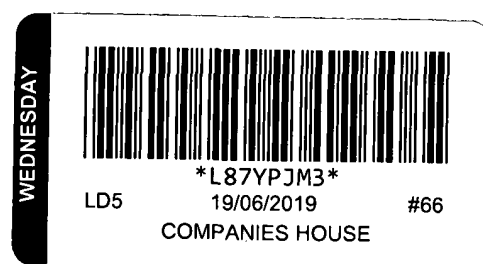


**THE LAW DEBENTURE PENSION TRUST CORPORATION P.L.C.**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**REGISTERED NUMBER: 03267461**



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

**Directors**

M.H. Ashworth  
S.A. Burnard  
M.A. Chatterton  
D.F.E. Curtis  
I.S. Dhingra  
A.A. Eagles  
D.M. Felder  
A.W. Harrison  
M.I. Jaffe  
D. P. Kidd  
B.A. Kilpatrick  
E.G. Levy  
C.P. Morgan  
V.C. Paramour  
A.J. Parker  
S.L. Pitt  
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 twentieth annual general meeting of The Law Debenture Pension Trust Corporation p.l.c. ("the Corporation") will be held on 28 March 2019 at Fifth Floor, 100 Wood Street, London, EC2V 7EX for the following purposes:

1. To consider and approve the report of the directors and the financial statements for the year ended 31 December 2018.
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



**Law Debenture Corporate Services Limited**

Secretary  
28 March 2019

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

The directors present to the members the Strategic report, the Directors' report together with the audited financial statements of the Corporation for the year ended 31 December 2018.

### **Strategic report**

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

The Corporation is engaged in providing pension trustee services.

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

The Corporation's key performance indicators are turnover and profit on ordinary activities before taxation and these are detailed below.

#### **Business review**

In 2018, we started to see returns from our investment in people, with revenues up on 2017. This is a very pleasing result that we are looking to build on in 2019 and beyond.

2018 also saw the launch of our pensions governance business, PEGASUS. There is a recent trend towards the appointment of sole corporate professional trustees, rather than a traditional multi trustee board model.

Growing regulatory focus on the sector as a result of the fallout of several high profile corporate and pension failures, has seen lay trustees facing increased pressure, accountability and responsibility. With wins of five additional sole trusteeships in 2018, our provision of sole trustee solutions is now beyond critical mass.

Key client wins for this year include Clara Pensions, Optivo, Smart Pension and Standard Life Aberdeen.

Turnover has increased by 18.6% (2017: 2.4% increase) and, profit on ordinary activities before taxation increased 46.6% (2017:13.8% decrease), largely as a result of the growth of the business in 2018.

#### **Results**

The Corporation's profit on ordinary activities after taxation for the year was £2,849,711 (2017: £1,943,938).

#### **Future developments**

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

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

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

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

**Strategic report (continued)**

The directors ensure that proper professional training is in place for all staff, there is appropriate consultation between our employees and where necessary external legal, actuarial and financial advice is taken.

By order of the Board

A handwritten signature in black ink, appearing to be 'V. Dea' or similar, written in a cursive style.

**Law Debenture Corporate Services Limited**

Secretary

28 March 2019

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

### **Directors' report**

#### **Financial instruments**

The Corporation 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 selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price risk or liquidity risk.

#### **Directors**

The directors of the Corporation during the financial year to the year-end were as follows:

M.H. Ashworth	R.J. Jagelman (Resigned 21 September 2018)
S.J. Balmont (Resigned 21 September 2018)	D.P. Kidd
S.A. Burnard	B.A. Kilpatrick (Appointed 15 January 2019)
M.A. Chatterton	E.G. Levy (Appointed 1 June 2018)
D. F.E. Curtis	C.P. Morgan
G.P. Degaute (Resigned 31 May 2018)	V.C. Paramour
I.S. Dhingra	A.J. Parker
A.A. Eagles	S.L. Pitt (Appointed 10 January 2019)
D.M. Felder	R.H. Thomas
A.W. Harrison	V.H. Trayhurn
M.I. Jaffe	

During the year, the Corporation maintained liability insurance for the benefit of directors and other officers.

#### **Directors' interests**

No director has a beneficial interest in the share capital of the Corporation.

#### **Dividend**

The Corporation's final dividend is £1,250,000 (2017: £1,206,283), which was proposed by the directors and approved by the shareholder on 13 December 2018.

There are £3,043,649 accumulated reserves carried forward (2017: £1,443,938).

#### **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**

There are no adjusting or non-adjusting events after the reporting period.

#### **Auditors**

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

**Directors' report (continued)**

By order of the Board



**Law Debenture Corporate Services Limited**

Secretary

28 March 2019

**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 Corporation will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Corporation's transactions and disclose with reasonable accuracy at any time the financial position of the Corporation 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 Corporation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**Opinion**

We have audited the financial statements of Law Debenture Pension Trust Corporation PLC ("the Company") for the year ended 31 December 2018 which comprise the Income statement, the Statement of Financial Position and 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 2018 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 Strategic Report and Directors' 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.

**Other information (continued)**

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.



**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 at 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.



**Vanessa-Jayne Bradley** (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, UK

28 March 2019

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	2018 £	2017 £
<b>Turnover</b>	3	<b>8,949,285</b>	7,545,067
Cost of sales		<u>(108,076)</u>	<u>(95,996)</u>
<b>Gross profit</b>		<b>8,841,209</b>	7,449,071
Administrative expenses	4 & 5	<u>(6,016,391)</u>	<u>(5,508,657)</u>
<b>Profit on ordinary activities before dividend and interest</b>		<b>2,824,818</b>	1,940,414
Bank interest receivable		<u>24,893</u>	<u>3,524</u>
<b>Profit on ordinary activities before taxation</b>		<b>2,849,711</b>	1,943,938
Taxation	6	-	-
<b>Profit and Total comprehensive income on ordinary activities after taxation</b>		<u><b>2,849,711</b></u>	<u>1,943,938</u>

All amounts relate to continuing operations.

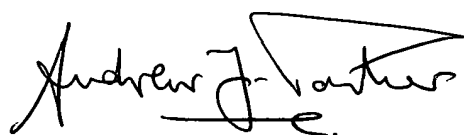
The annexed notes form part of these financial statements.

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

**Statement of financial position**  
as at 31 December

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Investments	8	<u>250,231</u>	<u>250,231</u>
<b>Current assets</b>			
Debtors	9	3,367,970	3,208,649
Short term cash deposits & cash at bank and in hand		<u>6,581,891</u>	<u>3,504,856</u>
		9,949,861	6,713,505
<b>Creditors</b> Amounts falling due within one year	10	<u>(2,156,443)</u>	<u>(519,798)</u>
<b>Net current assets</b>		<u>7,793,418</u>	<u>6,193,707</u>
<b>Net assets</b>		<u>8,043,649</u>	<u>6,443,938</u>
<b>Capital and reserves</b>			
Called up share capital	11	5,000,000	5,000,000
Retained earnings		<u>3,043,649</u>	<u>1,443,938</u>
<b>Shareholders' funds</b>		<u>8,043,649</u>	<u>6,443,938</u>

Approved and authorised for issue by the Board on 28 March 2019 and signed on its behalf by



A.J. Parker  
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

	<b>Share capital</b> £	<b>Retained earnings</b> £	<b>Total</b> £
Equity at 1 January 2017	5,000,000	706,283	5,706,283
Profit for the period	-	1,943,938	1,943,938
Other comprehensive income for the period	-	-	-
Total comprehensive income	-	1,943,938	1,943,938
Dividend relating to 2017	-	(1,206,283)	(1,206,283)
Total equity at 31 December 2017	5,000,000	1,443,398	6,443,938
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

The annexed notes form part of the financial statements

**Notes to the financial statements - 31 December 2018**

**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 Corporation 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 Corporation'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.

**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 Corporation'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 monthly 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 monthly basis.

- ii) Foreign currencies:** Transactions recorded in foreign currencies during the year are translated into sterling at the exchange rate ruling on the date of the transaction. Assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the exchange rate ruling at that date.
- iii) Investments:** Investments are held at cost. Provision is made where there has been a permanent impairment in value.

**Notes to the financial statements - 31 December 2018 (continued)**

- iv) **Basis of consolidation:** The Corporation 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.
- v) **Dividend distribution:** Dividend distribution to the Corporation's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the shareholders.
- i) **Financial instruments** (effective for annual periods beginning on or after 1 January 2018):

The Corporation has applied IFRS 9 from 1 January 2018. Based on the corporation's assessment, there has been no material financial impact as a result of the implementation of IFRS 9. The following key areas have been assessed:

Classification – the classification of financial assets as “fair value through profit and loss” is unchanged.

Impairment – IFRS 9 replaced the ‘incurred loss’ model in IAS 39 with a forward looking ‘expected credit loss’ model. The impact to the corporation will only be in relation to the impairment of trade and other receivables. The impairment assessment has been made on a simplified approach basis and did not have any material impact on the financial assets of the corporation. There are no other impairment impacts from the implementation of IFRS 9.

**3. Turnover**

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

**4. Administrative expenses**

Resources necessary for the administration of the Corporation are provided by a Law Debenture Group company (L.D.C. Trust Management Limited) for which it has been charged a management fee of £6,000,000 (2017: £5,500,000). Audit fees paid during the year amounted to £8,000 (2017: £7,750).

Non-audit fees paid to the auditors during the year amounted to £0 (2017:£0).

**5. Employee information and Directors’ emoluments**

There were no employees during the year (2017: Nil).

The directors received no emoluments in respect of their services to the Corporation during the year (2017: £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.

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

**Notes to the financial statements - 31 December 2018 (continued)**

<b>6. Taxation</b>	<b>2018</b>	<b>2017</b>
<b>(a) Analysis of taxation charge</b>	<b>£</b>	<b>£</b>
Current tax:		
UK Corporation tax	-	-
	<hr/>	<hr/>
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:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<b>2,849,711</b>	<b>1,943,938</b>
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the standard rate of UK Corporation tax at 19.00% (2017:19.25%)	<b>541,445</b>	<b>374,208</b>
Effects of:		
Group relief	<b>(541,445)</b>	<b>(374,208)</b>
Tax charge for year (Note (a) )	-	-

**(c) Factors that may affect future tax charges**

The Corporation 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.

<b>7. Dividend</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Dividend per ordinary share comprises the following:		
Approved final dividend of 25.00p per share (2017: 24.126p per share)	<b>1,250,000</b>	<b>1,206,283</b>

<b>8. Investments</b>	<b>2018</b>	<b>2017</b>
(a) Subsidiary companies	<b>£</b>	<b>£</b>
As at 1 January and 31 December	<b>250,205</b>	<b>250,205</b>

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.



Notes to the financial statements - 31 December 2018 (continued)

Investments (continued)

	2018	2017
	£	£
(b) Other		
As at 1 January	26	26
As at 31 December	26	26

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

	2018	2017
	£	£
(c) Total investments		
As at 1 January	250,231	250,231
As at 31 December	250,231	250,231

9. Debtors	2018	2017
	£	£
Amounts due from group undertakings	62,781	176,835
Trade and other receivables	1,368,150	1,176,432
Prepayments and accrued income	1,937,039	1,855,382
	3,367,970	3,208,649

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.

Contract assets and contract liabilities are included within "other accrued income and prepaid expenses" in the statement of financial position. They arise from the company's IPS business which enters into contracts that can take more than one year to complete.

At 31 December 2018 trade and other receivables which were impaired and for which there was a bad debt provision totalled £46,375 (2017:£46,375). All impaired trade and other receivables were more than 91 days past due.

These provisions have been made on the assumption that the company does not expect to recover any of the fees due to it in the foreseeable future.

**The Law Debenture Pension Trust Corporation p.l.c.**  
**Notes to the financial statements - 31 December 2018 (continued)**

<b>10. Creditors</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Amounts due to group undertakings	<b>1,862,472</b>	250,000
Trade and other payables	<b>249,100</b>	254,720
Deferred income	<b>44,871</b>	15,078
	<b><u>2,156,443</u></b>	<b><u>519,798</u></b>

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

<b>11. Share capital</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Allotted and fully paid share capital: 5,000,000 ordinary shares of £1	<b><u>5,000,000</u></b>	<b><u>5,000,000</u></b>

**12. Capital management**

The Corporation 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 corporation. The Corporation reviews this on a regular basis.

**13. Ultimate controlling party**

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

