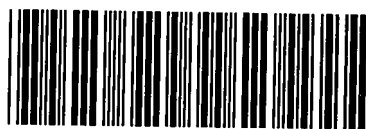


LAW DEBENTURE HOLDINGS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

REGISTERED NUMBER: 06226630

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15/05/2014

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COMPANIES HOUSE

LAW DEBENTURE HOLDINGS LIMITED

DIRECTORS

I.K. Bowden
T.M.J. Fullwood

REGISTERED OFFICE

Fifth Floor
100 Wood Street
London EC2V 7EX

NOTICE OF MEETING

Notice is hereby given that the seventh annual general meeting of Law Debenture Holdings Limited (the "company") will be held on 31 March 2014 at Fifth Floor, 100 Wood Street, London, EC2V 7EX for the following purposes:

1. To consider and approve the report of the directors and the financial statements for the year ended 31 December 2013.
2. To re-appoint BDO LLP as the company's auditors and authorise the directors to determine their remuneration.

A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and, on a poll, vote instead of him. A proxy need not be a member. Any instrument appointing a proxy must be received at the registered office before the time fixed for the meeting.

By order of the Board



Law Debenture Corporate Services Limited
Secretary
31 March 2014

LAW DEBENTURE HOLDINGS LIMITED

The directors present to the members the Strategic report, Directors' report and financial statements of the company for the year ended 31 December 2013.

STRATIGIC REPORT

BUSINESS MODEL, OBJECTIVE, KEY PERFORMANCE INDICATORS (KPI's)

The company is engaged in acting as the holding company to independent fiduciary services companies in the Law Debenture group. It has received loans from group companies on commercial terms to purchase the share capital of L.D.C. Trust Management Limited and uses dividend receipts to meet the loan repayments.

The company's single key performance indicator is profit before tax and this is detailed in the results section below.

There have not been any changes to the activitiy of the company in the year.

RESULTS

The company's profit after taxation for the year was £2,500,000 (2012: £1,950,000).

FUTURE DEVELOPMENTS

The directors are not aware at the date of the report of any likely changes in the company's activities in the next year.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors do not believe that there are any significant risks and uncertainties arising from the provision of loans to group companies.

By order of the Board



Law Debenture Corporate Services Limited

Secretary

31 March 2014

LAW DEBENTURE HOLDINGS LIMITED

DIRECTORS' REPORT

FINANCIAL INSTRUMENTS

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with taking and receiving loans and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price risk or liquidity risk.

DIRECTORS

The directors of the company throughout the year were as follows:

I.K. Bowden
T.M.J. Fullwood

Throughout the year, the company maintained liability insurance for the benefit of directors and other officers.

DIRECTORS' INTERESTS

No director has a beneficial interest in the company's share capital.

DIVIDEND

A final dividend of £2,500,000 (2012: £1,950,000) was proposed by the directors and approved by the shareholder on 17 December 2013.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each of the directors has confirmed that so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and that they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, BDO LLP, have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

By order of the Board



Law Debenture Corporate Services Limited
Secretary
31 March 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAW DEBENTURE HOLDINGS LIMITED.

We have audited the financial statements of Law Debenture Holdings Limited for the year ended 31 December 2013 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the statement of directors' responsibilities, the directors are 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 (FRC's) Ethical Standards for Auditors..

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAW DEBENTURE HOLDINGS LIMITED. (CONTINUED)

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the strategic report and directors' report for the financial year 2013 for which the financial statements are prepared is consistent with the financial statements.

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 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
- 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.



Daniel Taylor (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
31 March 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

LAW DEBENTURE HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR

	Notes	2013 £	2012 £
Income from shares in group undertakings		7,450,000	6,900,000
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		7,450,000	6,900,000
Interest payable on group loans		(4,950,000)	(4,950,000)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,500,000	1,950,000
Taxation on profit on ordinary activities	4	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		2,500,000	1,950,000

There are no other recognised gains or losses in the current year other than the results for the year.

All amounts relate to continuing operations.


The annexed notes form part of these financial statements.

LAW DEBENTURE HOLDINGS LIMITED

BALANCE SHEET - 31 DECEMBER

	Notes	2013 £	2012 £
NON CURRENT ASSETS			
Investments in subsidiary undertakings	6	60,000,000	60,000,000
CURRENT ASSETS			
DEBTORS:			
Amounts due from group undertakings		10,873	10,873
NET CURRENT ASSETS		<u>10,873</u>	<u>10,873</u>
TOTAL ASSETS			
LESS CURRENT LIABILITIES		60,010,873	60,010,873
CREDITORS:			
Amounts due to group undertakings	7	(60,000,000)	(60,000,000)
TOTAL NET ASSETS		<u>10,873</u>	<u>10,873</u>
CAPITAL AND RESERVES			
Share capital	8	5	5
Profit and loss account	9	10,868	10,868
SHAREHOLDERS' FUNDS (all equity interests)	10	<u>10,873</u>	<u>10,873</u>

Approved and authorised for issue by the Board on 31 March 2014
and signed on its behalf by



T.M.J. Fullwood

Director

The annexed notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES

- (i) **Convention:** The financial statements have been prepared in accordance with the historical cost convention and in accordance with applicable accounting standards.
- (ii) **Revenue Recognition :** Dividend income is recognised when paid.
- (iii) **Recognition of expenses** Administrative expenses are accounted for on an accruals basis.
- (iv) **Cash flow statement:** The company is exempt from preparing a cash flow statement as it is a wholly owned subsidiary of The Law Debenture Corporation p.l.c. (a company incorporated in England and Wales) and is included in the consolidated financial statements of that company whose accounts are publicly available. Consequently, the company has taken advantage of the exceptions from preparing a cash flow statement under the terms of FRS1.
- (v) **Deferred taxation:** Deferred taxation is provided for using the full provision method following the adoption of Financial Reporting Standard No. 19. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax amounts are not discounted.
- (vi) **Basis of consolidation:** The company is exempt from the obligation to prepare and deliver group financial statements as its ultimate holding company is The Law Debenture Corporation p.l.c. a company registered in England and Wales which prepares group financial statements. The information presented within these financial statements is for the individual entity and not for the group.
- (vii) **Investments:** Investments are held at cost. Provision is made where there has been a permanent impairment in value.

2. ADMINISTRATIVE EXPENSES

The administration of the company is undertaken by another subsidiary undertaking of The Law Debenture Corporation p.l.c. (L.D.C. Trust Management Limited). Audit and non-audit fees paid to the auditors during the current and prior years are borne by another group company.

3. EMPLOYEE INFORMATION AND DIRECTORS' EMOLUMENTS

There were no employees during the year (2012: Nil).

The directors received no emoluments in respect of their services to the company during the year (2012: £Nil), but they were remunerated for their services to the group as a whole by L.D.C. Trust Management Limited which acts as the employing company for the group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. TAXATION

(a) ANALYSIS OF TAXATION CHARGE

There is no taxation in respect of the year (2012: Nil).

(b) FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR

Differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	<u>2,500,000</u>	<u>1,950,000</u>
Profit on ordinary activities multiplied by the standard rate of UK Corporation tax at 23.25% (2012: 24.5%)	581,250	477,750
Effects of:		
Non taxable intercompany dividends	<u>(581,250)</u>	<u>(477,750)</u>
Current tax charge for year	<u>-</u>	<u>-</u>

5. DIVIDENDS

2013 £	2012 £
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Dividends on ordinary shares comprise the following:

Final dividend of £500,000 per share (2012: £390,000)	<u>2,500,000</u>	<u>1,950,000</u>
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6. INVESTMENTS IN SUBSIDIARIES

	2013 £	2012 £
At 1 January	<u>60,000,000</u>	<u>60,000,000</u>
At 31 December	<u>60,000,000</u>	<u>60,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The company or a subsidiary thereof owns all the issued share capital of the following principal subsidiaries. All are registered in England and Wales unless otherwise stated. All of the principal subsidiaries listed below are included in the consolidated financial statements of The Law Debenture Corporation p.l.c. All the companies are engaged in the provision of independent fiduciary services.

- L.D.C. Trust Management Limited
- † Law Debenture Corporate Services Limited
- † Law Debenture Trust (Asia) Limited (Incorporated in Hong Kong)
- † Law Debenture Corporation (H.K.) Limited (Incorporated in Hong Kong)
- † Law Debenture Trustees Limited
- † Law Debenture Agency Solutions Limited
- † LDC (NCS) Limited
- † Law Debenture Governance Services Limited
- † The Law Debenture Corporation (Deutschland) Limited
- † The Law Debenture Intermediary Trust Corporation p.l.c.
- † The Law Debenture Pension Trust Corporation p.l.c.
- † The Law Debenture Trust Corporation p.l.c.
- † The Law Debenture Trust Corporation (Cayman) Limited (Incorporated in the Cayman Islands)
- † The Law Debenture Trust Corporation (Channel Islands) Limited (Incorporated in Jersey)
- † Safecall Limited

- † Shares held by a subsidiary

	2013 £	2012 £
7 CREDITORS:		
Loans due to group undertakings	<u>60,000,000</u>	<u>60,000,000</u>
	<u>60,000,000</u>	<u>60,000,000</u>

The loans are until 30 April 2017 and carry interest at 8.25%p.a

	2013 £	2012 £
8. SHARE CAPITAL		
Allotted and fully paid share capital		
5 shares of £1 each	<u>5</u>	<u>5</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. PROFIT AND LOSS ACCOUNT	2013	2012
	£	£
Balance at 1 January	10,868	10,868
Profit on ordinary activities after taxation	2,500,000	1,950,000
	2,510,868	1,960,868
Dividends paid	(2,500,000)	(1,950,000)
Balance at 31 December	10,868	10,868
10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2013	2012
	£	£
Result for the year	2,500,000	1,950,000
Dividends paid to shareholders	(2,500,000)	(1,950,000)
Net movement in shareholders' funds	-	-
Shareholders' funds at 1 January	10,873	10,873
Shareholders' funds at 31 December	10,873	10,873

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. ULTIMATE CONTROLLING PARTY

The issued share capital of the company is owned by The Law Debenture Guarantee companies Numbers 1-5 Limited and these companies are registered in England and Wales. Their ultimate controlling party is The Law Debenture Corporation p.l.c. a company registered in England and Wales. Copies of the group financial statements of The Law Debenture Corporation p.l.c. can be obtained from The Secretary, The Law Debenture Corporation p.l.c., Fifth Floor, 100 Wood Street, London EC2V 7EX.

12. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of The Law Debenture Corporation p.l.c. the company has taken advantage of the exemption contained within Financial Reporting Standard No. 8 (Related Party Transactions) not to disclose related party transactions with other members of the group.