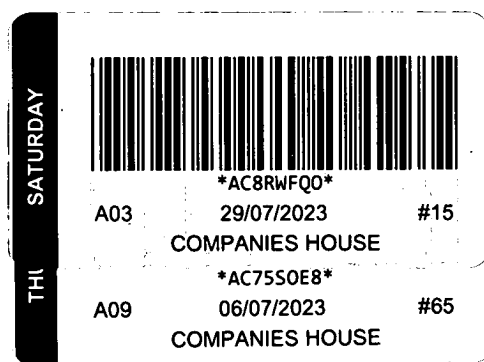


THE LAW DEBENTURE TRUST CORPORATION P.L.C.
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

REGISTERED NUMBER: 01675231



The Law Debenture Trust Corporation p.l.c.

Strategic report

The Directors present to the members the Strategic report of The Law Debenture Trust Corporation p.l.c. ("the Company") for the year ended 31 December 2022.

Business model, objective, key performance indicators (KPI's)

The Company is a public company, but its shares are not publicly traded.

The Company is engaged in providing corporate trustee services. It is a wholly owned subsidiary of The Law Debenture Corporation p.l.c. ("LDC"). References to Group within this report means LDC and its subsidiaries.

The Company is authorised and regulated by the Financial Conduct Authority for the purposes of establishing, operating, and winding up collective investment schemes.

The Company's key performance indicators are turnover, profit on ordinary activities before taxation and distributable reserves as detailed below.

Business review

The corporate trust business acts as a bridge between the issuer of a bond and the individual bondholders. Our responsibilities as bond trustee can vary materially, whether servicing performing or defaulted bond issues.

Normal obligations for the bond trustee to support performing issues include communication to the bondholders of financial or security data, together with the distribution of covenant information. For this type of work, we are typically paid an annual fee throughout the lifetime of the bond. This fee is inflation linked for most of our existing book of business. When an amendment to bond documentation is required, we can also earn additional revenues to complete the necessary changes.

When bonds default, the workflow, risk, and revenue profiles of our role can materially change. A key duty of the bond trustee is to be the legal creditor of the issuer on behalf of the bondholders. We never wish our clients to suffer bad fortune, but our role in such default situations requires material incremental work that, given a favourable outcome, can lead to significant additional income for the firm. Defaults often take years to play out and the results are uncertain. Given this long dated and fluctuating backdrop, our revenues for this work in any specific calendar year can fluctuate. However, such post issuance work has strong economic countercyclicality and has produced sound returns for our shareholders over time.

Following a difficult 2021, when we reported a 9.4% decrease in revenues for the Corporate Trust business, revenue has decreased by 2.1%. However, we are pleased to report gross profit has increased by 6.8% (2021: decreased 6.8%).

The majority of the capital markets transactions that sit on our books have been built up over many decades and have contractual inflation-linked fee increases for our services. These fee increases are applied on each transaction anniversary. As 2022 progressed and inflation remained at elevated levels, the more such inflation-linked increases fed through to our book of business.

The Law Debenture Trust Corporation p.l.c.

Strategic report (continued)

Despite the extremely tough primary market conditions, we completed some notable new transactions, including an appointment as Trustee for the Real Estate Investment Trust, SEGRO plc's €1.15 billion senior unsecured Green Bond issue. The proceeds of the issue will principally be used to finance and/or refinance Eligible Green Projects as outlined in the SEGRO Green Finance Framework, as well as providing funding for general corporate purposes. Later in the year we were also appointed as Trustee on the €750 million senior unsecured Green bond issue for the SEGRO European Logistics Partnership ('SELP') joint venture.

Our escrow business continues to build momentum and broaden its diversification of use. During 2022 we were appointed to a range of roles that included M & A, litigation, commercial real estate, sporting events, sales of ships, and to support global trade in commodities. Our business is built on trust and independence, our domain expertise, and our ability to move fast.

Profit on ordinary activities before taxation decreased by 3.0% (2021: increased by 3.2%) driven by higher administration expenses (14.8% increase). Costs for the Group are incurred by the Group's management company, L.D.C. Trust Management Limited and recharged across the Group, based on contribution to group revenue and headcount, to the extent that the recharge will not result in the Company making a loss.

Results, dividends and reserves

The Company's profit on ordinary activities before taxation for the year was £4,940,363 (2021: £5,082,833). During the course of the year, an interim dividend of £4,000,000 was declared and paid (2021: £5,000,000).

There are £5,558,269 (2021: £5,440,761) reserves carried forward.

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. The Directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future and have therefore used the going concern basis in preparing the financial statements.

Going concern

In assessing the going concern status of the Company, the Directors have taken note of the financial performance and position during the year and up to the date of this report, and in particular the profitability, sales pipeline, net assets, net current assets, and available cash resources of the Company. We deem the current debts as recoverable, and revenue is built upon a strong book of repeat business that has annual inflation calculation tied into them. The majority of expenses in LDTC are incurred by LDCTM and are recharged based on affordability. Moreover, trade creditors form part of a pass-through structure to our clients.

The Directors believe the Company has at the date of this report, sufficient existing finances available for its estimated requirements for the next twelve months. This, together with its proven ability to generate cash from operations and recoverability of receivables recorded, provides the directors with the confidence that the Company is well placed to manage its business risks successfully. The Directors have considered the company's Non-Current Assets, which total £13.7 million which provides sufficient cover for the liabilities on the balance sheet.

The Directors have also reviewed the net assets and liquidity of the Company's parent in order to confirm its ability to provide such support. The parent's assets consist of cash and securities that are readily realisable, providing confidence around the Company's ability to service liabilities as they fall due.

The Law Debenture Trust Corporation p.l.c.

The Directors have further considered the ongoing impact of the Russian - Ukraine war and have concluded that there is no impact of either development the Company's ability to operate as a going concern.

Having considered the above factors, the Directors are satisfied that the Company can continue on a going concern basis for at least twelve months from the date of these financial statements.

LDTc Principal risks and uncertainties

Risks	Mitigating activities and in-year updates
Governance The principal risks of the business arise during the course of defaults, potential defaults and restructurings in the capital markets transactions where we have been appointed to provide trustee and related services.	To mitigate these risks, we work closely with our legal advisers, both in the set-up phase to ensure that we have as many protections as practicable and at all other stages whether or not there is a danger of default.

Change to risk in 2022: unchanged

Risks	Mitigating activities
Financial Financial risk arises if the Company is not able to scale up and deliver on its growth plans to generate revenue growth, profitability, cost savings and react to any changes in market conditions.	<p>To mitigate the financial risks, monthly management information is provided to the CEO and Business Head to monitor and assess business performance.</p> <p>The business includes some counter-cyclical services providing opportunity for some business lines during the 2022 market downturn which has helped protect overall performance.</p> <p>Many revenue streams are contractual inflation-linked fee increases for our services. These fee increases are applied on each transaction anniversary. As 2022 progressed and inflation remained at elevated levels, the more such inflation-linked increases fed through to our book of business and helped preserve revenue streams in the wider inflationary environment.</p>

Change to risk in 2022: unchanged

Strategic A strategic risk arises that the current business model becomes obsolete due to a lack of technical or commercial innovation, market disruption, product obsolescence or regulatory or legislative change.	<p>To mitigate this strategic risk, there has been significant investment in people and technology to support the Company strategy and this will continue to be monitored along with the three-year financial budgeting and planning which forms part of the Group's longer-term viability statement. There are also regular Group board meetings where the strategy of the business is discussed with the Business Heads and the Executive Leadership team.</p> <p>We continue to increase our range of products and broaden and deepen our relationships with clients, law firms and financial institutions that underpin</p>
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The Law Debenture Trust Corporation p.l.c.

activity in this market. We have hired extra business development resource to help to grow this business and we are increasingly raising our profile within the marketplace for our services.

Change to risk in 2022: unchanged

Section 172 statement

The Board is responsible for the overall strategy and management of the Company and ensuring that it is acting in accordance with its legal obligations. In discharging its responsibilities, and in addition to acting in the best interests of the Company, the Board takes into account the Group's strategy, purpose, value and culture and acts with the due skill and care that is most likely to promote the success of the Company and to maintain high standards of business conduct.

As part of its deliberations and decision-making process, the Board specifically considers the (i) likely consequences of any decision in the long-term; (ii) maintaining its reputation for high standards of business conduct; and (iii) the impact of any of its decisions on the clients serviced by the business it operates. The impact of the Company's operations on suppliers, the community and the environment is minimal given the nature of the business and the fact that it has no employees. The impact is also considered on a Group basis. Details of the Group's approach to its stakeholders can be found in its 2022 Annual Report and Accounts on pages 46 - 48.

It is the Board's view that the Company's main stakeholders are its clients, its parent and other entities within the Group. There is a high level of engagement between the business managed by the Company and the other business areas within the Group to ensure that any decisions made are in the best interests of the Company and its main stakeholders.

Stakeholders	Engagement
Clients	Continued focus on its role as a corporate trustee to its clients and beneficiaries and obtaining regular feedback on its services. Relationship management programme and regular client contact/client events and meetings. Increased social media presence.
Parent company	Attendance by Directors of the Company at Group board meetings to discuss the Company's performance and provide general updates. Reporting to the Group's Executive Risk Committee, where appropriate.
Other entities within the Group	Regular meetings with business heads of other business areas within the Group to discuss operational, performance and business development updates and opportunities.

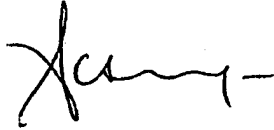
Depending on the nature of the issue in question, the relevance of each stakeholder group may differ and, as such, as part of the Company's engagement with stakeholders, the Board seeks to understand the relative interests and priorities of each group and to have regard to these, as appropriate, in its decision-making. The Board acknowledges however, that not every decision it makes will necessarily result in a positive outcome for all stakeholders.

The majority of decisions made by the Board during the year are deemed to be routine in nature. An example of a principal decision that took into consideration the interests of stakeholders was the approval of the payment of a dividend to its parent company. The timing of which required engagement with and consideration of both the parent company's interests and the longer-term interests of the Group. This decision was taken after careful

The Law Debenture Trust Corporation p.l.c.

consideration of the financial position of the company, its obligations under the Companies Act 2006 and the need to consider its longer-term relationship with its parent company.

This report was approved by the Board of Directors on 3 July 2023 and signed on its behalf by

A handwritten signature in black ink, appearing to be 'Xiang', followed by a horizontal line.

Law Debenture Corporate Services Limited
Company Secretary
By order of the Board

The Law Debenture Trust Corporation p.l.c.

Directors' report

The Directors present their annual report on the affairs of The Law Debenture Trust Corporation p.l.c. ('the Company'), together with the financial statements and auditor's report, for the year ended 31 December 2022.

Registered office

The registered office of the Company is 8th Floor 100 Bishopsgate, London, United Kingdom, EC2N 4AG.

Directors and Secretary

The Directors of the Company from the start of the financial year to the date of this report were as follows:

D. Jackson
D.M. Anderson (Resigned 30 June 2022)
L. Frost (Appointed 9 December 2022)
C. Greenall (Appointed 9 December 2022)
R.D. Rance (Resigned 28 September 2022)
H. Scotton
E. Solarz
K.A. Stobbs-Miller
L. Watson (Appointed 9 December 2022)

The Secretary is Law Debenture Corporate Services Limited.

Directors' indemnities

During the year and up to the date of this report, the Group maintained liability insurance for the benefit of Directors and other officers.

Directors' interests

No Director, nor the Secretary, has a beneficial interest in the share capital of the Company.

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2021 £nil).

Events after the balance sheet date

Details of significant events since the balance sheet date are contained in note 19 to the financial statements.

Financial risk management objectives and policies

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 providing professional services under 30-day credit terms which it manages through credit control procedures. The nature of its financial instruments means that they are not subject to price risk or liquidity risk.

Directors' report (continued)

Liquidity risk

The Company maintains sufficient cash and liquid resources. Forecasts are reviewed on a regular basis to determine whether the Company has sufficient resources to meet obligations under financial liabilities as and when they fall due.

The Law Debenture Trust Corporation p.l.c.

Currency risk

Foreign currency risk is the risk that the value of a financial instrument will vary with respect to foreign currency fluctuations. The Company has minimal currency risk exposure since most of its assets and transactions are denominated in sterling.

Credit risk

The Company is exposed to the usual credit risk and cash flow risk associated with selling on credit. The Company manages this through credit control procedures.

Strategic information

Future developments, dividends and principal business risks have been disclosed in the Strategic report, as permitted by section 414C of the Companies Act 2006.

Auditors

Deloitte LLP were engaged as the Company's and wider Group's external auditor in October 2021. A resolution to reappoint Deloitte LLP as auditors of the Company will be proposed at the forthcoming AGM.

Each of the persons who is a director at the date of approval of this report confirms that:

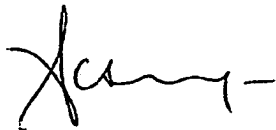
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Stakeholder engagement

It is the Board's view that the Company's main stakeholders are its clients, its parent and other entities within the Group. There is a high level of engagement between the business managed by the Company and the other businesses in the Group to ensure that any decisions made are in the best interests of the Company, the clients serviced by the Company's operations and the Group as a whole. This includes periodic attendance by representatives of the business at Group board meetings and regular senior management meetings.

This report was approved by the Board of Directors on 3 July 2023 and signed on its behalf by



Law Debenture Corporate Services Limited
Company Secretary

The Law Debenture Trust Corporation p.l.c.

Statement of Directors' responsibilities

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

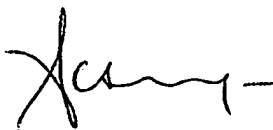
Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), comprising FRS 101 'Reduced Disclosure Framework' 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 United Kingdom Accounting Standards, comprising FRS 101 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.

This report was approved by the Board of Directors on 3 July 2023 and signed on its behalf by



Law Debenture Corporate Services Limited
Company Secretary

The Law Debenture Trust Corporation p.l.c.

Independent auditor's report to the members of The Law Debenture Trust Corporation p.l.c.

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The Law Debenture Trust Corporation p.l.c (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not

The Law Debenture Trust Corporation p.l.c.

cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit, those charged with governance and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

The Law Debenture Trust Corporation p.l.c.

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included The Companies Act 2006, relevant accounting standards, and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included anti money laundering regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

Recognition of Special Fee Income

Special Fee income consist of amount receivable from the provison of additional services related to provision of corporate trust services. Such revenue is more ad-hoc than annual fee income and is processed manually. Due to manual processes in place, there is a risk that management record revenue incorrectly. In response to this risk, we agreed amounts recorded to invoices and subsequent cash receipts.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing regulatory correspondence.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

The Law Debenture Trust Corporation p.l.c.

Matters on which we are required to report by exception

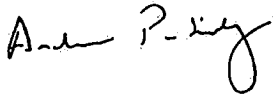
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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.



Andrew Partridge (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
04 July 2023

The Law Debenture Trust Corporation p.l.c.

Profit and loss account

For the year ended 31 December

	Notes	2022 £	2021 £
Turnover	5	12,255,175	12,508,289
Cost of sales		<u>(2,669,568)</u>	<u>(3,534,972)</u>
Gross profit		9,585,607	8,973,317
Administrative expenses	6 & 7	<u>(4,642,780)</u>	<u>(3,890,484)</u>
Operating Profit		4,942,827	5,082,833
Interest (payable) / receivable		<u>(2,464)</u>	<u>(1,874)</u>
Profit before taxation		4,940,363	5,080,959
Tax on profit or loss	8	<u>(822,855)</u>	-
Profit for the financial year		<u>4,117,508</u>	<u>5,080,959</u>

All amounts relate to continuing operations.

There are no other comprehensive income/expense items in the current or prior years, therefore the profit for these years represents the comprehensive income.

The annexed notes form part of these financial statements.

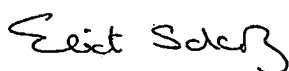
The Law Debenture Trust Corporation p.l.c.

Balance Sheet

As at 31 December 2022

	Notes	2022 £	2021 £
Fixed assets			
Investments	11	<u>500,028</u>	<u>500,028</u>
Current assets			
Debtors: amounts falling due within one year	12	23,360,767	43,516,644
Cash at bank and in hand		<u>1,188,532</u>	<u>1,707,475</u>
		24,549,299	45,224,119
Creditors: amounts falling due within one year	13	<u>(10,879,167)</u>	<u>(31,421,249)</u>
Net current assets		<u>13,670,132</u>	<u>13,802,870</u>
Total assets less current liabilities		14,170,160	14,302,898
Creditors: amounts falling due after more than one year		(3,611,891)	(3,862,137)
Net assets		<u><u>10,558,269</u></u>	<u><u>10,440,761</u></u>
Capital and reserves			
Called up share capital	15	5,000,000	5,000,000
Profit and loss account		<u>5,558,269</u>	<u>5,440,761</u>
Shareholders' funds		<u><u>10,558,269</u></u>	<u><u>10,440,761</u></u>

Approved and authorised for issue by the Board on 3 July 2023 and signed on its behalf by:



E. Solarz
Director

The annexed notes form part of these financial statements.

The Law Debenture Trust Corporation p.l.c.

Statement of changes in equity for the year ended 31 December	Called up share capital £	Profit and loss account £	Total £
Balance as at 1 January 2021	5,000,000	5,359,802	10,359,802
Profit for the year	-	5,080,959	5,080,959
Dividend relating to 2021	-	(5,000,000)	(5,000,000)
Balance as at 31 December 2021	5,000,000	5,440,761	10,440,761
Balance as at 1 January 2022	5,000,000	5,440,761	10,440,761
Profit for the year	-	4,117,508	4,117,508
Dividend relating to 2022	-	(4,000,000)	(4,000,000)
Balance as at 31 December 2022	5,000,000	5,558,269	10,558,269

The annexed notes form part of these financial statements.

The Law Debenture Trust Corporation p.l.c.

Notes to the financial statements for the year-ended 31 December 2022

1. General Information

The Law Debenture Trust Corporation p.l.c. (the 'Company') is a public company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 6.

The nature of the Company's operations and its principal activities are set out in the Strategic report on pages 1- 5.

2. New standards, amendments, IFRIC interpretations and new relevant disclosure requirements

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2022 that have a material impact on the company's financial statements.

3. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared on a historical cost basis, and in accordance with the Companies Act 2006. These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates.

Summary of disclosure exemptions

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Certain comparative information as required by paragraph 38 of IAS 1, 'Presentation of financial statements';
- Certain disclosures regarding the Company's capital;
- IAS 7, 'Statement of cash flows';
- The effect of future accounting standards not yet adopted as required by IAS 8, 'Accounting policies, changes in accounting estimates and errors';
- The disclosure of the remuneration of key management personnel required by IAS 24, 'Related party disclosures'; and
- Disclosure of related party transactions with other wholly owned members of the group headed by The Law Debenture Corporation p.l.c as required by IAS 24, 'Related party disclosures'.

In addition, and in accordance with FRS 101, further disclosure exemptions have been adopted because equivalent disclosure is included in the consolidated financial statements of The Law Debenture Corporation p.l.c. These financial statements do not include certain disclosures in respect of:

- IFRS 7, 'Financial instruments';
- IFRS 15, 'Revenue from Contracts with Customers'; and
- IAS 36, 'Impairment of assets'.

The Law Debenture Trust Corporation p.l.c.

Notes to the financial statements for the year-ended 31 December 2022 (continued)

3. Significant accounting policies (continued)

Basis of consolidation

The company is a wholly owned subsidiary of within The Law Debenture Corporation p.l.c group. It is included in the consolidated financial statements of The Law Debenture Corporation p.l.c group, which are publicly available. Therefore, the company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The address of the ultimate parent's registered office is 8th Floor, 100 Bishopsgate, London EC2N 4AG.

The financial statements of The Law Debenture Corporation p.l.c. can be obtained as described in note 16.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 to 5 along with principal risks and uncertainties. In assessing the going concern status, the directors have taken into account the above factors, including the financial position of the Company and in particular the profitability, sales pipeline, net assets, net current assets, and available cash resources.

In assessing the going concern status of the Company, the Directors have taken note of the financial performance and position during the year and up to the date of this report, and in particular the profitability, sales pipeline, net assets, net current assets, and available cash resources of the Company.

The Directors believe the Company has, at the date of this report, sufficient existing finances available for its estimated requirements for the next twelve months. This, together with its proven ability to generate cash from operations and recoverability of receivables recorded, provides the directors with the confidence that the Company is well placed to manage its business risks successfully. The Directors have specifically considered the recoverability of receivables due from other group companies in the next twelve months. To satisfy themselves that such receivables will be repaid when necessary to ensure sufficient liquidity, the Directors have obtained formal confirmation from The Law Debenture Corporation p.l.c. of its willingness to provide financial support should it be required for twelve months from the date of signing the financial statements.

The Directors have also reviewed the net assets and liquidity of the Company's parent in order to confirm its ability to provide such support. The parent's assets consist of cash and securities that are readily realisable, providing confidence around the Company's ability to service liabilities as they fall due.

The Directors have further considered the ongoing impact of the Russian - Ukraine war and have concluded that there is no impact of either development the Company's ability to operate as a going concern.

Having considered the above factors, the Directors are satisfied that the Company can continue on a going concern basis for at least twelve months from the date of these financial statements.

3. Significant accounting policies (continued)

Revenue recognition

The Company recognises revenue from the following major sources:

- annual fees - fees receivable for the provision of annual trustee services, being services provided in the creation of a trust or structure, and the obligations set out in the trust deed or service agreement; and
- acceptance fees – fees receivable for the acceptance of new business based on the fee charged.
- Special fee income – fees receivable for the provision of trustee services that are outside the scope of the annual trustee services.

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

The Company recognises revenue when it transfers control of services to a customer.

Corporate trust turnover

Contract terms are dealt with either in trust deeds or appointment letters. Revenue is recognised over the period of service where amounts which are not recognised in the financial period are deferred. The deferred revenue relates to corporate trust business. Amounts are mostly billed and paid on an annual or quarterly basis. The transaction price can include any combination of one-off acceptance fees, regular annual payments, and special fees for extra work, and are recognised over the annual term or when the performance obligation is met.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Initial recognition

Financial assets and financial liabilities are measured initially at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and subsequent measurement

Trade receivables

Trade receivables are recognised initially at transaction price and subsequently measured at amortised cost less any provision for impairment and expected credit losses, to ensure that amounts recognised represent the recoverable amount.

3. Significant accounting policies (continued)

Impairment of financial assets

The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses trade receivables are grouped based on similar risk characteristics including business area and ageing.

The expected loss rates are based on the Company's historical credit losses experienced over a three-year period prior to the year end. The historical loss rates are adjusted for current and forward-looking information on macroeconomic factors affecting the Company's customers. The Group has identified gross domestic product (GDP) and unemployment trends act as key economic indicators which may impact our customers' future ability to pay debt.

Trade payables

Trade payables are recognised at fair value and subsequently measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks and other short-term highly liquid investments with original maturities of three months or less, subject to insignificant changes in fair value.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

The Law Debenture Trust Corporation p.l.c.

Notes to the financial statements for the year-ended 31 December 2022 (continued)

3. Significant accounting policies (continued)

Derecognition of financial liabilities (continued)

If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

Share capital

Ordinary shares are classified as equity.

For time-based arrangements

The output method is used to measure progress and the practical expedient within IFRS 15 is utilised, allowing revenue to be recognised at the amount which the Group has the right to invoice its customers, since that amount corresponds directly with the value to the customer of the Group's performance completed to date.

Annual fees

For certain contracts, the substance of these performance obligations is to "stand-ready" to serve the customer and is satisfied over time where value is transferred to the customer over time as the core services are delivered. The output method is used to measure progress here based on time-lapsed and is recognised on a straight-line basis. For other contracts, the performance obligations are satisfied throughout the period as the services are provided and revenue is recognised based on time – elapsed, on a straight-line basis.

Acceptance and appointment fees

There are contracts where separate performance obligations relating to acceptance fees have been identified where these are capable of being distinct and the pattern of delivery differs to the remainder of the performance obligation(s) within the contract. Revenue is recognised at a point in time, for example, upon creation of the Trust or Structure, which accurately reflects the benefits received by the customer.

Special fees / out of scope fees

Typically relate to additional services provided outside of the scope of the annual contractual agreements. These services are capable of being distinct and are considered a separate performance obligation. Revenue is recognised at a point in time, i.e., once the service has been delivered to the client, reflecting the incremental benefits transferred to the customer.

Taxation

Current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense which are either never taxable or deductible or are taxable or deductible in other periods. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the year end date.

Amounts due from / to group undertakings

Intercompany debtor and creditor balances are presented on a net basis to reflect the intercompany netting arrangement in place for the year ended 31st December 2022. In 2021 these balances were presented on a gross basis.

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates; examples include any provisions, impairments

The Law Debenture Trust Corporation p.l.c.

and estimated useful lives. It also requires the Company's Directors to exercise judgements and estimates in preparing the financial statements. The estimates, judgements and policies of the Directors are discussed below.

In applying the Company's accounting policies, which are described in note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis and are continually evaluated based on historical experience and other factors. However, actual results may differ from these estimates. There are no critical judgements or key sources of estimation uncertainty. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

5. Turnover

Turnover represents fees for services provided in the following class of business and geographical areas. Geographic location is based on the jurisdiction in which the contracting legal entity is based.

	2022	2021
	£	£
Annual income	5,643,394	5,340,415
Acceptance fee income	1,378,989	1,309,319
Special fee income	4,561,743	3,162,967
Other	671,049	2,695,588
	<u>12,255,175</u>	<u>12,508,289</u>

	2022	2021
	£	£
United Kingdom	6,372,691	9,256,850
Rest of the world	5,882,484	3,251,439
	<u>12,255,175</u>	<u>12,508,289</u>

6. Administrative expenses

Resources necessary for the administration of the Company are provided by a Law Debenture group company (L.D.C. Trust Management Limited) for which it has been charged a management fee of £4,875,510 (2021: £4,334,533). Audit fees paid during the year amounted to £28,000 (2021: £26,000). Non-audit fees paid to the auditors during the year amounted to £0 (2021: £0). Foreign exchange differences recognised in the profit and loss in the year amounted to profits of £177,981 (2021: losses of £21,517).

The Law Debenture Trust Corporation p.l.c.

Notes to the financial statements for the year-ended 31 December 2022 (continued)

7. Employee information and Directors' emoluments

There were no employees during the year (2021: Nil).

The Directors received no emoluments in respect of their services to the Company during the year (2021: £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.

8. Taxation

	2022 £	2021 £
(a) Analysis of taxation charge/(credit)		
Current tax:		
UK corporation tax	822,855	-
Total current tax (note (b))	822,855	-

(b) Factors affecting the tax credit for the year

The standard rate of corporation tax applied to reported profit is 19 per cent (2021: 19 per cent). The applicable rate has changed following the substantive enactment of the Finance Act 2022. The charge for the year can be reconciled to the profit before tax as follows:

	2022 £	2021 £
Profit on ordinary activities before tax	4,940,363	5,080,959
Profit on ordinary activities multiplied by the standard rate of UK corporation tax at 19% (2021:19%)	938,669	965,382
Effects of:		
Group relief	(108,889)	(896,651)
IFRS 9 bad debt provision	(6,925)	(68,731)
Current tax credit for year (Note (a))	822,855	-

(c) Factors that may affect future tax charges

The Company's future effective tax rate will depend on the extent to which there is group relief available to claim from other group companies.

9. Deferred taxation

	2022 £	2021 £
Deferred tax asset as at 1 January	-	-
Charge in year	-	-
Deferred tax asset as at 31 December	-	-

The deferred tax asset recognised in the prior year related to short term timing differences.

The Law Debenture Trust Corporation p.l.c.

Notes to the financial statements for the year-ended 31 December 2022 (continued)

10. Dividends	2022	2021
	£	£
Dividends on ordinary shares comprise the following:		
Dividend of £1 per share (2021: £1 per share)	<u>4,000,000</u>	<u>5,000,000</u>
11. Investments	2022	2021
	£	£
Investments in companies, at cost	<u>500,028</u>	<u>500,028</u>

The Company owns all the issued share capital of the following dormant subsidiaries which are registered and incorporated in England and Wales:

Subsidiaries	Registered office
ICI Pensions Trustee Limited	5th Floor, 36-38 Botolph Lane, London, UK, EC3R 8DE
AstraZeneca Pensions Trustee Limited	1 Francis Crick Avenue, Cambridge Biomedical Campus, Cambridge, UK, CB2 0AA

No additions or disposals were made in the period and no impairment has ever been recognised on these investments.

12. Debtors: Amounts due within one year	2022	2021
	£	£
Amounts due from group undertakings	18,580,193	36,541,522
Trade and other receivables	2,874,900	5,609,461
Prepayments	-	50,000
Contract assets	1,905,674	1,315,661
Other taxes receivable	-	-
	<u>23,360,767</u>	<u>43,516,644</u>

The carrying value represents trade and other receivables which are not impaired. The Directors consider that the carrying value approximates to the fair value. Contract assets arise from when the Company enters into contracts with clients that can take more than one year to complete.

Amounts due from group undertakings represent intercompany loans which are unsecured, interest-free and repayable on demand.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses trade receivables are grouped based on similar risk characteristics including business area and ageing.

The expected loss rates are based on the Company's historical credit losses experienced over the three-year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company's customers.

Notes to the financial statements for the year-ended 31 December 2022 (continued)

12. Debtors: Amounts due within one year (continued)

The Company has identified gross domestic product (GDP) and unemployment trends act as key economic indicators which may impact our customers' future ability to pay debt.

At 31 December 2022 the provision in relation to IFRS 9 resulting from credit loss rates is £273,875 (2021: £347,039).

The total specific and IFRS 9 credit loss provision for trustee fees at 31 December 2022 is £2,810,672 (2021: £3,044,570). Specific provisions relate to certain balances which are 91+ days overdue following management review of total debtors outstanding at the year ended 31 December 2022.

13. Creditors: Amounts falling due within one year	2022	2021
	£	£
Amounts due to group undertakings	5,244,733	24,780,752
Trade and other payables	2,266,426	3,969,301
Deferred income	2,545,153	2,671,196
Corporation tax payable	822,855	-
	10,879,167	31,421,249

Amounts due to group undertakings represent intercompany loans which are unsecured, interest-free and repayable on demand.

14. Financial instruments

At 31 December the Company held the following categories of financial assets and liabilities:

	2022	2021
	£	£
Financial assets held at amortised cost		
Amounts due from group undertakings	18,580,193	36,541,522
Cash and cash equivalents	1,188,532	1,707,475
Trade and other receivables	2,874,900	5,609,461
Accrued income and prepaid expenses	1,905,674	-
Financial liabilities measured at amortised cost		
Amounts due to group undertakings	5,244,733	2
Trade and other payables	2,266,426	3,969,301

A description of the principal risk relating to financial instruments are their relevance to the Company and how they are managed is given in the strategic report.

The Law Debenture Trust Corporation p.l.c.

Notes to the financial statements for the year-ended 31 December 2022 (continued)

15.	Share capital	2022 £	2021 £
	Authorised, issued and fully paid:		
	5,000,000 ordinary shares of £1 each fully paid	<u>5,000,000</u>	<u>5,000,000</u>

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. No shares were reclassified during the year (2021: no reclassifications).

16. Ultimate controlling party

All the issued share capital of the Company is owned by The Law Debenture Corporation p.l.c. a company registered in England and Wales (and which is the ultimate controlling party), bar one share which is held by Law Debenture Corporate Services Limited as a nominee. Copies of the group financial statements of The Law Debenture Corporation p.l.c. can be obtained from The Secretary, Law Debenture Corporate Services Limited, 8th Floor, 100 Bishopsgate, London EC2N 4AG or downloaded from its website www.lawdeb.com.

17. Related party transactions

As a wholly owned subsidiary of The Law Debenture Corporation p.l.c., the Company has taken advantage of the exemption under paragraph 8(k) of FRS101, not to disclose transactions with other wholly owned members of the group.

18. Contingent liabilities

The Company from time to time is party to legal proceedings and or claims, which arise in the ordinary course of the trustee services business. The Directors do not believe that the outcome of any potential proceedings and or claims, either individually or in aggregate, will have a material effect upon the Company's financial position.

19. Post balance sheet events

There were no post balance sheet events.

The Law Debenture Trust Corporation p.l.c.

Directors

D. Jackson
D.M. Anderson (Resigned 30 June 2022)
L. Frost (Appointed 9 December 2022)
C. Greenall (Appointed 9 December 2022)
R.D. Rance (Resigned 28 September 2022)
H. Scotton
E. Solarz
K.A. Stobbs-Miller
L. Watson (Appointed 9 December 2022)

Registered Office

8th Floor
100 Bishopsgate
London
EC2N 4AG

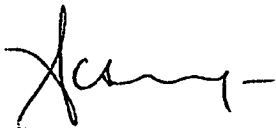
Notice of meeting

Notice is hereby given that the thirty-seventh annual general meeting of The Law Debenture Trust Corporation p.l.c ("the Company") will be held on 3 July 2023 at 8th Floor, 100 Bishopsgate, London EC2N 4AG for the following purposes:

1. To consider and approve the report of the Directors and the audited financial statements for the year ended 31 December 2022.
2. To appoint Deloitte 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 one or more proxies 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.

The notice was approved by the Board of Directors on 3 July 2023 and signed on its behalf by



Law Debenture Corporate Services Limited
Company Secretary