, requires the Members to prepare financial statements for each financial year. Under that law the Members 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, as applied to LLPs, the Members 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 LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 Members are responsible for keeping adequate accounting records that are sufficient to show and explain the entity's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable him to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of Northern Trust Securities LLP

We have audited the financial statements of Northern Trust Securities LLP for the year ended 31 December 2017, set out on pages 5 to 25. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the LLP's Members in accordance with the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's Members those matters we are required to state to them in an Auditors' 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 LLP and the LLP's Members for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Members and Auditors

As explained more fully in the Members' Responsibilities Statement on page 3, the Members is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the LLP's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated Members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Members' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 December 2017 and of its profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006, as applied to limited liability partnerships, requires us 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
- we have not received all the information and explanations we require for our audit.

Mike Peck

**Michael Peck (Senior Statutory Auditor)
for and on behalf of KPMG LLP**

15 Canada Square
London
E14 5GL

17 April 2018

**Profit and Loss Account
For the Year Ended 31 December 2017**

		12 Months ended 31 December 2017 £	9 Months ended 31 December 2016 £
	Note		
Turnover	4	11,063,464	8,242,879
Cost of sales		(1,403,859)	(972,779)
Gross profit		9,659,605	7,270,100
Administrative expenses	6	(7,938,612)	(6,052,357)
Other operating income	5	95,178	80,569
Loss on disposal of investments	11	-	(6,025)
Operating profit		1,816,171	1,292,287
Interest receivable and similar income	9	2,342	166
Interest payable and similar charges	10	-	(587)
Profit for the financial year/period before Members' remuneration, profit shares and taxation		1,818,513	1,291,866
Taxation	13	(52,149)	-
Profit for the financial year/period after taxation and before Members' remuneration and profit shares		1,766,364	1,291,866
Profit for the year/period before Members' remuneration and profit shares		1,766,364	1,291,866
Members' remuneration charged as an expense		-	(386,963)
Profit for the financial year/period available for discretionary division among Members		1,766,364	904,903

The notes on pages 8 to 25 form part of these financial statements.

**Statement of Comprehensive Income
For the Period Ended 31 December 2017**

	12 Months ended 31 December 2017 £	9 Months ended 31 December 2016 £
Profit for the financial year/period	1,766,364	904,903
Other comprehensive income	-	-
Total comprehensive income for the year/period	1,766,364	904,903

Balance Sheet
As at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Deferred expenses		14,124	32,959
Security deposits	14	2,074,195	324,195
		<u>2,088,319</u>	<u>357,154</u>
Current assets			
Debtors within one year	16	1,745,360	1,959,558
Cash at bank and in hand	17	4,650,683	6,325,882
		<u>6,396,043</u>	<u>8,285,440</u>
Creditors: Amounts falling due within one year	18	(1,806,845)	(3,731,441)
Net current assets		<u>4,589,198</u>	<u>4,553,999</u>
Total assets less current liabilities		<u>6,677,517</u>	<u>4,911,153</u>
Net assets		<u>6,677,517</u>	<u>4,911,153</u>
Represented by:			
Members' other interests			
Members' capital classified as equity		4,006,250	4,006,250
Other reserves		2,671,267	904,903
		<u>6,677,517</u>	<u>4,911,153</u>
Total members' interests			
Members' interest		<u>6,677,517</u>	<u>4,911,153</u>

The financial statements were approved and authorised for issue by the Members and were signed on their behalf on 17 April 2018.



The Northern Trust International Banking Corporation
Designated Member



Northern Trust Equities Limited
Designated Member

Registered Number: OC324323

The notes on pages 8 to 25 form part of these financial statements.

**Reconciliation of Members' Interests
As at 31 December 2017**

	Equity Members' other interest	Other reserves	Total	Debt Loans and other debts due to Members' less any amounts due from Members' in debtors	Total Members' Interests
Balance at 31 March 2016	1,406,250	-	1,406,250	216,940	1,623,190
Members's remuneration charged as an expense	-	-	-	386,963	386,963
Profit for the financial period available for discretionary division among Members	-	904,903	904,903	-	904,903
Members interests after profit for the period	1,406,250	904,903	2,311,153	603,903	2,915,056
Introduced by Members	2,600,000	-	2,600,000	-	2,600,000
Drawings	-	-	-	(549,186)	(549,187)
*Other movements	-	-	-	(54,717)	(54,717)
Balance at 31 December 2016	4,006,250	904,903	4,911,153	-	4,911,153
Balance at 31 December 2016	4,006,250	904,903	4,911,153	-	4,911,153
Members's remuneration charged as an expense	-	-	-	-	-
Profit for the financial period available for discretionary division among Members	-	1,766,364	1,766,364	-	1,766,364
Members interests after profit for the period	-	1,766,364	1,766,364	-	1,766,364
Amounts due to Members	-	-	-	-	-
Amounts due from Members	-	-	-	-	-
Balance at 31 December 2017	4,006,250	2,671,267	6,677,517	-	6,677,517

*Other movements represents the amounts due to former members as at 31 December 2016 re-classed to accrued expenses.

Notes to the Financial Statements For the Period Ended 31 December 2017

1. General information

Northern trust Securities LLP is a limited liability partnership incorporated in England and Wales. Its registered office and principal place of business is 50 Bank Street, Canary Wharf, London, E14 5NT.

Details of the LLP's principal activities and nature of operations are disclosed in the Report of the Members.

On 21 July 2016, the LLP Members' resolved to amend the accounting reference date from 31 March to 31 December. This was in order to bring the fiscal year end of the LLP in line with other Northern Trust legal entities' accounting reference dates. The current financial reporting period covers the twelve months from 1 January 2017 to 31 December 2017 ("year"). The comparative financial reporting period covers the nine months from 1 April 2016 to 31 December 2016 ("period").

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, the Companies Act 2006 as applied by the Limited Liability Partnerships Regulations 2009 and the requirements of the Statement of Recommended Practice ("SORP") "Accounting by Limited Liability Partnerships".

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the LLP's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The LLP has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d); and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7

This information is included in the consolidated financial statements of the Northern Trust Corporation as at 31 December 2017 and these financial statements may be obtained from Northern Trust Corporation, 50 South LaSalle Street, Chicago, Illinois.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is recognised in relation to separately identifiable components of a single transaction when necessary to reflect the substance of the arrangement and in relation to two or more linked transactions when necessary to understand the commercial effect.

2.4 Financial Instruments

The LLP recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The LLP's accounting policies in respect of financial instruments transactions are explained below:

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances.

Notes to the Financial Statements For the Period Ended 31 December 2017

2. Accounting policies (continued)

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Impairment

Financial assets (including trade and other debtors)

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 estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Reversals of impairment

If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the loan impairment allowance account accordingly. The write-back is recognised in the income statement.

Non-financial assets

The carrying amounts of the LLP's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when, and only when, the LLP has a legal right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.5 Going concern

On the basis of their assessment of the LLP's financial position and assurance of liquidity support from the Northern Trust Corporation, the LLP's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Notes to the Financial Statements
For the Period Ended 31 December 2017****2. Accounting policies (continued)****2.6 Interest income and expense**

Interest income and expense for all interest-bearing financial instruments are recognised in 'Interest receivable' and 'Interest payable' in the profit and loss account using the effective interest rates of the financial assets or financial liabilities to which they relate.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments earned or paid on a financial asset or liability through its expected life or where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The effective interest rate includes all estimated cash flows considering the contractual terms of the financial instrument, but excludes the risk of future credit losses.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

2.8 Taxation

Tax to be paid on the profits arising in the LLP's Australia branch are the tax liabilities on the LLP and are included as a tax charge within these financial statements. Tax to be paid on the profits arising in the UK are the tax liabilities on the Members of the LLP and therefore not included as a tax charge within these financial statements.

2.9 Operating lease expense

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease.

Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense over the term of the lease, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.10 Comparatives

To the extent necessary the comparatives have been adjusted to facilitate changes in the presentation of the current period amounts.

2.11 Foreign currency translation**Functional and presentation currency**

The LLP's functional and presentational currency is Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and Loss Account within 'other operating income'.

**Notes to the Financial Statements
For the Period Ended 31 December 2017**
2. Accounting policies (continued)
2.12 Pensions
Defined contribution pension plan

Prior to 1 May 2016, the LLP operated a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the LLP pays fixed contributions into a separate entity. Once the contributions have been paid the LLP has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Any amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the LLP in independently administered funds.

2.13 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the LLP has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

2.14 Members' capital

Members' capital is classified as equity in accordance with FRS 102 and the SORP. Repayment of Members' capital is governed by the partnership agreement dated 1 May 2016.

2.15 Transfer of Members' interests

During the period there were no transfer from Members' capital interests to debts due to Members.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements have had the most significant effect on amounts recognised:

Transfer pricing

The determination of transfer pricing is made using an "arm's-length" standard that tests what would have occurred in comparable circumstances between comparable, unrelated taxpayers. Judgement is required with regards to the appropriate methodology and verification of reasonableness. Further details are contained in note 15.

4. Turnover

The turnover is comprised solely of brokerage execution and research services.

	Year ended 31 December 2017 £	Period ended 31 December 2016 £
Brokerage execution	9,155,610	5,991,160
Research services	1,907,854	2,251,719
	11,063,464	8,242,879

**Notes to the Financial Statements
For the Period Ended 31 December 2017**
5. Other operating income

	Year ended 31 December 2017 £	Period ended 31 December 2016 £
Foreign exchange difference - gain	95,178	80,569
	95,178	80,569

6. Administrative expenses

	Year ended 31 December 2017 £	Period ended 31 December 2016 £
Staff costs (note 8)	-	195,376
Operating lease rentals	33,053	(163,628)
Depreciation	-	4,204
Transfer pricing (note 15)	5,834,121	4,423,209
Other administrative expenses	2,071,438	1,593,196
	7,938,612	6,052,357

* On 6 October 2016 the LLP assigned its leased premises at 1st Floor, 22 Ganton Street, London W1F 7FD to a third party including transferring all future minimum lease payments to the assignee. This resulted in the reversal of remaining rent free period liability.

** From 1 May 2016, the LLP has been included in the Northern Trust Corporation group's policies and procedures. The impact of which, on administrative expenses, is the majority of direct administrative expenses (excluding Transfer Pricing) are borne by fellow group undertakings. The administrative expenses of the group as a whole are recharged back to the LLP through the Northern Trust Transfer Pricing methodology explained in note 15.

7. Auditors' remuneration

	Year ended 31 December 2017 £	Period ended 31 December 2016 £
Statutory audit	39,000	72,000
Audit related services	22,000	14,000
	61,000	86,000

**Notes to the Financial Statements
For the Period Ended 31 December 2017**
8. Staff numbers and costs

The average number of persons employed by the LLP during 2017 was Nil (2016: 2).

	Year ended 31 December 2017 £	Period ended 31 December 2016 £
Wages and salaries	-	168,192
Social security costs	-	22,422
Cost of defined contribution scheme	-	4,762
	<u>-</u>	<u>195,376</u>

The employees of the LLP were transferred to a fellow group undertaking in 2016. Prior to the transfer taking place on 1 May 2016, employees received a salary and discretionary annual bonus.

9. Interest receivable

	Year ended 31 December 2017 £	Period ended 31 December 2016 £
Interest receivable from banks	<u>2,342</u>	<u>166</u>

10. Interest payable and similar charges

	Year ended 31 December 2017 £	Period ended 31 December 2016 £
Bank overdraft interest payable	<u>-</u>	<u>587</u>
	<u>-</u>	<u>587</u>

Notes to the Financial Statements
For the Period Ended 31 December 2017
11. Loss on disposal of investments

	Year ended 31 December 2017 £	Period ended 31 December 2016 £
Loss on disposal of investment in Aviate Global Holdings Limited	-	40,130
Profit on disposal of investment in Aviate Global Asia Limited	-	(34,105)
	-	6,025

On 1 May 2016 the LLP sold its investments as per the following:

Aviate Global Holdings Limited

The LLP sold its 100% (£67) holding, representing \$100 of Ordinary Share Capital, in Aviate Global Holdings Limited, a holding company incorporated in the United States, for net book value to Northern Trust Securities Incorporated. The sale was settled in cash, realising a loss on disposal, of £40,130.

Aviate Global Asia Limited

The LLP sold its 51% (£314,257) holding, representing HKD \$4,080,000 of Ordinary Share Capital, in Aviate Global Asia Limited, a brokerage company incorporated in Hong Kong, for net book value to the Northern Trust Company Hong Kong Limited. The sale was settled in cash, realising a gain on disposal, of £34,105.

12. Information in relation to members

All profits are divided among Members' after the end of the period in accordance with established profit sharing arrangements.

The average number of Members' during 2017 was 2 (the period to 31 December 2016: 3).

The profit attributable to the highest payable Member was £1.8m (31 December 2016: £0.9m). This amount includes Members' remuneration, allocated and unallocated profits for the financial period attributable to Members based on their respective capital contributions.

The LLP is subject to the FCA's Remuneration Code ("the Code"). The LLP is required to establish, implement and maintain remuneration policies, practices and procedures that are consistent with and promote effective risk management. Details of which can be found in the set of Pillar 3 disclosures published at the following address:

<http://www.northerntrust.com/about-us/investor-relations/financial-information/sec-regulatory-filings>

The FCA has adopted a four-tiered approach to proportionality when applying the requirements of the Code and the LLP falls under Tier 3 due to its size. The LLP is not therefore required to apply the most prescriptive remuneration structures.

The LLP is an institutional execution-only stockbroker which is remunerated through client commissions and does not undertake proprietary trading. The risk profile of the LLP's business together with its corporate structure allows the LLP which is a Limited Liability Partnership to determine the LLP's Remuneration Policy and its policy reflects its low risk profile. Partners are remunerated via profit share and therefore have a direct link to ownership and the profitability of the LLP. The Partners' remuneration is separately disclosed in the profit and loss account.

The LLP has performed the following as part of its compliance with the Code; established its proportionality tier, determined which Code rules to apply to it; identified and listed its Code staff and completed the FCA Remuneration Policy Statement.

The employees of the LLP were transferred to a fellow group undertaking within the Northern Trust Corporation group on 1 May 2016. Prior to the transfer taking place, employees received a salary and discretionary annual bonus. The aggregate remuneration of the LLP's senior management and staff Members whose actions have a material impact on the risk profile of the LLP is presented in the the LLP's most recent set of Pillar 3 disclosures.

**Notes to the Financial Statements
For the Period Ended 31 December 2017**
13. Taxation

	31 December 2017 £	Period ended 31 December 2016 £
Corporation tax		
Current tax on profits for the year (UK and overseas branch)	52,149	-
Adjustments in respect of previous periods	-	-
Total current tax	52,149	-
Tax on profit on ordinary activities	52,149	-

Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19.25% (2016: Nil). The differences are explained below:

Profit on ordinary activities before tax	1,818,513	-
Current tax at 19.25% (2016: Nil)	350,064	-
Effects of:		
UK profits subject to tax in the hands of the members	(277,141)	-
Foreign brought forward losses utilised in the period	(39,112)	-
Differences between UK and overseas tax rates	18,881	-
Foreign exchange differences	(543)	-
Total tax charge for the period	52,149	-

14. Security deposits

	31 December 2017 £	31 December 2016 £
Clearing firm deposit	2,000,000	250,000
Refundable security deposit	74,195	74,195
	2,074,195	324,195

**Notes to the Financial Statements
For the Period Ended 31 December 2017**
15. Transfer Pricing

Transfer pricing generally refers to the determination of compensation for transactions conducted between commonly controlled taxpayers. The determination of an appropriate level of compensation is relevant for all transactions between affiliates for the provision of services, the utilisation of intellectual property and / or intercompany financing. This determination is made using an "arm's-length" standard that tests what would have occurred in comparable circumstances between comparable, unrelated taxpayers.

The Northern Trust Corporation group ("the Group") global transfer pricing methodology uses a residual profit split approach that allocates profit by providing appropriate recognition of each entity's contribution, revenues and expenses, its function in the Group, and its assets and risk profile. The framework also accounts for the fact that each Group service line may engage multiple affiliates to perform functions of varying complexity and value.

The residual profit split methodology framework starts with Group global revenue which is first used to reimburse most direct costs of affiliates with a routine margin. The remaining profit is then split into product related profit pools which are in turn allocated to affiliates, such as the LLP, using product specific allocation keys. The allocation keys are reflective of the economics of the Group's lines of business. The determination of the allocation keys begins with an evaluation of the metrics that represent contributions made by the various entities with respect to each product line. Allocation keys will be reassessed periodically to ensure that these continue to be representative.

	Year ended 31 December 2017 £	Period ended 31 December 2016 £
Amounts transferred to the global transfer pricing pool	(10,939,750)	(7,467,395)
Re-imbursement of expenses, plus mark-up	3,966,181	2,257,133
Profit pool allocation	1,139,448	787,053
Transfer pricing allocation for the LLP	(5,834,121)	(4,423,209)

From 1 May 2016, the LLP has been included in the Group's global transfer pricing methodology. Prior to this date, the LLP held separate arrangements with each of its former related parties. For additional information on direct related party recharges before 1 May 2016 see the Related Party Transactions Note 22.

**Notes to the Financial Statements
For the Period Ended 31 December 2017**
16. Debtors

	31 December 2017 £	31 December 2016 £
Trade debtors	75,507	192,359
Accrued fee income	466,940	1,347,823
Amounts owed by group undertakings	682,700	337,917
Prepayments	18,834	33,597
Other debtors	461,744	47,862
Taxation receivable	39,635	-
	<u>1,745,360</u>	<u>1,959,558</u>

17. Cash and cash equivalents

	31 December 2017 £	31 December 2016 £
Cash at bank and in hand	4,650,683	6,325,882
	<u>4,650,683</u>	<u>6,325,882</u>

18. Creditors: Amounts falling due within one year

	31 December 2017 £	31 December 2016 £
Trade creditors	370	51,575
Amounts owed to group undertakings	926,897	3,409,532
Other creditors	828,373	215,617
Accrued expenses	51,205	54,717
	<u>1,806,845</u>	<u>3,731,441</u>

**Notes to the Financial Statements
For the Period Ended 31 December 2017**
19. Country by country

All of the information disclosed below is in respect of Northern Trust Securities LLP and its branch.

For the period ended 31 December 2017:

	UK	Sydney Branch	Total
Number of employees *	-	-	-
			Total
	£	£	£
Turnover	10,334,101	729,363	11,063,464
Profit before tax	1,439,694	378,819	1,818,513
LLP tax b/f	-	-	-
Accruals	-	52,824	52,824
Payments	-	(92,458)	(92,458)
LLP tax c/f	-	(39,634)	(39,634)

For the period ended 31 December 2016:

	UK	Sydney Branch	Total
Number of employees*	2	-	2
			Total
	£	£	£
Turnover	7,688,829	554,050	8,242,879
Profit before tax	1,154,813	137,053	1,291,866
LLP tax b/f	-	-	-
Accruals	-	-	-
Payments	-	-	-

Nature of services:

The principal activities of the LLP comprise the provision of brokerage execution and research services. The Australian office also undertakes the same activities as the UK.

* The average number of employees in 2017 was Nil in the UK. In 2016 period the average was 2. Since 1 May all UK employees are employed by a fellow group undertaking, Northern Trust Management Services Limited, and all Australian employees are employed by a fellow group undertaking, The Northern Trust Company Melbourne branch.

By setting out the schedule above in accordance with The Capital Requirements (Country-By-Country Reporting), UK Regulation 2013, Section 2(8), Northern Trust Securities LLP has complied with the requirements.

**Notes to the Financial Statements
For the Period Ended 31 December 2017**

20. Financial instruments

(a). Fair values of financial instruments

The table below analyses financial instruments, into a value hierarchy based on the inputs used to determine fair value.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Notes to the Financial Statements
For the Period Ended 31 December 2017

The fair values of all financial assets and financial liabilities by class together with their carrying amounts shown in the balance sheet are as follows:

	31 December 2017					31 December 2016				
	Carrying amount £	Fair value £	Level 1 £	Level 2 £	Level 3 £	Carrying amount £	Fair value £	Level 1 £	Level 2 £	Level 3 £
Loans, receivables, cash and cash equivalents										
Cash and cash equivalents	4,650,683	4,650,683	4,650,683	-	-	6,325,882	6,325,882	6,325,882	-	-
Other loan and debtors	3,819,555	3,819,555	-	-	3,819,555	2,250,156	2,250,156	-	-	2,250,156
Total loans, receivables, cash and cash equivalents	8,470,238	8,470,238	4,650,683	-	3,819,555	8,576,038	8,576,038	6,325,882	-	2,250,156
Total financial assets	8,470,238	8,470,238	4,650,683	-	3,819,555	8,576,038	8,576,038	6,325,882	-	2,250,156
	31 December 2017					31 December 2016				
	Carrying amount £	Fair value £	Level 1 £	Level 2 £	Level 3 £	Carrying amount £	Fair value £	Level 1 £	Level 2 £	Level 3 £
Financial liabilities measured at amortised cost										
Trade and other creditors	1,806,845	1,806,845	-	-	1,806,845	3,731,441	3,731,441	-	-	3,731,441
Total financial liabilities measured at amortised cost	1,806,845	1,806,845	-	-	1,806,845	3,731,441	3,731,441	-	-	3,731,441
Total financial liabilities	1,806,845	1,806,845	-	-	1,806,845	3,731,441	3,731,441	-	-	3,731,441
Total financial instruments	6,663,393	6,663,393	4,650,683	-	2,012,710	4,844,597	4,844,597	6,325,882	-	(1,481,285)

**Notes to the Financial Statements
For the Period Ended 31 December 2017****21. Pension commitments**

Prior to 1 May 2016, the LLP operated a defined contribution pension scheme solely for the benefit of employees. The assets of the scheme are held separately from those of the LLP in an independently administered fund.

There was no pension charge in 2017. The charge in 2016 represented contributions payable by the LLP to the fund. There were Nil (31 December 2016: Nil) outstanding contributions payable to the fund at the balance sheet date.

22. Related party transactions

The LLP has taken advantage of the exemption not to disclose related party transactions with wholly owned subsidiaries within the group.

On 1 May 2016, the LLP and NTEL were sold to the Northern Trust Corporation. The LLP and NTEL were then immediately sold on to TNTIBC, based upon which, TNTIBC and NTEL entered into a Limited Liability Partnership Agreement with the LLP.

As part of the reorganisation on 1 May 2016, the LLP sold its 100% (£67) investment, representing \$100 of Ordinary Share Capital, in Aviate Global Holdings Limited, a holding company incorporated in the United States, for net book value to Northern Trust Securities Incorporated, a wholly owned subsidiary within the group.

In addition, the LLP sold its 51% (£314,257) holding, representing HKD \$4,080,000 of Ordinary Share Capital, in Aviate Global Asia Limited ("AGAL"), a brokerage company incorporated in Hong Kong, for net book value to the Northern Trust Company Hong Kong Limited, a wholly owned subsidiary within the group.

Prior to the sale of the LLP and NTEL to TNTIBC on 1 May 2016 Air Platform Ltd ("AIR"), Northern Trust Equities Pty Limited (formerly Aviate Equities Pty Limited) ("NTEPL") and Northern Trust Convertibles LLP (formerly Aviate Convertibles LLP) ("NTC LLP") were related to the LLP by virtue of common control. For the current financial period to 1 May 2016, the LLP was related to NTC LLP by virtue of AIR being a member of NTC LLP. After the above mentioned sale, AIR is no longer related by virtue of common control. NTEPL and NTC LLP formed part of the above-mentioned sale to the Northern Trust Corporation and are wholly owned subsidiaries within the group.

Due to the sale and reorganisation, the relevant related party transactions disclosed relate only to the month of April, being the period before the above mentioned sale and restructuring on 1 May 2016.

For the year 2017, the LLP recharged Nil (9 months to 31 December 2016: £23,814.19) and charged commission of Nil (9 months to 31 December 2016: £32,232) to Northern Trust Securities (US) LLP (formerly Aviate Global (US) LLP) ("US LLP").

For the year 2017, the LLP incurred Nil (9 months to 31 December 2016: £20,165) for introduction commissions from the US LLP. In addition, a profit of nil (9 months to 31 December 2016: £7,584) was allocated to the LLP as a former member of the US LLP.

For the year 2017, the LLP incurred a management fee of Nil (9 months to 31 December 2016: £24,461) from AGAL, and recharged costs of Nil (9 months to 31 December 2016: £2,233) to AGAL.

For the year 2017, the LLP incurred a management charges of Nil (9 months to 31 December 2016: £36,513) from NTEPL, a company incorporated in Australia.

For the year 2017, the LLP settled expenses of Nil (9 months to 31 December 2016: £2,084.19) on behalf of NTC LLP.

**Notes to the Financial Statements
For the Period Ended 31 December 2017****23. Financial risk management****Introduction and overview**

This note presents information about the LLP's exposure to each of the risks in its risk profile: credit, liquidity, operational (including compliance and fiduciary risks), strategic, regulatory and market risk, as well as the LLP's objectives, policies and processes for measuring and managing risk, and finally the LLP's management of capital.

The Management Committee is responsible for monitoring compliance with the LLP and group's risk management framework in relation to risks faced by the LLP. The Management Committee is assisted in these functions by the Internal Audit Committee of the Northern Trust Corporation. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Northern Trust Corporation Audit Committee.

Risk management framework

The LLP employs the framework from its ultimate parent, the Northern Trust Corporation, which has a global structure and process for risk management. Local risk management, by the Management Committee and local risk oversight committees, uses this global corporate risk structure.

Risk management is carried out by the following Northern Trust committees: Market and Liquidity Risk, Credit Risk, Fiduciary Risk, Operational Risk, and the Compliance and Ethics Oversight. These committees provide risk appetite principles and detailed policies which are reviewed regularly to reflect changes in market conditions, products and services offered. These committees and the Management Committee, through training and management standards and procedures, aim to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

In addition to the above, the Executive Management Committee ("EMC") is responsible for the daily management and execution of the agreed strategies of Northern Trust Europe, Middle East and Africa ("EMEA") entities' businesses, including the LLP. The EMC has appointed the EMEA Risk Committee ("ERC") to review and assess all risks pertaining to Northern Trust entities within the EMEA region, including the LLP. There is also a regional risk council ("EMEA Capital Markets Risk Council") which is responsible for local specialized governance on operational and compliance issues impacting the market-facing activities of Northern Trust - including the brokerage activities of the LLP. This council reports every quarter to the ERC and the LLP Management Committee. There is a separate Business Unit Risk Committee ("NTSI Risk Committee") which is dedicated to the brokerage entities of Northern Trust and ensures risk management best practice is employed across similar or related activities.

The LLP's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the business, and the operational risks are an inevitable consequence of being in business. The LLP aims to achieve an appropriate balance between risk and return and to minimise potential adverse effects on the LLP's financial performance.

Operational risk (unaudited):

Operational risk is the risk of loss from inadequate or failed internal processes, people and systems or from external events. Operational risk typically arises when transaction activity is not executed, settled or recorded accurately, or on a timely basis, or where there has been a breach of contractual commitments with clients.

Management of operational risk (unaudited)

The LLP's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the LLP's reputation with overall cost effectiveness. Operational risks within the business are identified and assessed using various risk management programmes, including a standard Risk and Control Self-Assessment ("RCSA") process, to analyse the risks that are inherent in the business environment and processing activities and their respective internal control adequacy.

Management is of the view that the LLP's inherent operational risk is significantly mitigated by the Northern Trust Corporation's operational risk framework.

**Notes to the Financial Statements
For the Period Ended 31 December 2017**
(a). Credit risk

Credit risk is the risk of loss to the LLP if a customer or counterparty to a financial instrument fails to meet its contractual obligation. It arises principally from the LLP's cash deposits at its clearing broker or nostro banks and debtors arising from an indemnity given by the LLP to its clearing broker to step in should a client fail to meet its obligations to deliver stock or cash for trade settlement.

Credit risk management and monitoring

The LLP's clearing broker and nostro banks are assessed and approved on at least an annual basis by the relevant Northern Trust credit committee. In respect of client failure, this risk is assessed as part of the client onboarding process. There is also annual impact analysis of potential trade failures as part of the Pillar 2 capital assessment.

The LLP's objective is to maintain a 'low to moderate' credit risk exposure which it aims to achieve through its credit risk management process. The credit risk management and monitoring is conducted by specialised groups and is overseen by EMC.

Geographical sector

The following table breaks down the LLP's main credit exposure at their carrying amounts, as categorised by geographical region as at 31 December 2017. The table allocates exposures to regions based on the country of domicile of individual counterparties.

	Europe £	Australia £	Total £
Cash at bank	4,473,048	177,635	4,650,683
Security deposits	2,074,195	-	2,074,195
Debtors	1,262,568	482,792	1,745,360
As at 31 December 2017	7,809,811	660,427	8,470,238
Cash at bank	6,325,301	581	6,325,882
Security deposits	324,195	-	324,195
Debtors	1,641,237	284,724	1,925,961
As at 31 December 2016	8,290,733	285,305	8,576,038

Industry sector

The following table breaks down the LLP's main exposure at their carrying amounts, as categorised by the industry sectors of individual counterparties.

	Corporate £	Financial Institutions £	Total £
Cash at bank	-	4,650,683	4,650,683
Debtors	52,683	1,692,677	1,745,360
Security Deposits	74,195	2,000,000	2,074,195
As at 31 December 2017	126,878	8,343,360	8,470,238
Cash at bank	-	6,325,882	6,325,882
Debtors	47,449	1,878,512	1,925,961
Security Deposits	74,195	250,000	324,195
As at 31 December 2016	121,644	8,454,394	8,576,038

**Notes to the Financial Statements
For the Period Ended 31 December 2017**
Credit quality of financial assets and impairment losses

The aging of trade receivables at the balance sheet date was:

	Gross 2017 £	Gross 2016 £
Not past due	60,447	83,918
Past due 0-30 days	-	108,442
Past due 31-365 days	15,060	-
	<u>75,507</u>	<u>192,360</u>

(b). Liquidity risk
Liquidity risk management and monitoring

Liquidity risk is the risk of not being able to raise sufficient funds or collateral to meet balance sheet and contingent liability cash flow obligations when due, because of firm-specific or market-wide events.

Liquidity risk is believed to be minimal for the LLP. There are no customer deposits or borrowings that could lead to liquidity demands, only the management of day to day expenses of the LLP's business. A letter of liquidity support is also provided from the ultimate controlling party in addition to the adequate reserves and equity of the LLP.

(c). Market risk
Measurement and assessment of risk

Market risk is the potential for movements in market variables such as foreign exchange and interest rates to cause changes in the value of trading positions, in addition to the risk resulting from sensitivity of net interest income and market value of equity to interest rate changes.

The LLP is a fully matched broker, in other words, it does not hold any form of trading inventory as part of its business model. There is very limited exposure to FX rates as part of currency mismatches which is managed by a regular "sell-down" process.

(d). Capital management

The LLP is an IFPRU 50k limited licence firm supervised by the Financial Conduct Authority. The LLP seeks to maintain a strong capital and liquidity position to maintain investor, creditor and market confidence and to support future business development. LLP's capital resources consist of members' capital classified as tier 1 capital.

The LLP's capital position as at 31 December:

	31 December 2017 £	31 December 2016 £
Tier 1	4,006,250	4,006,250
Total capital	<u>4,006,250</u>	<u>4,006,250</u>

The LLP has complied with all externally imposed capital requirements throughout the period ended 31 December 2017.

**Notes to the Financial Statements
For the Period Ended 31 December 2017**

24. Subsequent events

The implementation of the EU's MiFID2, has applied in large part since 3 January 2018. This has affected many of the investment markets in which the LP provides services and the way it transacts with market counterparties and other clients. Final rules and guidance on the application of MiFID2 are yet to be published, and so we anticipate continuing development in the application of the rules into 2018.

There have been no other significant events affecting the LLP since the year end.

25. Controlling party

The immediate controlling party of the LLP is the Northern Trust International Banking Corporation, incorporated in the United States of America.

The smallest and largest group in which the results of the LLP are consolidated is that headed by The Northern Trust Corporation, incorporated in the United States of America. The consolidated accounts of the Northern Trust Corporation are available to the public and may be obtained from Northern Trust Corporation, 50 South LaSalle Street, Chicago, Illinois. The ultimate controlling party in which the results of the LLP are consolidated is that headed by Northern Trust Corporation, incorporated in the United States of America. The consolidated accounts of this group are available to the public and may be obtained from Northern Trust Corporation, 50 South LaSalle Street, Chicago, Illinois.