

**LDC (NCS) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**REGISTERED NUMBER: 07384180**



## **LDC (NCS) LIMITED**

### **Strategic report**

The Directors present to the members the Strategic report and the Directors' report together with the financial statements of the Company for the year ended 31 December 2021.

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

We act as trustee to enable British Airways to preserve its UK nationality for the purposes of certain international traffic rights, following its merger with Iberia.

Acting through a special purpose subsidiary, we hold British Airways B shares – which carry minimal economic rights – representing 50.1% of the total number of issued shares in BA, exercising the votes attaching to the shares in accordance with the terms of the trust (2020: 50.1%).

The Company's single key performance indicator is profit on ordinary activities before taxation, which is detailed below.

#### **Business review**

There have not been any changes to the activity of the Company in the year.

Turnover has increased by £2,109, up 1.5% (2020: increased 22.4%), and profit on ordinary activities before taxation increased by £88,833, up 1,158.9% (2020: decrease 73.0%), as a result of lower discretionary management fees in 2021. 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, dividend and reserves**

The Company's profit on ordinary activities before taxation for the year was £96,498 (2020: £7,665).

The Directors do not recommend a dividend this year (2020: nil). There are £265,671 accumulated reserves carried forward (2020: £169,173).

#### **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**

The Directors have considered the ongoing impact of Covid-19 and the Russia - Ukraine war and have concluded that there is no impact of either development the Company's ability to operate as a going concern. As part of a Group-wide assessment of going concern whereby a balance sheet assessment was undertaken, they have concluded that the Company and the wider Group is able to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of the financial statements. Having assessed these factors and the principal risks, the Directors are not aware of any material uncertainties that cast significant doubt on the Company's ability to continue as a going concern.

The Directors are therefore satisfied that the Company can continue on a going concern basis for at least twelve months from the date of these financial statements.

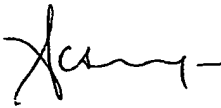
## **LDC (NCS) LIMITED**

### **Strategic report (continued)**

#### **Principal risks and uncertainties**

The principal risks of the business in the course of providing governance and board effectiveness services arise from errors in handling confidential information provided by Board Directors and senior staff from client companies. Leakages and mistakes in attributing data could breach confidentiality agreements, causing embarrassment and potential risk to revenues and reputation. These risks are mitigated through robust systems for data collection, handling and analyses, limited access to databases to trained personnel only, and checking and review processes.

By order of the Board



A Skerritt  
**Law Debenture Corporate Services Limited**  
Secretary  
6 September 2022

## **LDC (NCS) LIMITED**

### **Directors' report**

The Directors present their annual report on the affairs of LDC (NCS) ('the Company'), together with the financial statements, for the year ended 31 December 2021.

### **Directors and Secretary**

The Directors of the Company during the financial year were as follows:

D. Jackson

E. Solarz

The Secretary is Law Debenture Corporate Services Limited.

### **Directors' Indemnities**

During the year, and up to the date of this report, the Company 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 (2020 £nil).

### **Events after the balance sheet date**

Details of significant events since the balance sheet date are contained in note 15 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. The nature of its financial instruments means that they are not subject to price risk or liquidity risk.

#### **Liquidity risk**

The Company maintains sufficient cash and liquid resources. Cash flow 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.

#### **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, COVID-19 and business risks have been upgraded for disclosure in the Strategic report, as permitted by section 414C of the Companies Act 2006.

## **LDC (NCS) LIMITED**

### **Directors' report (continued)**

#### **Exemption from audit**

For the year ending 31 December 2021 the Company obtained an exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies. The Law Debenture Corporation plc, the ultimate controlling party, has provided a statement of guarantee under s479C of the Companies Act 2006, whereby The Law Debenture Corporation plc guarantees all outstanding liabilities to which the Company is subject to as at 31 December 2021.

By order of the Board



A Skeritt

**Law Debenture Corporate Services Limited**

Secretary

6 September 2022

## **LDC (NCS) LIMITED**

### **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.

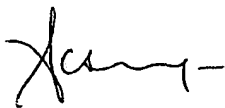
Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), comprising FRS 101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

By order of the Board



A Skerritt  
**Law Debenture Corporate Services Limited**  
Secretary  
6 September 2022

**LDC (NCS) LIMITED****Profit and loss account**

For the year ended 31 December

	Note	2021 £	2020 £
<b>Turnover</b>	5	<u>143,991</u>	<u>141,882</u>
<b>Gross profit</b>		143,991	141,882
Administrative expenses	6	<u>(47,493)</u>	<u>(134,217)</u>
<b>Profit before taxation</b>		96,498	7,665
Tax on profit or loss	8	-	-
<b>Profit for the financial year</b>		<u>96,498</u>	<u>7,665</u>

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

All amounts relate to continuing operations.

The annexed notes form part of these financial statements.

## LDC (NCS) LIMITED

<b>Balance Sheet</b>		<b>2021</b>	<b>2020</b>
As at 31 December	Note	£	£
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	<b>596,463</b>	341,223
<b>Creditors:</b> amounts falling due within one year	10	<b>(330,791)</b>	(172,049)
<b>Net current assets</b>		<b>265,672</b>	169,174
<b>Net assets</b>		<b>265,672</b>	169,174
<b>Equity</b>			
Called up share capital	11	<b>1</b>	1
Profit and loss account		<b>265,671</b>	169,173
<b>Total shareholders' funds</b>		<b>265,672</b>	169,174

For the year ending 31/12/2021 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved and authorised for issue by the Board on 6 September 2022 and signed on its behalf by



D. Jackson  
Director

The annexed notes form part of these financial statements.



**LDC (NCS) LIMITED****Statement of changes in equity**  
For the year ended 31 December

	<b>Called up share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
Balance as at 1 January 2020	1	161,508	161,509
Profit for the year	-	7,665	7,665
Balance as at 31 December 2020	1	169,173	169,174
Balance as at 1 January 2021	1	169,173	169,174
Profit for the year	-	96,498	96,498
<b>Balance as at 31 December 2021</b>	<b>1</b>	<b>265,671</b>	<b>265,672</b>

The annexed notes form part of these financial statements.

## **LDC (NCS) LIMITED**

### **Notes to the financial statements for the year ended 31 December 2021**

#### **1. General information**

LDC (NCS) Limited (the 'Company') is a private 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 15.

The nature of the Company's operations and its principal activities are set out in the strategic report on pages 1 to 2.

#### **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 2021 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';
- 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'.

**Notes to the financial statements for the year ended 31 December 2021 (continued)**

**3. Significant accounting policies (continued)**

**Summary of disclosure exemptions (continued)**

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'.

**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 13.

**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 2 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. Having assessed the principal risks, the Directors are not aware of any material uncertainties that cast significant doubt on the Company's ability to continue as a going concern.

The Directors have also had regard to the ongoing impact of Covid-19 and the Russia - Ukraine war and have concluded that there are no going concern issues as a result of either event.

After making appropriate enquiries and considering the above factors, the Directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future, being at least twelve months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

**Corporate trust**

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 majority of Group deferred revenue relates to corporate trust business. Amounts are mostly billed and paid on an annual or quarterly basis. The corporate trust business is not adversely affected by economic stress factors because in a downturn clients seek to restructure their debt arrangements. 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. The performance obligations are services provided in the creation of the trust or the structure and the obligations set out in the trust deed or service agreement over the period for which the trust or structure will be in place.

Notes to the financial statements for the year ended 31 December 2021 (continued)

3. Significant accounting policies (continued)

**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.

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.

**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.

**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.

**Share capital**

Ordinary shares are classified as equity.

**Notes to the financial statements for the year ended 31 December 2021 (continued)**

**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 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 associated assumptions are based on historical experience and other factors that are considered to be relevant and are reviewed on an ongoing basis. Actual results may differ from these estimates.

In preparing these financial statements, the Directors have concluded there are no critical accounting judgements and no key sources of estimation uncertainty.

**5. Turnover**

All turnover arises from trustee fees.

**6. Administrative expenses**

Resources necessary for the administration of the Company are provided by L.D.C. Trust Management Limited for which it has charged a management fee of £47,493 (2020: £131,717).

Audit fees paid in the year amounted to £Nil (2020: £2,500). Non-audit fees paid to the auditors during the year amounted to £Nil (2020: £Nil).

**7. Employee information and Directors' emoluments**

There were no employees during the year (2020: Nil).

The Directors received no emoluments in respect of their services to the Company during the year, 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.

**LDC (NCS) LIMITED****Notes to the financial statements for the year ended 31 December 2021 (continued)**

<b>8. Taxation</b>	<b>2021</b>	<b>2020</b>
<b>(a) Analysis of taxation charge</b>	<b>£</b>	<b>£</b>
Current Tax:		
UK company tax	-	-
Total current tax (Note (b))	<u>-</u>	<u>-</u>

**(b) Factors affecting the tax charge for the year**

The standard rate of corporation tax applied to reported profit is 19 per cent (2020: 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:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<u>96,498</u>	<u>7,665</u>
Profit on ordinary activities multiplied by the standard rate of UK corporation tax at 19.00% (2020: 19.00%)	<b>18,335</b>	<b>1,456</b>
Effects of:		
Tax paid at small companies' rate	-	-
Group relief	<b>(18,335)</b>	<b>(1,456)</b>
Current tax charge for year (Note (a))	<u>-</u>	<u>-</u>

**(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.

**LDC (NCS) LIMITED****Notes to the financial statements for the year ended 31 December 2021 (continued)**

<b>9. Debtors</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Amounts due from group undertakings	<b>418,105</b>	341,223
Trade and other receivables	<b>178,358</b>	-
	<b><u>596,463</u></b>	<b><u>341,223</u></b>

The carrying value represents trade and other receivables which are not impaired. The Directors consider that the carrying value approximates to the fair value.

The Company has £178,358 worth of trade receivables at 31 December 2021 (2020: Nil).

Amounts due from group undertakings represent intercompany loans which are unsecured, interest-free and repayable on demand. There is no history of credit losses in relation to the intercompany debtors.

<b>10. Creditors: amounts falling due within one year</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Amounts due from group undertakings	<b>211,874</b>	53,773
Deferred income	<b>118,905</b>	114,265
Other creditors	<b>12</b>	4,011
	<b><u>330,791</u></b>	<b><u>172,049</u></b>

The Directors consider that the carrying value of trade and other payables approximates to their fair value, due to their age.

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

<b>11. Share capital</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Authorised, issued and fully paid share capital:		
5 ordinary shares of £0.20 each fully paid	<b>1</b>	1
(2020: 5 ordinary shares of £0.20 fully paid).	<b><u>1</u></b>	<b><u>1</u></b>

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 (2020: no reclassifications).

## **LDC (NCS) LIMITED**

### **Notes to the financial statements for the year ended 31 December 2021 (continued)**

#### **12. Financial instruments**

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Amounts due from group undertakings	<b>418,105</b>	<b>341,223</b>
Trade and other receivables	<b>178,358</b>	<b>-</b>
<b>Financial liabilities</b>		
Amounts due to group undertakings	<b>211,874</b>	<b>53,773</b>
Trade and other payables	<b>12</b>	<b>4,011</b>

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.

#### **13. 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. 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.

#### **14. 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.

#### **15. Events after the reporting period**

There were no post balance sheet events.