

**THE LAW DEBENTURE PENSION TRUST CORPORATION P.L.C.**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**REGISTERED NUMBER: 03267461**



## **The Law Debenture Pension Trust Corporation p.l.c.**

The Directors present to the members the strategic report and the Directors' report together with the audited financial statements of the Company for the year ended 31 December 2019.

### **Strategic report**

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

The Company is engaged in providing pension trustee services.

The Company is a public company, but its shares are not publicly traded. 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's key performance indicators are generating turnover and to make a profit on ordinary activities before taxation, which is detailed below.

#### **Business review**

Our pensions business is now more than 50 years old and continues to grow from strength to strength. Our team of trustees grew by 10% over the course of 2019 and is now supporting in excess of 200 clients, with oversight of over £300bn of assets, providing pension benefits to more than three million families.

2019 has also seen a significant extension of the trustee role, with an increasing focus on stewardship and environmental, social and governance (ESG) factors. From October 2019, trustees have been required to explain how they engage with debt and equity holders on not only investment performance, strategy and risk, but also on the environmental, social and governance impact of those businesses.

In 2019, the Pensions Regulator consulted on a range of proposals, including a suggestion that all trustees should be required to have a professional trustee on their board. Whilst they did not support a mandatory requirement, we expect it to be a question they are more frequently moving forward. We think that will lead to an increasing demand for our professional trustee services.

2019 saw further excellent progress in our Pension's Governance Service business, Pegasus. Investment in the expansion of our team achieved a 55% increase in revenue in 2019 with a very strong pipeline of potential clients providing an even higher level of growth in 2020.

Our defined benefit scheme clients continue to represent the majority of our revenues. The combination of our excellent team and reputation leaves us well placed to continue to grow our market share. At the same time, we have an eye to the future where we believe that the growth in importance of our defined contribution work relative to our total revenues will continue.

Turnover has increased by 14.5% (2018: 18.6% increase). Profit on ordinary activities before taxation decreased 11.7% (2018: 46.6% increase) due to higher management fees for the year.

#### **Results**

The Company's profit on ordinary activities after taxation for the year was £2,516,622 (2018: £2,849,711).

## **The Law Debenture Pension Trust Corporation p.l.c.**

### **Future developments**

There have not been any significant changes to the Company's principal activities during the year. The Directors are not aware at the date of the report of any likely changes in the Company's activities in the next year.

### **COVID-19**

The COVID-19 outbreak was declared a pandemic on 30 January 2020 by the World Health Organisation. This has caused wide-reaching economic effects arising from the spread of the illness and lock-down of the majority of the world population. The immediate impact on the Company is that the vast majority of Group staff are performing work from home. However, given the nature of the Company's services, this has not impacted the ability of the Company to function as necessary to meet client and regulatory requirements. None of the workforce has been furloughed nor are there plans for this.

The 2020 Company budget, 2020-21 Company balance sheet, and 2020 Group cash flow and budget have been reviewed in light of the situation taking into account the industry sector of each client and the likely impact of the pandemic on their respective businesses. At this stage no major issues have been identified in terms of clients withdrawing business or being unable to pay for services.

New trade receivables software has been introduced in 2020 to automate and optimise the timely collection of payments from clients. This is expected to mitigate against potentially longer collection periods arising from COVID-19.

The Company has no fixed costs. Costs for the Group are incurred by the Group's management company, L.D.C. Trust Management Limited. The management recharge is flexible, as is the policy for payment of dividends to the ultimate parent company The Law Debenture Corporation p.l.c.

The Directors are satisfied that the Company can continue on a going concern basis based on this review.

### **Principal risks and uncertainties**

In its role as independent trustee the Company contributes to the deliberations and responsibilities of pensions trustee boards. There is a risk that if this contribution was made negligently then claims could arise.

The Directors ensure that proper professional training is in place for all staff working for the Company under L.D.C. Trust Management Limited, which acts as the employing company for the Group, and ensure there is appropriate consultation and where necessary external legal, actuarial and financial advice is taken.

### **Section 172 statement**

The Board is responsible for the overall strategy and management of the Company and ensuring that the Company 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.

**The Law Debenture Pension Trust Corporation p.l.c.**

**Section 172 statement (continued)**

The Company's Board specifically considers the impact of any of its decisions on the clients serviced by the business it operates, on the employees working for its specific business area and the possible long term results of any such decisions. Details of the consideration by the Board of the Company's stakeholders is explained within the Directors' Report on page 5. The impact of the Company's operations on suppliers, community and the environment are considered on a Group basis.

By order of the Board



**Deborah Fish**

**Law Debenture Corporate Services Limited**

Secretary

29 June 2020

## **The Law Debenture Pension Trust Corporation p.l.c.**

### **Directors' report**

#### **Directors and Secretary**

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

M.H. Ashworth	D.P. Kidd
A. Baker (Appointed 4 July 2019)	B.A. Kilpatrick (Appointed 15 January 2019, Resigned 8 June 2020)
D.W.D. Barlow (Appointed 6 April 2020)	E.G. Levy
E. J. Beverley (Appointed 11 February 2020)	S. Minchella (Appointed 4 May 2020)
S.A. Burnard	C.P. Morgan
M.A. Chatterton	V.C. Paramour
A. Creed (Appointed 27 September 2019)	A.J. Parker (Resigned 28 June 2019)
D.F.E. Curtis	S.L. Pitt (Appointed 10 January 2019)
I.S. Dhingra	K. Scott (Appointed 2 December 2019)
A.A. Eagles	R.H. Thomas
D.M. Felder	V.H. Trayhurn
A.W. Harrison	
M.I. Jaffe	

The Secretary is Law Debenture Corporate Services Limited.

During the year, the Company maintained liability insurance for the benefit of Directors and other officers.

#### **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' interests**

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

#### **Dividend and accumulated reserves**

The Directors do not propose a dividend for the year ended December 2019 (2018: £1,250,000).

There are £5,560,271 accumulated reserves carried forward (2018: £3,043,649).

#### **Statement as to disclosure of information to auditors**

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

#### **Events after the reporting period**

Other than the potential impact of COVID-19 described in the COVID-19 section of the strategic report and note 1 to the financial statements, there are no other subsequent events.

#### **Strategic information**

Future developments, COVID-19, business risks have been upgraded for disclosure in the strategic report.

**The Law Debenture Pension Trust Corporation p.l.c.**

**Directors' report (continued)**

**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 489 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.

By order of the Board



**Deborah Fish**

**Law Debenture Corporate Services Limited**

Secretary

29 June 2020

## **The Law Debenture Pension Trust Corporation p.l.c.**

### **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), including FRS 101 "Reduced Disclosure Framework" ("FRS 101") 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, which includes taking reasonable steps to prevent and detect fraud and other irregularities.

By order of the Board



**Deborah Fish**

**Law Debenture Corporate Services Limited**

Secretary

29 June 2020

**INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE LAW DEBENTURE PENSION TRUST CORPORATION PLC**

***Opinion***

We have audited the financial statements of The Law Debenture Pension Trust Corporation p.l.c. ("the Company") for the year ended 31 December 2019 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 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.

***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 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***

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

***Other information***

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not 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.



## **INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE LAW DEBENTURE PENSION TRUST CORPORATION PLC**

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### ***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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

### ***Matters on which we are required to report by exception***

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 material misstatements in the Strategic report and Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

### ***Responsibilities of Directors***

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, 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.

**INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE LAW DEBENTURE PENSION TRUST CORPORATION PLC**

***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 Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**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.

**Orla Reilly** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK  
29 June 2020

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

**The Law Debenture Pension Trust Corporation p.l.c.**

**Income statement**

for the year ended 31 December

	Note	2019 £	2018 £
<b>Turnover</b>	3	<b>10,248,861</b>	8,949,285
Cost of sales		<u>(259,894)</u>	<u>(108,076)</u>
<b>Gross profit</b>		<b>9,988,967</b>	8,841,209
Administrative expenses	4 & 5	<u>(7,513,528)</u>	<u>(6,016,391)</u>
<b>Profit on ordinary activities before dividend and interest</b>		<b>2,475,439</b>	2,824,818
Bank interest receivable		<u>41,183</u>	<u>24,893</u>
<b>Profit on ordinary activities before taxation</b>		<b>2,516,622</b>	2,849,711
Taxation	6	-	-
<b>Profit and total comprehensive income on ordinary activities after taxation</b>		<u><b>2,516,622</b></u>	<u>2,849,711</u>

All amounts relate to continuing operations.

The annexed notes form part of these financial statements.

**The Law Debenture Pension Trust Corporation p.l.c.**

**Statement of financial position**

as at 31 December

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Investments	8	<u>250,231</u>	<u>250,231</u>
<b>Current assets</b>			
Debtors	9	<u>4,660,591</u>	<u>3,367,970</u>
Short term cash deposits & cash at bank and in hand		<u>6,353,696</u>	<u>6,581,891</u>
		<b>11,014,287</b>	<b>9,949,861</b>
<b>Creditors</b>	10	<u>(704,247)</u>	<u>(2,156,443)</u>
<b>Net current assets</b>		<u><b>10,310,040</b></u>	<u><b>7,793,418</b></u>
<b>Net assets</b>		<u><u><b>10,560,271</b></u></u>	<u><u><b>8,043,649</b></u></u>
<b>Capital and reserves</b>			
Called up share capital	11	<u>5,000,000</u>	<u>5,000,000</u>
Retained earnings		<u>5,560,271</u>	<u>3,043,649</u>
<b>Shareholders' funds</b>		<u><u><b>10,560,271</b></u></u>	<u><u><b>8,043,649</b></u></u>

Approved and authorised for issue by the Board on 29 June 2020 and signed on its behalf by



M.A. Chatterton  
Director

The annexed notes form part of these financial statements.

**The Law Debenture Pension Trust Corporation p.l.c.**

**Statement of changes in equity**  
for the year ended 31 December

	Share capital £	Retained earnings £	Total £
Equity at 1 January 2018	5,000,000	1,443,938	6,443,938
Profit for the period	-	2,849,711	2,849,711
Other comprehensive income for the period	-	-	-
Total comprehensive income	-	2,849,711	2,849,711
Dividend relating to 2018	-	(1,250,000)	(1,250,000)
Total equity at 31 December 2018	5,000,000	3,043,649	8,043,649
Equity at 1 January 2019	5,000,000	3,043,649	8,043,649
Profit for the period	-	2,516,622	2,516,622
Other comprehensive income for the period	-	-	-
Total comprehensive income	-	2,516,622	2,516,622
Dividend relating to 2019	-	-	-
Total equity at 31 December 2019	5,000,000	5,560,271	10,560,271

The annexed notes form part of the financial statements.

**Notes to the financial statements - 31 December 2019**

**1. Accounting policies**

**Basis of preparation**

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). 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. The presentation currency used is sterling and amounts have been presented in round pounds.

**Disclosure exemptions**

In preparing these financial statements, the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- Certain comparative information as otherwise required by EU Endorsed IFRS;
- Certain disclosures regarding the Company's capital;
- A statement of cashflows;
- The effect of future accounting standards not yet adopted;
- The disclosure of the remuneration of key management personnel; and
- Disclosure of related party transactions with other wholly owned members of the Group headed by The Law Debenture Corporation p.l.c.

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:

- Business combinations;
- Financial instruments; and
- Impairment of assets.

**Going concern**

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.

The COVID-19 outbreak was declared a pandemic on 30 January 2020 by the World Health Organisation.

The budget and cash flow have been reviewed in light of the situation taking into account the industry sector of each client and the likely impact of the pandemic on their respective businesses. At this stage no major issues have been identified in terms of clients withdrawing business or being unable to pay for services. The Directors are satisfied that the Company can continue on a going concern basis based on this review.

This is being treated as a non-adjusting event as the events have taken place after the year end.

Notes to the financial statements - 31 December 2019 (continued)

**2. Critical accounting estimates, judgements and policies**

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:

**i) Recognition of income and expenses:**

**Interest income**

Interest income is accrued on a time basis using the effective interest rate applicable.

**Independent Professional Services income (IPS)**

The Company has disaggregated the IPS revenue into various categories below which depict the nature, amount, timing, and uncertainty of revenue and cash flows.

**Annual income**

Annual income is derived from the provision of annual trustee services rendered net of any value added tax based on a contracted fee amount. 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. The timing of the transfer of goods and services is over time based on the period of service. Revenue is recognised over the period of service where amounts which are not recognised in the financial period are deferred. Amounts are mostly billed and paid on a quarterly basis.

**Pension income**

Pension income is the total revenue charged to schemes based on the number of billable hours recorded at a contracted chargeable rate. The performance obligations are to provide the time of professional trustees to the pension trust and the timing of transfer of goods and services are at that point in time. The revenue is recognised in the accounting period in which the time has been recorded with amounts mostly billed and paid on a quarterly basis.

**Acceptance fee income**

Revenues are derived from acceptance of new business based on the fee charged, which is considered to be the transaction price. The timing of transfer of goods and services is at that point of time, with revenue recognised in the accounting period the transaction occurs net of any value added tax. Amounts are billed and paid on a quarterly basis.

**Notes to the financial statements - 31 December 2019 (continued)**

- ii) **Investments**  
Investments are held at cost. Provision is made where there has been a permanent impairment in value.
- iii) **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.
- iv) **Dividend distribution**  
Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the shareholders.
- v) **Financial instruments**  
The Company accounts for financial instruments under IFRS 9.  
  
The classification of financial assets is "fair value through profit and loss".  
  
Impairment is assessed under a forward looking 'expected credit loss' model replacing the 'incurred loss' model in IAS 39.

**3. Turnover**

Turnover represents fees for services provided entirely within the United Kingdom.



Notes to the financial statements - 31 December 2019 (continued)

4. 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 £7,485,000 (2018: £6,000,000). Audit fees paid during the year amounted to £17,000 (2018: £8,000).

Non-audit fees paid to the auditors during the year amounted to £0 (2018: £0).

5. Employee information and Directors' emoluments

There were no employees during the year (2018: Nil).

The Directors received no emoluments in respect of their services to the Company during the year (2018: £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.

6. Taxation	2019	2018
(a) Analysis of taxation charge	£	£
Current tax:		
UK corporation tax	-	-
Total tax (Note (b))	-	-

(b) Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018
	£	£
Profit on ordinary activities before tax	2,516,622	2,849,711
Profit on ordinary activities multiplied by the standard rate of UK corporation tax at 19.00% (2018: 19.00%)	478,158	541,445
Effects of:		
Bad debt provision	2,186	
Group relief	(480,344)	(541,445)
Tax charge for year (Note (a) )	-	-

(c) Factors that may affect future tax charges

The Company expects that it may continue to receive group relief. On this basis the tax charge will remain below the standard rate of UK corporation tax.

Notes to the financial statements - 31 December 2019 (continued)

<b>7. Dividend</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Dividend per ordinary share comprises the following:		
No dividend is approved for 2019 (2018: 25.00p per share)	<u>-</u>	<u>1,250,000</u>

<b>8. Investments</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
(a) Subsidiary companies		
as at 1 January and 31 December	<u>250,205</u>	<u>250,205</u>

The investments comprise £250,000 in Syngenta Pensions Trustee Ltd, £100 in Henderson Administration Trustees Limited, £3 in Charter Pensions Trustee Limited, £1 in Law Debenture Trust for Charities, €1 in The Law Debenture Corporation (Deutschland) Limited and £100 in ICI Specialty Chemicals Pensions Trustee Limited. The Directors believe these investments are worth at least the current carrying value in the financial statements.

All subsidiaries are incorporated and have their registered office in the United Kingdom at Fifth Floor, 100 Wood Street, London EC2V 7EX.

These holdings constitute 100% of the nominal share capital of each company. Each company is a subsidiary and is incorporated in England and Wales and their principal activities are to act as pension trustee companies.

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
(b) Other		
As at 1 January	<u>26</u>	<u>26</u>
As at 31 December	<u>26</u>	<u>26</u>

The investment comprises 26% in Exel Trustees Limited which is a pension trustee company.

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
(c) Total investments		
As at 1 January	<u>250,231</u>	<u>250,231</u>
As at 31 December	<u>250,231</u>	<u>250,231</u>

Notes to the financial statements - 31 December 2019 (continued)

9. Debtors	2019	2018
	£	£
Amounts due from group undertakings	890,371	62,781
Trade and other receivables	1,447,175	1,368,150
Prepayments and accrued income	2,323,046	1,937,039
	<u>4,660,592</u>	<u>3,367,970</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.

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 and ageing.

The expected loss rates are based on the Company's historical credit losses experienced over the two 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.

At 31 December 2019 total provision based on IFRS 9 credit loss rates is £57,883 (2018: £46,375).

Contract assets and contract liabilities are included within "other accrued income and prepaid expenses" and "deferred income" respectively on the face of the statement of financial position. They arise from where the business enters into contracts that can take more than one year to complete.

10. Creditors	2019	2018
	£	£
Amounts due to group undertakings	250,000	1,862,472
Trade and other payables	430,103	249,100
Deferred income	24,144	44,871
	<u>704,247</u>	<u>2,156,443</u>

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

Notes to the financial statements - 31 December 2019 (continued)

11. Share capital	2019 £	2018 £
Allotted and fully paid share capital: 5,000,000 ordinary shares of £1	<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 (2018: no reclassifications).

12. Capital management

The Company is required to have a minimum capital of £250,000 (of which £100,000 has to be paid up) to maintain its status as a trust company. The Company reviews this on a regular basis.

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 (and which is the ultimate controlling party), other than 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, Fifth Floor, 100 Wood Street, London EC2V 7EX.

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 end of the reporting period

Other than the potential impact of COVID-19 described in the going concern assessment in note 1, there are no other subsequent events. The impact of COVID-19 is a non adjusting event with no impact on carrying values.

**The Law Debenture Pension Trust Corporation p.l.c.**

**Directors**

M.H. Ashworth  
A. Baker  
D.W.D. Barlow  
E.J. Beverley  
S.A. Burnard  
M.A. Chatterton  
A. Creed  
D.F.E. Curtis  
I.S. Dhingra  
A.A. Eagles  
D.M. Felder  
A.W. Harrison  
M.I. Jaffe  
D.P. Kidd  
E.G. Levy  
S. Minchella  
C.P. Morgan  
V.C. Paramour  
S.L. Pitt  
K. Scott  
R.H. Thomas  
V.H. Trayhurn

**Registered Office**

5<sup>th</sup> Floor  
100 Wood Street  
London  
EC2V 7EX

**Notice of Meeting**

Notice is hereby given that the twenty-first annual general meeting of The Law Debenture Pension Trust Corporation p.l.c. ("the Company") will be held on 29 June 2020 at Fifth Floor, 100 Wood Street, London, EC2V 7EX for the following purposes:

1. To consider and approve the report of the Directors, the strategic report and the audited financial statements for the year ended 31 December 2019.
2. To re-appoint BDO LLP as the Corporation's auditors and to 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.

By order of the Board



**Deborah Fish**

**Law Debenture Corporate Services Limited**

Secretary  
29 June 2020