Northern Trust Group Limited

Annual report and consolidated financial statements

Registered number 2776907

31 March 2024

Contents

Strategic report

Objectives

To operate a profitable and successful business providing returns to shareholders.

Strategy

The principal strategy of the group is to continue to invest in the property portfolio with selective acquisitions. The portfolio is actively managed by our asset managers in five offices around the UK. The focus is on void reduction, rental growth and maintaining the estate through a comprehensive planned maintenance program.

The land and development portfolio is held as stock and consists of a sizeable land bank and also includes significant third party land interests in which we invest to add value and realise disposal gains.

Performance during the year

Group turnover decreased to £64.7m *(2023: £67.7m)*.

Income from investment property rentals and related services totalled £61.6m (*2023: £57.1m*) driven by further improvement in the occupational market, whilst realisations of commercial and residential land have decreased to £3.1m (*2023: £10.6m*).

Profit before tax increased to a profit of £84.2m *(2023: £25.2m loss)*, after an investment property revaluation increase of £53.9m (*2023: £56.3m decrease*).

The result for the year including other comprehensive income was a profit of £63.0m *(2023: £17.5m loss)*.

The consolidated balance sheet has net assets of £477.6m (*2023: £425.6m*) including investment properties of £783.6m *(2023: £715.7m)*. Net debt increased to £235.8m (*2023: £232.2m*).

Position at the end of the year

The Group entered into bank facilities in April 2022 for a period of 7 years to April 2029. The Group and Company have a sound financial base and sufficient financial resources to meet the business's requirements.

Section 172 statement

In accordance with section 172(1) of the Companies Act 2006, in carrying out their duty to promote the success for its shareholders and in making key decisions, the directors have regard to the likely long term consequences of those decisions, employees' interests, other stakeholders including tenants and suppliers, the community and the environment and maintaining a reputation for high standards of business.

Likely long-term consequences of their decisions

The Northern Trust business has been operating under the same family ownership for 62 years. In considering all key decisions, the preservation and enhancement of long-term asset value and shareholder value are priorities of the directors.

Employees' interests

Further details on this are set out in the Directors' Report.

Fostering business relationships with suppliers, customers and others

Further details on this are set out in the Directors' Report.

Operational impacts on the community and environment

We engage with the local community through the planning process, supporting local charities and by providing employment. The directors and senior management are committed to protecting the environment by reducing GHG emissions as set out in the Directors' Report.

Strategic report *(continued)*

Key performance indicators

The directors monitor performance through the production of a detailed annual budget, which covers all trading companies in the Group, and the comparison of actual performance against this budget.

Additionally, the directors monitor key performance indicators to ensure they are within acceptable parameters, these include:

- Rental and occupancy levels
- Operating profit
- Progress of planning applications
- Cash generated from operating activities

The directors are satisfied with the performance against these key performance indicators in the period to 31 March 2024.

Principal risks and uncertainties

The main uncertainties associated with the business are the general level of economic activity, property rental yields and the level of interest rates. The directors believe that these present both risks and opportunities to the business.

The Group's principal activity is that of property investment, primarily within the multi-let industrial property sector. The Group has an investment property portfolio widely spread across geographic areas and with over four thousand tenants operating businesses across a range of economic sectors. 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 order of the board

ML Widders
Director

Lynton House
Ackhurst Park
Chorley
Lancashire
PR7 INY

10 July 2024

Directors' report

The directors present their report, together with the financial statements, for the year ended 31 March 2024.

Principal activities

The principal activities of the Group during the year were property investment, property development and land holding.

The Company's principal activity is as a holding company.

Results and dividends

The profit after taxation attributable to shareholders is £63,433,000 *(2023: £17,508,000 loss)* and has been transferred to reserves. £11,000,000 of dividends were declared in the current year (*2023: £3,000,000*).

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The Group has substantial financial resources and an investment property portfolio widely spread across geographic areas, with over four thousand tenants operating businesses across the range of economic sectors.

As a consequence, as set out in note 1, the directors believe that the Group is well placed to manage its business risks successfully. The directors have a reasonable expectation that the Group has adequate resources 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.

Directors

The directors who served during the period were as follows:
PL Hemmings
K Revitt
ML Widders

Employees' Interests

The Group recognises the importance of engaging employees to help them make their fullest contribution to the business, which is fundamental to achieving the Group's strategy and long-term objectives.

The Group's activities are geographically spread and local managers are responsible for employee relations and development on a day to day basis. This is supported by regular visits by senior executives who are available to explain and provide employees with information on matters of concern to them as employees and to enable their views to be taken into account.

Annual appraisals are carried out to ensure that employees are given adequate feedback on their performance, identify training requirements and progression opportunities.

The Group is committed to improving the skills of employees through training and development and through encouraging employees to feel valued and motivated to achieve their potential. When vacancies occur, the skills and experience of all relevant employees are assessed and wherever possible vacancies are filled by promotion from within the organisation.

Statistics relating to the average number of people employed by the Group during the year can be found in Note 9 to the accounts.

It is the policy and practice of the Group to give equal consideration to applications for employment from disabled persons having regard to the particular aptitudes and abilities of the applicants concerned. The services of any existing employee who becomes disabled are retained wherever practicable.

Business Relationships

The Directors recognise it is essential for the ongoing success and reputation of the business to develop strong relationships across its tenant, supplier and wider stakeholder community. In order to achieve this, it applies a structure to build relationships through head office and regional offices. The Directors and senior management consider the interests of the shareholder and all stakeholders at its regular board and management meetings and ensure that all stakeholders interests are considered when it is appropriate to do so.

Directors' report *(continued)*

Reporting of GHG Emissions

The statement reports the Group's GHG emissions for the period 1 April 2023 to 31 March 2024 in accordance with the Streamlined Energy and Carbon Reporting (SECR). The data has been calculated in accordance with SECR guidance and included GHG emissions for all assets and facilities under the Group's direct operational control. We have sourced our emissions factors from 2023 UK government GHG Conversion Factors for Company Reporting.

The intensity ratio is calculated using investment property turnover for the period 1 April 2023 to 31 March 2024. The Group's target is a 20% reduction in carbon emissions intensity by the year to 31 March 2025 against year to 31 March 2020 as a baseline. The Group has undertaken a number of energy efficient actions during the year, including implementing a number of recommendations from the audit reports commissioned under the Energy Savings Opportunities Scheme (ESOS).

	2024	2023
Global GHG Emissions Data in Tonnes CO2	**Tonnes CO2**	Tonnes CO2
Electricity	**634**	532
Gas	**360**	426
Diesel	**55**	144
Total CO2 emissions	**1,049**	1,102
	£000	£000
Turnover	**61,554**	57,089
Intensity CO2 Tonnes per Turnover	0.0170	0.0193

Global GHG emissions show a 5% reduction on last year in CO tonnes and a 12% decrease in intensity ratio.

Donations

The Group made charitable donations of £253,000 (2023: £250,000) in the year. The Group has not made any political donations in either year.

Charitable donations of £250,000 (2023: £250,000) were made to the Trevor Hemmings Foundation, which is a related party as set out in note 22.

In the year to March 2024 the Trevor Hemmings Foundation made grants and donations towards charitable organisations across its main areas of interest, these being:

- The treatment and research toward Chronic Diseases including cancer, Parkinson's disease and spinal injuries
- Children's charities including children's hospitals and schools for disabled children
- Support and Care Charities including support for carers and hospice care
- Racing and Animal Welfare Charities including support for injured jockeys and retired racehorses
- Other Charities including maritime rescue and emotional support charities.

Directors' report *(continued)*

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 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.

By order of the board

ML Widders
Director

10 July 2024

Lynton House
Ackhurst Park
Chorley, Lancs
PR7 1NY

Statement of directors' responsibilities in respect of the strategic report, the Directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the Group and parent Company 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 Group and parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial 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 Group and parent Company and of the Group's profit or loss of the Company for that period. In preparing each of the Group and parent Company 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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent 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 Group and parent 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 parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent 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 Group and to prevent and detect fraud and other irregularities.

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

Opinion

We have audited the financial statements of Northern Trust Group Limited (the "Company") for the year ended 31 March 2024 which comprise the Consolidated Profit and Loss Account and Other Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Cash Flow Statement 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 Group's and of the parent company's affairs as at 31 March 2024 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial 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 Group 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 Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a 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 Group's business model and analysed how those risks might affect the Group and Company's financial resources or 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 Group or 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 Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of directors and local management as to the Group'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.

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

Fraud and breaches of laws and regulations – ability to detect *(continued)*

Identifying and responding to risks of material misstatement due to fraud (continued)

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 Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unexpected accounts combinations and seldom used accounts.
- Assessing significant estimates for evidence of bias, including those relating to the revaluation of the Group's investment property portfolio and defined benefit obligation.

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 Group 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.

Secondly, the Group 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, property legislation and certain aspects of Company legislation recognising the nature of the Group'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.

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

Context of the ability of the audit to detect fraud or breaches of law or regulation (continued)

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

Strategic report and directors' report

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

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, 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.

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

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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.

Gareth Roberts

Gareth Roberts (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE
11th July 2024

Consolidated Profit and Loss Account and Other Comprehensive Income

for the year ended 31 March 2024

		2024			2023		
	Note	**Excluding investment property revaluation £000**	**Investment Property Revaluation £000**	**Total £000**	Excluding investment property revaluation £000	Investment Property Revaluation £000	Total £000
Turnover	*1,2*	**64,660**	**-**	**64,660**	67,683	-	67,683
Cost of sales		**(16,981)**	**-**	**(16,981)**	(18,812)	-	(18,812)
Gross profit		**47,679**	**-**	**47,679**	48,871	-	48,871
Administrative expenses	*4*	**(8,975)**	**-**	**(8,975)**	(8,650)	-	(8,650)
Other operating income	*3*	**215**	**-**	**215**	1	-	1
Investment property revaluation		**-**	**53,903**	**53,903**	-	(56,305)	(56,305)
Profit / (loss) before interest		**38,919**	**53,903**	**92,822**	40,222	(56,305)	(16,083)
Interest receivable and similar income	*5*	**811**	**-**	**811**	126	-	126
Interest payable and similar charges	*6*	**(9,419)**	**-**	**(9,419)**	(9,231)	-	(9,231)
Profit / (loss) before taxation		**30,311**	**53,903**	**84,214**	31,117	(56,305)	(25,188)
Taxation on profit / (loss)	*7*	**(7,681)**	**(13,100)**	**(20,781)**	(5,804)	13,484	7,680
Retained profit / (loss) for the financial year		**22,630**	**40,803**	**63,433**	25,313	(42,821)	(17,508)
Other comprehensive income							
Re-measurement of the net defined benefit asset	*19*	**(554)**	**-**	**(554)**	88	-	88
Deferred tax on pension scheme asset	*17*	**139**	**-**	**139**	(31)	-	(31)
		22,215	**40,803**	**63,018**	25,370	(42,821)	(17,451)

The notes on pages 17 to 34 form part of the financial statements.

Consolidated Balance Sheet

as at 31 March 2024

	Note	2024 £000	2024 £000	2023 £000	2023 £000
Fixed assets					
Tangible fixed assets	*11*		**787,339**		719,521
Current assets					
Stocks	*13*	**12,547**		12,014	
Debtors (including £6,048,000 (2023: £5,354,000) due after more than one year)	*14*	**17,539**		15,988	
Cash and cash equivalents	*15*	**32,546**		35,732	
		62,632		63,734	
Creditors: amounts falling due within one year	*16*	**(14,414)**		(14,278)	
Net current assets			**48,218**		49,456
Total assets less current liabilities			**835,557**		768,977
Creditors: amounts falling due after more than one year	*16*		**(285,394)**		(284,852)
Provisions for liabilities and charges	*17*		**(76,963)**		(63,354)
Pension surplus	*19*		**4,383**		4,794
Net assets			**477,583**		425,565
Capital and reserves					
Called up share capital	*18*		**28,150**		28,150
Investment property revaluation reserve			**305,626**		264,823
Profit and loss account			**143,807**		132,592
Equity shareholders' funds			**477,583**		425,565

Approved by the board of directors on 10 July 2024 and signed on its behalf by:

ML Widders
Director

Registered number 2776907

The notes on pages 17 to 34 form part of the financial statements.

Company Balance Sheet
as at 31 March 2024

	Note	2024		2023	
		£000	**£000**	£000	£000
Fixed assets					
Investments	*12*		**30,317**		30,317
			30,317		30,317
Current assets					
Debtors (including £52,868,000 *(2023: £50,937,000)* due after more than one year)	*14*	**52,871**		50,940	
Cash and cash equivalents	*15*	**-**		-	
		52,871		50,940	
Creditors: amounts falling due within one year	*16*	**(28,672)**		(27,562)	
Net current assets			**24,199**		23,378
Total assets less current liabilities			**54,516**		53,695
Net assets			**54,516**		53,695
Capital and reserves					
Called up share capital	*18*		**28,150**		28,150
Profit and loss account			**26,366**		25,545
Equity shareholders' funds			**54,516**		53,695

Approved by the board of directors on 10 July 2024 and signed on its behalf by:

ML Widders
Director

Registered number 2776907

The notes on pages 17 to 34 form part of the financial statements.

Consolidated Statement of Changes in Equity

	Called up share capital £000	Revaluation reserve £000	Profit & loss account £000	Total equity £000
Balance at 1 April 2022	28,150	307,644	110,222	446,016
Total comprehensive income for the period				
Loss for the period	-	-	(17,508)	(17,508)
Investment property revaluation	-	(56,305)	56,305	-
Deferred tax on revaluation	-	13,484	(13,484)	-
Actuarial gain	-	-	88	88
Deferred tax on pension asset	-	-	(31)	(31)
Total comprehensive income for the period	-	(42,821)	25,370	(17,451)
Transactions with owners recorded directly in equity				
Dividends paid	-	-	(3,000)	(3,000)
Balance at 31 March 2023	**28,150**	**264,823**	**132,592**	**425,565**
Balance at 1 April 2023	28,150	264,823	132,592	425,565
Total comprehensive income for the period				
Profit for the period	-	-	63,433	63,433
Investment property revaluation	-	53,903	(53,903)	-
Deferred tax on revaluation	-	(13,100)	13,100	-
Actuarial loss	-	-	(554)	(554)
Deferred tax on pension asset	-	-	139	139
Total comprehensive income for the period	-	40,803	22,215	63,018
	28,150	305,626	154,807	488,583
Transactions with owners recorded directly in equity				
Dividends paid	-	-	(11,000)	(11,000)
Balance at 31 March 2024	**28,150**	**305,626**	**143,807**	**477,583**

The notes on pages 17 to 34 form part of the Financial Statements.

Company Statement of Changes in Equity

	Called up share capital £000	Profit & loss account £000	Total equity £000
Balance at 1 April 2022	28,150	24,754	52,904
Total comprehensive income for the period			
Profit for the period	-	3,791	3,791
Transactions with owners recorded directly in equity			
Dividends paid	-	(3,000)	(3,000)
Balance at 31 March 2023	**28,150**	**25,545**	**53,695**
Balance at 1 April 2023	28,150	25,545	53,695
Total comprehensive income for the period			
Profit for the period	-	11,821	11,821
Transactions with owners recorded directly in equity			
Dividends paid	-	(11,000)	(11,000)
Balance at 31 March 2024	**28,150**	**26,366**	**54,516**

The notes on pages 17 to 34 form part of the Financial Statements.

Consolidated Cash Flow Statement

for the year ended 31 March 2024

	2024 £000	2023 £000
Cash flows from operating activities		
Profit / (loss) for the year	**63,433**	(17,508)
Adjustments for:		
Depreciation, amortisation and impairment	**435**	394
Interest receivable and similar income	**(811)**	(126)
Interest payable and similar charges	**9,419**	9,231
Revaluation	**(53,903)**	56,305
Profit on sale of investment properties and fixed assets	**(215)**	(1)
Taxation	**20,781**	(7,680)
	39,139	40,615
(Increase) / decrease in trade and other debtors	**(2,140)**	1,249
Increase in stocks	**(533)**	(771)
Increase / (decrease) in trade and other creditors	**693**	(24,562)
Tax paid	**(6,457)**	(5,770)
Pension scheme contributions	**(150)**	(852)
Net cash from operating activities	**30,552**	9,909
Cash flows from investing activities		
Proceeds from sale of tangible fixed assets	**778**	625
Capital grants received	**206**	194
Interest received	**582**	18
Acquisition of tangible fixed assets	**(14,911)**	(19,361)
Net cash from investing activities	**(13,345)**	(18,524)
Cash flows from financing activities		
Interest paid	**(9,393)**	(8,842)
Proceeds from new loan	**-**	37,683
Dividends paid	**(11,000)**	(3,000)
Net cash from financing activities	**(20,393)**	25,841
Net (decrease) / increase in cash and cash equivalents	**(3,186)**	17,226
Cash and cash equivalents at 1 April 2023	**35,732**	18,506
Cash and cash equivalents at 31 March 2024	**32,546**	35,732

The notes on pages 17 to 34 form part of the Financial Statements.

Notes to the financial statements

1 Statement of accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, under the historical cost convention and within the requirements of the Companies Act 2006, with the exception of investment properties, which are measured at fair value.

The Group and parent company financial statements are prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

The parent company is included in the consolidated financial statements of Northern Trust Group 1 Limited and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company cash flow statement with related notes is included;
- Not to disclose transactions with subsidiary undertakings of Northern Trust Group 1 Limited; and
- Key Management Personnel compensation has not been included a second time.

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

Going concern

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

The principal factors which will affect the prospects of the Group are explained in the Strategic Report on page 1. At 31 March 2024, the Group had cash balances of £32.5m and recorded a profit (before revaluation gains on investment properties) of £22.6m for the year then ended. The Group had net current assets of £48.2m at 31 March 2024.

The Group's activities are funded through a combination of bank facilities and cash generated from operations. The bank facilities were entered into in April 2022 for a period of 7 years to April 2029 and have financial covenants associated with them. The bank loan covenants are interest cover, projected interest cover and loan to value. In the current and prior years the Group has complied with the terms of its bank 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 current uncertainty. 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.

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 Statement of accounting policies *(continued)*

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 31 March 2024.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the Company financial statements, investments in subsidiaries are carried at cost less impairment.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Turnover

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

Accounting estimates and judgements

The Directors, in application of these accounting policies, have made certain judgements and estimates that may have a significant effect on the financial statements. A key area of judgement made by the Directors in these financial statements has been the valuation of the Group's investment property estate at 31 March 2024.

The Directors revalue the entire estate to fair value at the balance sheet date. Fair value is determined for each property with reference to annual rental income and yield the Directors anticipate a market participant would apply in determining the value of a property. Assumptions in respect of the value for each property are adjusted for site specific factors such as property age, quality, condition, tenancy and location. These assumptions are further informed by third party valuations and other market based evidence, such as transactions for similar properties and wider sector transactions. Some properties will be valued in excess of the current rental and yield where short term factors mean rental income is below an expected level. Expected yields range between 4.00%-9.25% for the majority of the Group's estate. A change in the average multiple of 0.25 would result in an increase or decrease in the value of investment properties of 3.55%.

The Directors recognise that there is uncertainty regarding the assumptions adopted in determining the net pension asset at 31 March 2024 in relation to discount rates, inflation expectations and life expectancies for the period over which pension benefits will be paid until all members have left.

Notes *(continued)*

1 Statement of accounting policies *(continued)*

Investment properties and revaluation

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

The Directors value the investment property portfolio each year end in compliance with FRS 102 Section 16 and the Group's stated policy of revaluation. The value of the investment property estate is assessed by the Directors of the Group, who perform a detailed valuation exercise on an individual property basis utilising market data and their knowledge of the estate on a property by property basis. Whilst this valuation is internal and not carried out by an external specialist, the Directors consider that the individuals performing this valuation have considerable experience in the sector, have an in-depth knowledge of the portfolio and as such are the best placed to determine appropriate market values. Once determined, the valuation is reviewed and adopted by the Board. In accordance with FRS 102 section 16 gains and losses on revaluation are recognised in the profit and loss account.

Further details are included in the Accounting Estimates and Judgements note.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The Group assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The depreciation rates are as follows:

CCTV	- 10%
Plant and machinery	- 15%
Computer equipment	- 20%
Motor vehicles	- 25%

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost, including all relevant overhead expenditure, and net realisable value.

Notes *(continued)*

1 Statement of accounting policies *(continued)*

Government grants

Government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred. Where the grants relate to assets which are not depreciated, the grants are held as deferred income and released to the profit and loss account on sale of the assets to which they relate, the directors do not consider this to be materially different to the accruals method.

Employee benefits

Defined contribution plans and other long-term employee benefits

The Group operates defined contribution pension schemes for the benefit of certain of its employees. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Defined benefit plans

The Group operates a defined benefit pension scheme and the pension charge is based on a 'best estimate' basis, reflecting market expectations of financial yields and related factors at the balance sheet date. The fair value of any plan assets is deducted. The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability/(asset) taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA rated corporate bonds that have maturity dates approximating to the terms of the Group's obligations. A valuation is performed annually by a qualified actuary. The Group recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from the net interest on net defined benefit liability during the period are recognised in profit or loss.

Re-measurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable. Other interest receivable and similar income include interest receivable on funds invested. Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Notes *(continued)*

1 Statement of accounting policies *(continued)*

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.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For non-depreciable assets that are measured using the revaluation model, or investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

2 Turnover by income stream

	2024	2023
	£000	£000
Income from investment property rentals and related services	**61,554**	57,089
Income from realisation of commercial and residential land	**3,106**	10,594
	64,660	67,683

3 Other operating income

Other operating income forms part of the Group's normal trading activities and comprise the following:

	2024	2023
	£000	£000
Profit on disposal of investment properties	**215**	1
Profit on disposal of other fixed assets	**-**	-
	215	1

Notes *(continued)*

4 Expenses and auditor's remuneration

Administrative expenses include:	**2024**	2023
	£000	£000
Depreciation of fixed assets	**435**	394
Auditor's remuneration:		
Fees payable for the audit of the Company's annual accounts	**-**	-
Fees payable to the Company's auditor and its associates for other services:		
The audit of the Company's subsidiaries pursuant to legislation	**142**	117
Tax services (Company and subsidiaries)	**107**	100
Other services	**-**	-

5 Interest receivable and similar income

	2024	2023
	£000	£000
Bank interest receivable	**583**	18
Net interest receivable in respect of pension scheme	**228**	108
	811	126

6 Interest payable and similar charges

	2024	2023
	£000	£000
On bank loans and overdrafts	**9,419**	9,231
Net financing costs in respect of pension scheme	**-**	-
Total interest payable and similar charges	**9,419**	9,231

7 Taxation on profit / (loss) on ordinary activities

	2024	2023
	£000	£000
UK Corporation tax at 25% *(2023: 19%):*		
Current year	**7,115**	5,222
Adjustment relating to prior year	**(82)**	(399)
Total current tax charge for the year	**7,033**	4,823
Deferred tax		
Origination and reversal of timing differences	**13,947**	(9,855)
Adjustment in respect of prior period	**272**	507
Effect of change in tax rate	**(471)**	(3,155)
Total deferred tax charge /(credit) for the year	**13,748**	(12,503)
Total tax charge / (credit) for the year	**20,781**	(7,680)

Notes *(continued)*

7 Taxation on profit (loss) on ordinary activities *(continued)*

Reconciliation of effective tax rate

	2024	2023
	£000	£000
Profit / (loss) for the year	**63,433**	(17,508)
Tax expense / (credit)	**20,781**	(7,680)
Profit / (loss) on ordinary activities before taxation	**84,214**	(25,188)
Profit / (loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25% *(2023: 19%)*	**21,054**	(4,786)
Effects of:		
Capital (losses) / gains	**(74)**	98
Expenses not deductible for tax purposes	**34**	4
Fixed asset differences	**(54)**	(38)
Additional deduction for land remedial expenditure	**(15)**	(9)
Group relief claimed	**(3,827)**	(3,309)
Payment for Group relief	**3,944**	3,309
Adjustment in respect of previous years	**(82)**	(399)
Adjustment in respect of previous years – deferred tax	**272**	507
Effect of change in tax rate	**(471)**	(3,057)
Total tax expense included in profit or loss	**20,781**	(7,680)

8 Company result for the financial year

Under s408 of the Companies Act 2006 Northern Trust Group Limited is exempt from the requirement to present its own profit and loss account. The profit for the financial year dealt within the accounts of the holding company is £11,821,000 *(2023: £3,791,000)*. With the exception of the profit for the financial year there were no other recognised gains and losses in the Company, nor was there a difference between the historical cost profit and that noted above.

9 Staff numbers and costs

The average number of persons employed by the Group during the year, including directors, was:

Group	**2024 Number**	2023 Number
Operational	**14**	15
Management and administration	**72**	70
	86	85

Notes *(continued)*

9 Staff numbers and costs *(continued)*

	2024	2023
	£000	£000
Employee costs:		
Wages and salaries	**4,166**	3,829
Social security costs	**467**	444
Other pension costs	**214**	198
	4,847	4,471

The Company had no employees in either year.

10 Directors' remuneration

The remuneration of the Company's directors, paid by the Group was:

	2024	2023
	£000	£000
Directors' emoluments:		
For services as directors	**210**	200
Company contributions to defined contribution pension schemes	**17**	16
Total	**227**	216

The number of directors to whom benefits are accruing under the defined contribution schemes is one (*2023: one*).

The aggregate of emoluments and benefits received by the highest paid director was £210,000 (*2023: £200,000*) and company pension contributions of £17,000 (*2023: £16,000*) were made on their behalf.

Notes *(continued)*

11 Tangible fixed assets

	Land and buildings			
	Investment properties	**Fixed assets**	**Plant and Equipment**	**Total**
Group	**£000**	**£000**	**£000**	**£000**
Cost or valuation				
Opening balance at 1 April 2023	715,702	2,159	4,816	722,677
Additions	14,230	-	681	14,911
Revaluation	54,218	(315)	-	53,903
Disposals	(561)	-	(147)	(708)
At 31 March 2024	**783,589**	**1,844**	**5,350**	**790,783**
Depreciation				
Opening balance at 1 April 2023	-	-	3,156	3,156
Charge for year	-	-	435	435
On disposals	-	-	(147)	(147)
At 31 March 2024	**-**	**-**	**3,444**	**3,444**
Net book value				
At 31 March 2024	**783,589**	**1,844**	**1,906**	**787,339**
At 1 April 2023	715,702	2,159	1,660	719,521

At 31 March 2024, the investment properties were revalued to open market value by the directors.

If stated under historical cost principles the comparable amounts for investment properties would be:

	2024	2023
	£000	£000
Cost and net book value	**394,200**	380,629

12 Fixed asset investments

	Shares in subsidiary Undertakings
	£000
Company	
At the beginning and end of the year	**30,317**

The principal subsidiary and associated undertakings of the Group are set out in note 23.

13 Stocks

	Group	
	2024	2023
	£000	£000
Work in progress and development land	**12,547**	12,014

Notes *(continued)*

14 Debtors

	Group		Company	
	2024	2023	**2024**	2023
	£000	£000	**£000**	£000
Amounts falling due within one year:				
Trade debtors	**4,806**	2,478	**-**	-
Other debtors	**4,579**	5,488	**3**	3
Prepayments and accrued income	**1,433**	1,404	**-**	-
Amounts owed by related parties	**354**	177	**-**	-
Corporation tax	**319**	1,087	**-**	-
	11,491	10,634	**3**	3
Amounts falling due after one year:				
Trade debtors	**237**	558	**-**	-
Other debtors	**5,811**	4,796	**-**	-
Prepayments and accrued income	**-**	-	**-**	-
Amount owed by subsidiary undertakings	**-**	-	**52,868**	50,937
	6,048	5,354	**52,868**	50,937
Total debtors	**17,539**	15,988	**52,871**	50,940

The amount owed by subsidiary undertakings is unsecured, bears interest at a commercial rate and is repayable in March 2034.

15 Cash and cash equivalents

	Group		Company	
	2024	2023	**2024**	2023
	£000	£000	**£000**	£000
Cash at bank and in hand	**32,546**	35,732	**-**	-

Notes *(continued)*

16 Creditors

	Group		Company	
	2024	2023	**2024**	2023
	£000	£000	**£000**	£000
Amounts falling due within one year:				
Trade creditors	**1,758**	685	**-**	-
Amounts owed to subsidiary undertakings	**-**	-	**28,672**	27,562
Other taxes and social security	**1,935**	1,398	**-**	-
Other creditors	**1,172**	1,636	**-**	-
Accruals and deferred income	**7,445**	8,468	**-**	-
Amounts owed to related parties	**287**	299	**-**	-
Interest payable	**1,817**	1,792	**-**	-
	14,414	14,278	**28,672**	27,562
Amounts falling due after more than one year:				
Accruals and deferred income	**17,086**	16,880	**-**	-
Bank loan	**268,308**	267,972	**-**	-
	285,394	284,852	**-**	-

The amounts owed to subsidiary undertakings are unsecured, repayable on demand and bear interest at a commercial rate.

The accruals and deferred income due after one year relate entirely to grants over investment properties.

The bank loan is repayable on 20th April 2029 and is secured by fixed and floating charges over the assets of the group to which the company belongs. Interest is payable on the bank loan at a fixed rate of 1.7099% plus a margin.

The Group completed the refinancing of its bank facilities in April 2022, securing new facilities with the existing lenders for a further 7 years.

	Group		Company	
	2024	2023	**2024**	2023
	£000	£000	**£000**	£000
Bank loan payable:				
Less than one year	**-**	-	**-**	-
Between two and five years	**-**	-	**-**	-
More than five years	**268,308**	267,972	**-**	-
	268,308	267,972	**-**	-

Notes *(continued)*

16 Creditors (continued)

Net debt

The below is an analysis of changes in net debt from the beginning to the end of the current reporting period:

	Borrowings due within one year £000	Borrowings due after one year £000	Subtotal £000	Cash and cash equivalents £000	Net debt £000
Net debt analysis:					
Balance at start of year	-	(267,972)	(267,972)	35,732	(232,240)
Cash flows	-	-	-	(3,186)	(3,186)
Other non cash changes	-	(336)	(336)	-	(336)
Balance at end of year	**-**	**(268,308)**	**(268,308)**	**32,546**	**(235,762)**

17 Provisions for liabilities and charges

Group

The deferred tax liability at 31 March 2024 has been calculated based on 25%. In 2023 it was calculated at 25% on all balances except the defined benefit surplus, where it was calculated based on 35%.

	£000
Deferred tax liability at beginning of year	63,354
Credit to other comprehensive income	(139)
Charge to the profit and loss account	13,748
At end of year	76,963

The elements of deferred taxation are as follows:

	2024 £000	2023 £000
Accelerated capital allowances	**7,282**	6,641
Other short-term timing differences	**1,087**	1,665
Capital gains	**68,594**	55,048
Deferred tax liability	**76,963**	63,354

18 Called up share capital

	2024 £000	2023 £000
Allotted, called up and fully paid		
28,150,019 ordinary shares of £1 each	**28,150**	28,150

Notes *(continued)*

19 Pensions

Defined contribution pension scheme

Certain of the Group's employees are members of defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension costs charge represents pension contributions payable by the Group to the funds and amounted to £214,000 *(2023: £198,000)*. There were contributions outstanding at the end of the financial year of £34,000 *(2023: £31,000)*.

Defined benefit pension scheme

The Group operates a defined benefits pension scheme in respect of previous employees. The assets of the scheme are administered by trustees in a fund separate from those of the Group. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

At the date of the latest actuarial valuation at 31 December 2021, the market value of the assets of the scheme was £35,884,000 and the actuarial value of the assets represented 97% of the benefits accrued to members, after allowing for expected future increases in earnings. There was a deficit of £1,151,000.

During the year the Group made deficit shortfall contributions of £150,000 (*2023: £1,012,000*). The Group expects the annual deficit shortfall contributions to be £150,000 in the year to 31 March 2025, in accordance with the pension scheme's current agreed schedule of contributions.

The results of the formal actuarial valuation as at 31 December 2021 have been updated to 31 March 2024, other than member numbers, by an independent qualified actuary in accordance with FRS 102.

The scheme is in a surplus position of £4.383m as at 31 March 2024 *(2023: £4.794m)* when measured in accordance with FRS 102. The FRS 102 surplus position is recognised as an asset in the Group balance sheet on the grounds that the company has an unconditional right to a refund, assuming the gradual settlement of scheme liabilities over time until all members have left.

The overall surplus in the scheme may be analysed as follows:

Net pension asset

	2024 **£000**	2023 £000
Defined benefit obligation	**(23,180)**	(23,441)
Plan assets	**27,563**	28,235
Net Pension asset	**4,383**	4,794

Movements in present value of defined benefit obligation

	2024 **£000**	2023 £000
At 1 April 2023	**23,441**	31,266
Interest cost	**1,089**	797
Past service costs	**-**	-
Loss on benefit obligations	**320**	947
Changes to demographic assumptions	**(45)**	(132)
Changes to financial assumptions	**(85)**	(8,182)
Benefits paid	**(1,540)**	(1,255)
At 31 March 2024	**23,180**	23,441

Notes *(continued)*

19 Pensions *(continued)*

Defined benefit pension scheme *(continued)*

Movements in fair value of plan assets	**2024 £000**	2023 £000
At 1 April 2023	**28,235**	35,024
Return on plan assets less interest	**(364)**	(7,279)
Administration costs	**(235)**	(172)
Contributions by employer	**150**	1,012
Benefits paid	**(1,540)**	(1,255)
Interest on assets	**1,317**	905
At 31 March 2024	**27,563**	28,235

Expense recognised in the profit and loss account	**£000**	£000
Administration costs	**(235)**	(172)
Net financing receipts in respect of pension scheme	**228**	108
Total expense recognised in profit or loss	**(7)**	(64)

The expense is recognised in the following line items in the profit and loss account:

	2024 £000	2023 £000
Interest receivable	**228**	108
Interest payable and similar charges	**-**	-
Administrative expenses	**(235)**	(172)

The total amount recognised in the statement of other comprehensive income in respect of actuarial gains / losses is a loss of £554,000 *(2023: £88,000 gain).*

Scheme assets

The fair values of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, were:

	Value at 2024 £000	Value at 2023 £000
Equities	**1**	4
Bonds	**6,688**	8,152
Diversified Credit	**20,536**	19,845
Other – Cash	**320**	220
Other and alternatives	**18**	14
Total market value of assets	**27,563**	28,235
Actual return on plan assets	**953**	(6,374)

Notes *(continued)*

19 Pensions *(continued)*

Defined benefit pension scheme *(continued)*

Principal actuarial assumptions used by the actuary in this valuation at the year end were as follows:

	2024	2023
	%	%
Discount rate	**4.85**	4.80
Inflation assumption (RPI)	**3.45**	3.45
Rate of increase in pensions in payment and deferred pensions	**3.30**	3.30

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

On 25 November 2021, the Government and the UK Statistics Authority's joint consultation response on RPI reform was published. This confirmed their intention to amend the RPI calculation methodology to be aligned to that already in use for the calculation of the CPIH (including housing) with effect from 2030.

The Group has proposed that RPI inflation continues to be set in line with market break even expectations less an inflation risk premium. At 31 March 2024 the inflation risk premium has been set at 0.1% (2023: 0.1%). For CPI, the Group has proposed maintaining the long term gap between RPI and CPI at 0.5% (2023: 0.6%). This reflects an RPI-CPI difference of 1.0% pre 2030 and zero post 2030.

In valuing the liabilities of the pension fund at 31 March 2024, mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and projections which the Group has updated to reflect an estimate of the impact of long term mortality rates arising as a result of Covid. The assumed future life expectancies are as follows:

Current male pensioner aged 60: 23.9 years

Future male pensioner aged 40: 25.7 years

20 Operating leases

Leases as lessee:

Non-cancellable operating lease rentals are payable as follows:

	Group		**Company**	
	2024	2023	**2024**	2023
	£000	£000	**£000**	£000
Less than one year	**160**	165	-	-
Between one and five years	**256**	144	-	-
	416	309	-	-

During the year £182,000 was recognised as an expense in the profit and loss account in respect of operating leases (*2023: £173,000*).

Notes *(continued)*

20 Operating leases *(continued)*

Leases as lessor:

The investment properties are let under operating leases. The future minimum lease payments receivable under non-cancellable leases are as follows:

	Group		Company	
	2024	2023	**2024**	2023
	£000	£000	**£000**	£000
Less than one year	**42,578**	39,989	-	-
Between one and five years	**51,776**	46,147	-	-
More than five years	**12,443**	11,877	-	-
	106,797	98,013	-	-

21 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 2024, the liability under this guarantee amounted to £235,762,000 (*2023: £232,240,000*).

22 Related party transactions

Hemway Limited

During the year the Group paid management fees of £880,000 *(2023: £855,000)* to Hemway Limited. There was no amount outstanding at either year end.

Trust Inns Limited

During the year the Group has received rental income of £78,800 *(2023: £78,800)* from Trust Inns Limited. The Group charged fees during the year of £20,000 (*2023: £15,000*) to Trust Inns Limited for services provided by the Group. There was no balance outstanding at either year end.

During the year the Group claimed tax losses of £nil (2023: £nil) from Trust Inns Limited. At the year-end an amount of £129,000 (2023: £129,000) was outstanding in respect of tax losses claimed.

Classic Lodges Limited

The Group charged fees during the year of £47,000 (*2023: £32,000)* to Classic Lodges Limited for services provided and made purchases of £13,000 *(2023: £nil)* from Classic Lodges Limited. There was no amount outstanding at either year end.

During the year the Group claimed tax losses of £336,000 *(2023: £334,000)* from Classic Lodges Limited. At the year-end an amount of £150,000 was due from Classic Lodges Limited in respect of tax losses claimed *(2023: £110,000 due to Classic Lodges Limited*).

Notes *(continued)*

22 Related party transactions *(continued)*

Trustair Limited

During the year the Group claimed tax losses of £158,000 *(2023: £60,000)* from Trustair Limited. At the year-end an amount of £159,000 *(2023: £60,000)* was outstanding in respect of tax losses claimed.

Ambrose Hire Limited

The Group charged fees during the year of £14,800 *(2023: £5,000)* to Ambrose Hire Limited for services provided and made purchases of £nil *(2023: £5,000)* from Ambrose Hire Limited. There was no amount outstanding at either year end.

At the year-end £50,000 *(2023: £nil)* is due from Ambrose Hire in respect of tax losses surrendered.

Preston North End Football Club Limited

During the year the Group claimed tax losses of £3,516,000 *(2023: £2,914,000)* from Preston North End Football Club Limited. At the year-end an amount of £148,000 was due from Preston North End Football Club Limited in respect of tax losses claimed *(2023: £169,000)*.

Gleadhill House Stud Limited

There was a loan outstanding from Gleadhill House Stud Limited of £1,146,000 at the year-end *(2023: £1,146,000)* which is fully provided against by the Group.

Wordon Limited

During the year management fees of £600,000 (2023: £600,000) were paid to Wordon Limited. At the year-end £nil *(2023: £nil)* is due to Wordon Limited.

Trevor Hemmings Foundation

During the year a charitable donation of £250,000 (*2023: £250,000)* was made to Trevor Hemmings Foundation.

Sagar Pension Plan

The Group charged fees during the year of £nil *(2023: £4,000)* to Sagar Pension Plan for services provided. There was no amount outstanding at either year end.

Transactions with key management personnel

Total compensation of key management personnel (including the directors) in the year amounted to £1,035,000 *(2023: £866,000)*.

The ultimate controlling party of the above companies is the same as that of Northern Trust Group Limited and is detailed in note 24.

Brad Estates Limited, a subsidiary of Northern Trust Group Limited, is the principal employer in relation to the Sagar Pension Plan.

A&S Holdings Limited

During the year the Group charged fees of £62,000 *(2023: £62,000)* to A&S Holdings Limited. There was no amount outstanding at either year end.

K Revitt is a director of A&S Holdings Limited and the Group.

Notes *(continued)*

23 Principal operating subsidiary and associated undertakings included in the consolidated accounts

The principal operating subsidiary and associated undertakings at 31 March 2024 are set out below. All operate in the United Kingdom and are registered in England.

Subsidiary undertakings	Activity	Profit for the year £000	Shareholders' Funds £000
Subsidiary undertakings holding 100% Ordinary shares			
Northern Trust Company Limited*	Property investment	58,951	400,653
Northern Trust Land Limited (formerly Metacre Limited) #	Land investment	405	19,097
Lanley Developments Limited*#	Develops and sells residential housing	463	3,653
Brad Estates Limited*	Property investment	2,793	29,980
Barn Croft (Hoghton) Management Company Limited	Dormant Company	-	1
Northern Trust Properties Limited (formerly Whittle Jones Group Limited)	Dormant company	-	1
Subsidiary undertakings holding 60% Ordinary shares			
Barrington Court Management Company Limited	Dormant company	-	1

*Interest held directly by Northern Trust Group Limited

Entities marked with a # are exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Act as this company has guaranteed the subsidiary company under Section 479C of the Act.

The registered office of all the subsidiary undertakings listed above is Lynton House, Ackhurst Park, Chorley, PR7 1NY.

24 Parent undertaking and controlling party

The ultimate controlling party is Wordon Limited, whose registered office is Masonic Building, Water Street, Ramsey, Isle of Man.

At 31 March 2023, Wordon Limited was wholly owned by the estate of Mr T J Hemmings (deceased) and on 20 September the estate was settled and the shares in Wordon Limited were transferred into a discretionary trust

Following the transfer on 20 September 2023, the ultimate controlling party of Wordon Limited are the trustees of the discretionary trust. The potential beneficiaries of this trust are certain members of the family of Mr T J Hemmings.

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 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.