RNS Number : 3747A
Law Debenture Corp PLC
12 March 2025

The Law Debenture Corporation p.l.c.

12 March 2025

Amendment:
The Annual Financial Report announcement released on 12 March 2025 at 07.00 under RNS No. 2676A has been amended to reflect the dividend yield and share price as at market close on 11 March 2025, stated within the Chairman's Statement. There have been no other changes to the contents of the original announcement. The full amended text is shown below:

Another year of capital growth and steadily increasing income

The Law Debenture Corporation p.l.c. ("Law Debenture" or the "Company") releases its results for the year ended 31 December 2024.

Leading UK Equity income sector performance

	1 year %	3 years %	5 years %	10 years %
NAV total return[3] (with IPS at fair value and debt at par)	13.2	14.4	43.5	118.7
NAV total return[3] (with IPS and debt at fair value)	13.6	24.6	56.0	133.1
FTSE Actuaries All-Share Index Total Return[4]	9.5	18.5	26.5	81.9
Share price total return[4]	15.9	25.8	72.4	147.5
Change in Retail Price Index[5]	3.6	23.0	33.9	51.8
Relative performance (NAV at FV)	4.1	6.1	29.6	51.2
Relative performance (Share Price)	6.4	7.3	46.0	65.6

Past performance cannot be relied on as a guide to future performance. The value of investments and any income from them can go down as well as up. Your capital is at risk.

2024 Highlights

- Share price total return outperformed the FTSE Actuaries All-Share Index with a total return of 15.9% for 2024, compared with 9.5%.
- NAV total return with debt and Independent Professional Services ("IPS") business at fair value for FY 2024 of 13.6% (13.2% with debt at par).
- A solid performance from IPS, with net revenue increasing by 6.2% and valuation up 5.1% to £194.5 million (excluding net assets).
- Underlying IPS profit before interest and tax up 6.4%. Statutory revenue profit before interest and tax of £15.0m down by 0.5%, owing to non-recurring costs of £1.0 million.
- The Company issued 1.4 million new Ordinary Shares at a premium to NAV during 2024, to existing and new investors, with net proceeds of £12.4 million.

Long-term outperformance

- Consistent share price and NAV (with IPS and debt at fair value) outperformance of the benchmark over one, three, five and ten years.
- Strong long-term performance record, with share price total return outperforming FTSE Actuaries All-Share by 45.9% over 5 years which compares well with key sector peers.

Dividend Highlights

- Proposed 2024 dividend increase of 4.7% to 33.5 pence per Ordinary Share (2023: 32.0 pence per Ordinary Share) compared to Group revenue return per share of 33.48 pence.
- Dividend yield of 3.8% (based on our closing share price of 884 pence on 11 March 2025).
- Over the last 10 years, we have increased the dividend by 113.4% in aggregate (7.9% CAGR), reflecting strong IPS cashflow and good Portfolio performance.
- We have a strong reserve position, and the Board is confident in achieving continued growth of dividends over time, building on our record of 46 years of increasing or maintaining dividends to shareholders.

Investment Portfolio Highlights

- Net capital gain on investments of £76.3 million (December 2023: £37.4 million).
- Revenue from the portfolio of £34.7m (December 2023: £33.5 million).
- Total ongoing charges of 0.51%[1] compared to the industry average of 1.05%[2].

IPS Highlights

- The Company's wholly-owned provider of professional services is a key differentiator to other investment trusts and offers additional portfolio flexibility.
- Accounts for c.19% of 2024 NAV but has funded approximately one-third of dividends paid by the Company in the last 10 years.
- IPS has now delivered seven consecutive years of mid to high single digit underlying growth, with a 5 year underlying PBIT CAGR of 7.3%.
- 2024 valuation of £194.5 million (excluding net assets), up 83.6% since 2019.
- Non cash goodwill impairment of £17.0 million on the 2021 acquisition of CSS.

Awards

Awards

Winner in the Active-Income category for the third year in a row at the 2024 AJ Bell Investment Awards.
Winner of the Best for Long-Term Income award at the QuotedData awards.
Recognised by the AIC as an "ISA Millionaire" performer

Robert Hingley, Chairman, said:

"I am pleased with the progress Law Debenture has made in 2024. The share price total return of around 16% was ahead of the benchmark and includes a further increase in our full-year total dividend of 4.7%.

With an 113% increase in our dividend over the last ten years and a long-term record of benchmark outperformance, Law Debenture remains well positioned with a clear long-term focus. The Board and our investment managers remain confident in our future prospects, due to the diversified and resilient nature of our Portfolio and the good growth potential for IPS."

Denis Jackson, Chief Executive Officer, commented:

"2024 has been another creditable year of operational and financial progress for Law Debenture. We are proud to have delivered continued share price outperformance as well as our 46th year of maintaining or increasing dividends. We were especially pleased to be recognised by the AIC as an "ISA Millionaire" performer, identifying Law Debenture as one of fifty investment trusts which would have turned a full annual ISA allowance into over £1 million between 1999 and 2024."

" Our investment managers have constructed a diversified portfolio of strong, well-managed businesses making Law Debenture resilient by design and capable of delivering attractive capital returns and further increases in dividends. The combination of IPS with the investment portfolio offers additional flexibility in stock picking and is a well-proven and differentiated model. I remain optimistic about the Company's prospects for 2025 and beyond."

Investment Portfolio

Our portfolio of investments is managed by James Henderson and Laura Foll of Janus Henderson Investors.

Our objective is to achieve long-term capital growth in real terms and steadily increasing income. The aim is to achieve a higher rate of total return than the FTSE Actuaries All-Share Index Total Return through investing in a diversified portfolio of stocks.

Independent Professional Services

We are one of the leading providers of independent professional services, built on three foundations: our Pensions, Corporate Trust and Corporate Services businesses. We operate internationally, with offices in the UK, New York, Ireland, Hong Kong, Delaware and the Channel Islands.

Companies, agencies, organisations and individuals throughout the world rely upon Law Debenture to carry out our duties with the independence and professionalism upon which our reputation is built.

The Law Debenture Corporation Denis Jackson, Chief Executive Officer Isla Pickering, Chief Financial Officer Trish Houston, Chief Operating Officer	+44 (0)20 7606 5451
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[1] Calculated based on data held by Law Debenture for the year ended 31 December 2024.

[2] Source: Association of Investment Companies (AIC) industry average as at 31 December 2024.

[3] NAV is calculated in accordance with the AIC methodology, based on performance data held by Law Debenture including fair value of the IPS business and long-term borrowings. NAV is shown with debt measured at par and with debt measured at fair value and both total returns account for shareholder returns through dividends.

[4] Source: Refinitiv.

[5] Source: Office for National Statistics.

ANNUAL FINANCIAL REPORT

YEAR ENDED 31 DECEMBER 2024 (AUDITED)

This is an announcement of the Annual Financial Report of The Law Debenture Corporation p.l.c. as required to be published under DTR 4 of the FCA Listing Rules.

The Directors recommend a final dividend of 9.5 pence per share making a total for the year of 33.5 pence per share. Subject to the approval of shareholders, the final dividend will be paid on 16 April 2025 to holders on the register at the record date of 21 March 2025. The Annual Financial Report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK.

The financial information set out in this Annual Financial Report does not constitute the Company's statutory accounts for 2023 or 2024. Statutory accounts for the years ended 31 December 2023 and 31 December 2024 have been reported on by the Independent Auditor. The Independent Auditor's Reports on the Annual Report and Financial Statements for 2023 and 2024 were unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

Statutory accounts for the year ended 31 December 2023 have been filed with the Registrar of Companies. The statutory accounts for the year ended 31 December 2024 will be delivered to the Registrar in due course.

The financial information in this Annual Financial Report has been prepared using the recognition and measurement principles of International Accounting Standards, International Financial Reporting Standards and Interpretations adopted for use in the UK (collectively Adopted IFRSs). The accounting policies adopted in this Annual Financial

Report have been consistently applied to all the years presented and are consistent with the policies used in the preparation of the statutory accounts for the year ended 31 December 2024. The principal accounting policies adopted are unchanged from those used in the preparation of the statutory accounts for the year ended 31 December 2023.

Financial Summary

	31 December 2024 £000	31 December 2023 £000	**Change %**
Net Asset Value - with debt and IPS at fair value(1)*	**1,150,512**	1,048,304	**9.75**
Total Net Assets per the statement of financial position	**920,764**	854,229	**7.79**
	Pence	*Pence*	
Net Asset Value ('NAV') per share at fair value(1)*	**872.34**	802.67	**8.68**
Group statutory revenue return per share†	**33.48**	33.43	**0.15**
Capital return per share	**40.51**	24.47	**65.55**
Dividends per share	**33.50**	32.00	**4.69**
Share price(4)	**893**	801	**11.49**
	%	%	
Ongoing charges(3)*	**0.51**	0.49	
Gearing(3)*	**11**	13	
Premium/(discount)* at 31 December	**2.37**	(0.21)	

† Underlying Group revenue return was 34.27 pence per share.

For reconciliation of NAV at fair value per the above to published year end NAV please refer below.

Performance

	1 year %	**3 years %**	**5 years %**	**10 years %**
NAV total return(2)* (with IPS at fair value and debt at par)	**13.2**	**14.4**	**43.5**	**118.7**
NAV total return(2)* (with IPS and debt at fair value)	**13.6**	**24.6**	**56.0**	**133.1**
FTSE Actuaries All-Share Index Total Return(4)	**9.5**	**18.5**	**26.5**	**81.9**
Share price total return(4)*	**15.9**	**25.8**	**72.4**	**147.5**
Change in Retail Price Index(5)	**3.6**	**23.0**	**33.9**	**51.8**
Relative performance (NAV at FV)	**4.1**	**6.1**	**29.6**	**51.2**
Relative performance (Share Price)	**6.4**	**7.3**	**46.0**	**65.6**

Items marked "" are considered to be alternative performance measures and are described in more detail on page 161 of the full annual report and accounts.
(1) Please refer below for the calculation of net asset value. Please note change in NAV per share in the financial summary does account for the effect of dividends on total return.
(2) NAV is calculated in accordance with the AIC methodology, based on performance data held by Law Debenture including fair value of the IPS business and long-term borrowings. NAV is shown with debt measured at par and with debt measured at fair value and both total returns account for shareholder returns through dividends.
(3) Ongoing charges are calculated based on AIC guidance, using the administrative costs of the investment trust and include the Janus Henderson Investors' management fee, charged at the annual rate of 0.30% of the portfolio value. There is no performance related element to the fee. Gearing is described in the Strategic Report below and in our alternative performance measures on page 160 of the full annual report and accounts.
(4) Source: Refinitiv.
(5) Source: Office for National Statistics.

EXTRACTS FROM THE STRATEGIC REPORT

Chairman's Statement

Performance
Law Debenture has again performed creditably in both absolute and relative terms in a year with relatively modest GDP growth and significant political and geopolitical disruption. 2024 saw global interest rates start to decrease from the relatively elevated levels of recent years, but they remain well above those experienced for the majority of the period post the global financial crisis of 2008/09. Equity markets have had to contend with numerous elections as well as the ongoing war in Ukraine and the Israel/Palestine conflict, all of which has resulted in ongoing market volatility. Nonetheless, the combination of our well-diversified Portfolio and another good underlying IPS performance has enabled Law Debenture to continue to deliver on its commitment to produce capital growth over the longer term and steadily increasing dividend income.

Law Debenture's long-term record of benchmark outperformance remains strong, with share price outperformance of the FTSE Actuaries All-Share Index over the last five years of c.46%. I am proud that Law Debenture has been a leading performer in the UK Equity Income sector over the long term, which is testament to the hard work of our investment managers and employees.

Our benchmark, the FTSE Actuaries All-Share Index, delivered a 9.5% total return in 2024. The Company's share price total return creditably outperformed this with a total return of 15.9% for 2024. The Net Asset Value ('NAV') with debt and the independent professional services ('IPS') business at fair value delivered a return of 13.6%.

Our revenue performance was more muted. This significantly reflects the dividend income received from our Investment Portfolio, which was up 4%, from £33.5m in 2023 to £34.7m in 2024. For a number of key investments, our investment managers made a conscious decision to prioritise longer-term capital growth over short-term dividends. During 2024, there were some very strong capital growth performers like Marks & Spencer and Rolls Royce where dividends were very low or even zero. In addition, there was a notable preference from corporates for share buy-backs over special dividends, meaning returns to our shareholders from such companies are reflected in capital growth, rather than income. The net revenue from our IPS business increased 6.2%.

Overall, our statutory revenue profit before tax was up 1.7%, and our statutory revenue EPS was up 0.1%, affected by £1.0m of non-recurring costs incurred during the year. Excluding the impact of these, our underlying revenue profit before interest and tax was up 4.9%, and our underlying EPS was up 2.5%.

Awards

We were delighted to receive recognition for all the hard work of our great team of people in the shape of two investment awards. At the AJ Bell Investment Awards 2024, Law Debenture was named winner in the Active Income category for the third consecutive year. We were also voted winner of the inaugural QuotedData awards, winning the Best for Long-Term Income award. The continued success in industry-leading awards demonstrates the excellent short and longer-term record of our investment managers, supported by the IPS business.

Dividend

We are proud of our record of increasing or maintaining our dividend payments for the 46th year in a row. The consistent and reliable cash flows from our IPS business have helped ensure that we can continue our strong dividend record. Subject to your approval, we propose paying a final dividend of 9.5 pence per ordinary share.

The dividend is almost fully covered, but your Board is confident that earnings should continue to increase and is committed to its quarterly dividend policy.

The final dividend will be paid on 16 April 2025 to holders on the register on the record date of 21 March 2025. This will provide shareholders with a total dividend of 33.5 pence per share for 2024, an increase of 4.7% compared with 2023. This dividend increase is modestly ahead of CPI and represents a dividend yield of 3.8% based on our closing share price of 884 pence on 11 March 2025. Over the last 10 years, we have increased the dividend by 113.4% in aggregate.

Our Portfolio

James Henderson and Laura Foll, our investment managers, continue to invest in a differentiated selection of well-managed and high-quality businesses with competitive advantage and good long-term growth prospects. Dividend income of £34.7m from the Portfolio was slightly higher than in 2023. However, it is pleasing to report a total capital profit for the year of £53.1m, primarily driven by movements in the value of the holdings within the Portfolio.

We remain confident that James's and Laura's disciplined approach of buying at attractive entry point valuations will continue to deliver over the longer term for our shareholders. More detailed commentary on the Portfolio's performance with a review from our investment managers can be found below.

IPS

Our professional services business has been a key differentiator in driving consistent long-term outperformance compared to other UK income funds and it remains well positioned to continue this, with a strong platform built in recent years from which to grow further. Although accounting for only c.19% of our NAV (with IPS and Debt at Fair Value), the IPS business has funded around a third of our dividends in the last 10 years and has now delivered a compound annual growth in underlying profit before interest and tax of 7.3% over the last five years. Through its strong cashflow and consistent mid-to high single digit growth rates, IPS enables our investment managers to build a more flexible Portfolio that includes both income and growth-focused stocks, rather than having to 'chase yield'.

In a year where many businesses faced a challenging trading backdrop, it is encouraging to see IPS continue to show another underlying year of growth. Some of our businesses benefit from a degree of counter-cyclicality, which is in part, why IPS had another year of good underlying profit growth. Corporate Services and Corporate Trust were the strongest performers, achieving net revenue growth of 11% and 12.7%. Pensions had a net revenue decline following an exceptionally high revenue growth rate of over 20% in 2023.

The Board is pleased to see continued good employee engagement and satisfaction scores and we remain focused on strengthening our processes and management information systems. With this ongoing investment in talent and technology, the Board is confident IPS has the potential to sustain mid to high single digit growth over the medium term.

Capital structure

In 2024, the Group issued 1.4 million new ordinary shares to existing and new investors, with net proceeds of £12.4m to support ongoing investment. Shares were issued at a premium to NAV to be accretive to existing shareholders.

Environmental, Social and Governance ('ESG')

Our Executive Leadership team has continued their work to create a working culture that encompasses our four values: Make Change Happen; Better Together; Believe It's Possible and Never Stop Learning.

Following our success in 2024, we were ranked again by the FTSE Women Leaders Review in 2025, placing joint second in the Financial Services sector and fifth overall amongst the FTSE 250. This is an achievement that we are extremely proud of. We understand that gender balance needs to be treated as a business issue, not an HR issue or one for a dedicated DE&I team to manage alone.

Our IPS business is built upon the provision of independent governance services. A central tenet of this work is our commitment to diversity, and we are delighted that we have established a balanced gender pay gap position and have strong female representation both at Board and senior executive level, with women making up 50% of the Executive Leadership Team.

As an organisation, we believe that long-term growth is underpinned by sustainability. This presents opportunities for investment in the IPS business. It has a relatively small carbon-footprint compared to other FTSE 250 groups but, over the years, we have taken steps to further reduce this, most notably with our choice of office space.

Further, as part of our commitment to the ESG agenda, Law Debenture has continued to make voluntary disclosures in relation to Task Force on Climate-Related Financial Disclosures ('TCFD'). This can be found on page 55 of the full annual report and accounts.

Our investment managers remain committed to investing in businesses that have a sustainable business model and carefully take ESG into consideration when making investment decisions. For more details please see page 53 of the full annual report and accounts.

The Board
As reported this time last year, Tim Bond retired from the Board on 28 March 2024 having served nine years. Maarten Slendebroek was appointed to the Board on 11 January 2024. He has extensive experience in financial services, including as CEO of Jupiter Fund Management for five years from 2014 to 2019, having joined the firm as Strategy and Distribution Director in 2012. His key skills and experience include fund management and investment, strategy, corporate finance, ESG matters and distribution to investors. There have not been any further changes in Board composition.

Annual General Meeting ('AGM')
The AGM will be held Friday, 11 April 2025 at 11.00am. In order to welcome as many of our shareholders as possible, this year we are holding our AGM at the offices our joint- corporate broker Peel Hunt and not at our own office. Please join us at Peel Hunt, 7th Floor, 100 Liverpool Street, London EC2M 2AT. We will also be livestreaming the event. The Board and the wider Law Debenture team really value the chance to meet with our shareholders and hear your thoughts about the Company so we hope that you are able to join us for the AGM and a light lunch.

Looking forward
The end of 2024 brought some optimism from investors that inflation is much more under control and closer to targeted levels. This improved equity market backdrop has to contend with interest rates that still look likely to stay at much higher levels than those experienced for the majority of the period post the global financial crisis of 2008/09.

The majority of the Portfolio is invested in UK equities, although many of the earnings are derived from outside the UK. Our investment managers continue to believe that UK market valuations remain low in both absolute and relative terms and offer some attractive longer-term growth opportunities with a lot of bad news already priced in. Many UK companies are leveraging their robust balance sheets and good cash flow to consider share buy-backs. In addition, many overseas corporates and private equity firms continue to see ongoing attractions in UK company valuations. Companies with robust business models and supportive long-term trends are now frequently overlooked by investors who cannot see past a relatively subdued UK economic environment. Law Debenture is well-positioned with a long-term focus on a quality and well diversified portfolio. Many of the companies held in the portfolio are conservatively managed by talented leadership teams, often market leading businesses that trade on relatively modest valuations.

The Board and our investment managers therefore remain confident in our future medium-term performance, due to the diversified and resilient nature of our Portfolio and the good growth potential for IPS. Its services are generally well sought after, its brand reputation is good and the market share opportunities remain considerable. During these relatively subdued macroeconomic times, our consistent delivery has only been possible due to the hard work of our investment managers and our skilled workforce. On behalf of the Board, I would like to thank them all, as well as our shareholders, for their continuing support.

Robert Hingley
Chair of the Board
11 March 2025

Chief Executive Officer's Review

Introduction
2024 has been a good year overall for Law Debenture, despite continued macroeconomic uncertainty. Elevated levels of interest rates proved to be challenging for many consumers and businesses alike. That said, Law Debenture's overall performance reflected well on the Group's ability to adapt to a changeable economic climate. We delivered on our two main objectives, producing NAV growth and continuing to increase income for shareholders. Our total share price performance and NAV outperformed the index again (and by a considerable margin in 2024) and we are proud to have had our 46th year of maintaining or increasing dividends.

In this context, our investment managers, James Henderson and Laura Foll of Janus Henderson, have continued to perform well. The Group takes great pride in our long-term record over one, three, five and ten years, with consistent outperformance of the benchmark, the FTSE Actuaries All Share Index, and compared to our key sector peers. We see this as continuing validation of our consistent strategy: Law Debenture offers a cost-effective way to access an active and expertly managed portfolio and provides good liquidity to investors given our market capitalisation.

Our investment managers have a consistent and proven valuation-driven process which aims to identify market-leading, high-quality companies that are undervalued at the point of purchase. It is a testament to the continued outperformance and the investment team that Law Debenture has won another two prestigious investment trust awards this year - the Active Income category at the AJ Bell Investment Awards for the third consecutive year, and the winner in the Best for Long-Term Income award at the QuotedData awards.

Our IPS business has delivered its seventh consecutive year of mid to high single digit revenue and underlying profit growth. IPS business net revenues (gross revenue less direct costs incurred) for 2024 rose by 6.2% to £53.7m (2023: £50.5m).

A statutory profit before interest and tax ('PBIT') of £15.0m was reported. Excluding the impact of £1.0m of non-recurring costs, the underlying PBIT of IPS increased 6.4%. Please refer to APM on page 161 of the full annual report and accounts.

During 2024, a non-cash £17.0m write-off was recorded within the capital reserves of the Group for the goodwill arising on the acquisition of the company secretarial services business of Konexo, a division of Eversheds Sutherland LLP, in 2021.

At the time of this acquisition, we noted that the transaction was not "cost out" but rather "cost in". The business was non-core to the seller and it required material investment in people, training, technology and infrastructure. Successfully addressing these issues is taking longer, and costing more, than we had originally planned. Accordingly, we have taken the prudential step of writing off the goodwill recognised at the time of acquisition. Nonetheless, we continue to invest in the business and remain confident in the longer-term growth and profit opportunities of our Corporate Secretarial Services ('CSS') business and its' contribution to the success of the IPS.

As we continue to invest in the IPS business, we are delighted to welcome three new members to the IPS leadership team. Isla Pickering joins us as Chief Financial Officer with a wealth of professional services experience. Spencer Knightsbridge joins us as Chief Technology Officer with a background in driving technology transformation at both the London Metal Exchange and the New York Stock Exchange. Alex Ringer joins as our new Head of Legal, Risk and Compliance.

The diversification of our income streams again served us well, with Corporate Services and Corporate Trust being the strongest performers, with Pensions down slightly after exceptional growth of c.21% in 2023. We continue to invest to ensure our IT infrastructure and wider operating model are fit for purpose as we seek to further scale and sustain our medium-term growth ambitions, whilst also working hard to ensure our profit margins are sustainable.

For 135 years, we have stuck to our principles of independence, trust and excellence. Our investment for growth over the last seven years has positioned us well for the future. I am encouraged by the new business wins in 2024 and by our strong client relationships, which means that approximately two-thirds of our business is repeated year on year. As we continue to face a relatively uncertain macroeconomic environment in 2025, our aim is that IPS should continue to provide an element of structural growth and counter-cyclical revenue that will support our overall performance. High-quality governance services should remain core to our clients, regardless of the economic cycle.

We are proud to have delivered a 113.4% increase in dividends over the last ten years. This record has been supported by the diversified nature and consistently strong performance of IPS, which makes Law Debenture a unique investment trust. The flow of income from IPS has funded approximately 1/3 of dividends over that period. This gives James and Laura the flexibility to invest in a broader and higher-growth portfolio than many sector peers, helping to position the Portfolio for future longer-term growth.

We are delighted too, to receive a Top 40 ranking in the recently published FT Top Employers 2025 survey. This is a wide-ranging independent survey that considers a range of factors such as employee satisfaction, workplace culture, employee benefits, and opportunities for career development.

DIVISION	Net revenue 2020 £000	Net revenue 2021 £000	Net revenue 2022 £000	Net revenue 2023 £000	**Net revenue 2024 £000**	**Growth 2023/2024 %**
Corporate trust	10,789	9,771	10,620	12,473	**14,052**	**12.7%**
Pensions	11,479	13,060	14,343	17,396	**16,694**	**(4.0%)**
Corporate services	12,226	18,755	20,206	20,640	**22,915**	**11.0%**
Total	34,494	41,586	45,169	50,509	**53,661**	**6.2%**

*Total net revenue is calculated by reducing segment income of £61,659k by cost of sales of £7,998k. Please refer to note 6 in the full annual report and accounts for the IPS segmental analysis.
Corporate services: 2021 includes additional revenue arising from the acquisition of the CSS business from Eversheds Sutherland (International) LLP.

Corporate Trust
Law Debenture was incorporated to act as a bond trustee in 1889. The role of a bond trustee is to act as bridge between the issuer of a bond and the individual bondholders. Our responsibilities as bond trustee can vary materially, whether servicing performing or defaulted bond issues.

Normal obligations for the bond trustee to support performing issues could include communication to the bond holders of financial or security data, together with the distribution and/or receipt of covenant information. For completion of this work, we are typically paid an annual fee throughout the lifetime of the bond. This fee is inflation linked for the majority of our existing book of business. When an amendment to bond documentation is required, we can also earn additional revenues to complete the necessary changes. When bonds default, the workflow, risk and revenue profiles of our role can materially change. A key duty of the bond trustee is to be the legal creditor of the issuer on behalf of the bondholders. Our role in such default situations requires material incremental work that, given a favourable outcome, can lead to significant additional income for us. That said, defaults often take years to play out and the results are uncertain. Given this long-dated and fluctuating backdrop, our revenues for this work in any specific calendar year can be somewhat lumpy. However, such post-issuance work has strong economic countercyclicality and has produced sound returns for our shareholders over time.

Corporate Trust - Market dynamics
New issuance in debt capital markets has always been a driver of revenues. As well as receiving an ongoing (typically inflation-linked) annual fee for our work, we also receive an upfront fee upon appointment to a role. As we noted at the half year, following a couple of tough years and a reduction of capacity in this area by the major global banks, new issuance continued to recover in 2024, with deal volume in Europe up 19% year-on-year (Source: Dealogic). Following a sustained period of monetary tightening, The Bank of England, Federal Reserve and European Central Bank all cut rates during the year. Corporate Bond spreads continued to tighten and finished the year at, or very close, to decade-long lows (Source : ICE Data Indices).

Demand for our post-issuance work is hard to predict and is often strongly countercyclical. In last years annual

Demand for our post issuance work is hard to predict and is often strongly countercyclical. In last year's annual report, we stated that "it would not be a surprise that on balance demand for our post issuance expertise were to increase as we move further through this economic cycle". However, this did not materialize to the extent that we thought. This is, of course, largely good news for our clients as we do not wish them any misfortune. That said, our long history tells us that the winds of change can blow fiercely in economic conditions from time to time and we will be ready to help support our clients when they do.

The primary law firm regulator, the Solicitors Regulation Authority ('SRA'), continues to discourage its members from holding client monies. Given our broad and well-established relationships with law firms, this has provided fertile ground for developing our escrow offering in particular over the past few years. An escrow solution allows two parties the ability to transfer an asset, with a trusted independent third party ensuring that certain conditions of the transaction have been met by both sides prior to completion. Our ability to move fast and use our expertise to consider non-standard transactions is well known to an increasingly broad network of referral partners. During the year, we provided escrows to support, for example, Litigation, Trade, Real Estate and Sporting events. In addition, support of Corporate M&A transactions is an area where we continue to make solid progress.

Corporate Trust - Highlights
Under the leadership of Eliot Solarz, we are pleased to report net revenue growth of 12.7% in 2024 following a very strong 17.4% growth in 2023.

The majority of the capital markets transactions that sit on our books have been built up over many decades, and have contractual inflation-linked fee increases for our services. These fee increases are applied on the transaction anniversary. Consequently, as inflation spiked in 2021/22/23, the associated inflation-linked increases fed through to our book of business. This provided a steady tail wind for revenues during this period. This has now played out, and today's forward-looking inflation consensus appears much more benign.

Improving primary market conditions allowed us to complete a number of notable new transactions during the year, including acting as a security agent on a €220 million six-year sustainability-linked junior loan financing to HES International BV.

We also saw a good pick up in high yield bond market issuance during the year and have closed High Yield bond transactions with, amongst others, Flos B&B Italia S.p.A., Almaviva S.p.A., TeamSystem S.p.A., Lottomatica S.p.A. and Omni Helicopters International Group.

On 1 February 2024, Allwyn took over as operator of the National Lottery. We were appointed as trustee by Allwyn. A new trust structure was created under which we are holding funds for the protection of players of the National Lottery, working closely with both Allwyn and the Gambling Commission.

Corporate Trust - Outlook
The strength of our Corporate Trust business lies in its diversified revenue streams, some elements of countercyclicality and, in many cases, a linkage of fee income to inflation. Our reputation for quality of product and ability to move fast is well established.

We have invested in additional headcount to join our new business team and have upped our investment in business development activity.

On a year-to-year basis, levels of both primary market activity and post issuance work are hard to forecast. M&A volumes were up 29% in Europe in 2024 (Source Dealogic) and the major market participants in this cyclical business have a positive outlook for 2025. If correct, this will provide a rich seam for us to mine with our Escrow offering in the coming year.

We are confident that this business will continue to produce solid returns for our shareholders over time.

Pensions
We are the longest serving and one of the largest independent providers of pension trusteeship in the UK with over 230 appointments.
Our Pegasus offering of outsourced pensions executive and governance solutions continues to be a leading provider in a competitive market, developing new propositions that further support our clients.

Pensions - Market dynamics
For many schemes, 2024 felt a relatively calmer year in markets compared to recent years. With funding levels on average remaining in a strong position, conversations have continued on trustee boards and with corporate sponsors as to the best way forward. Schemes are choosing different long-term paths depending on their individual circumstances, whether running on in the long term, running on strategically for the medium term, or making a more immediate move to insurance. We expect such conversations to continue in 2025.

Two new regulatory Codes have been brought into force:

- The long-awaited General Code - this consolidates existing codes and sets out in one place the expectations for UK occupational pension schemes. We believe that strong governance reduces risk and leads to better outcomes. We are working with clients to implement this in a proportionate way and focusing on the value-add components.
- Defined Benefit Funding Code. This came into force on 12 November 2024 for DB valuations on or after 22 September 2024. We expect this to be an area of focus in 2025 onwards as valuations come into scope.

Whilst the Autumn 2024 Budget had fewer pensions-specific items than had been rumoured, there were several consultations to provide input to, including on Inheritance Tax, Defined Contribution schemes and Local Government Pension Schemes. A Pension Schemes Bill is expected in due course.

More than 50% of UK occupational pension schemes have an independent trustee. This is a recognition of the value provided by an independent view. The market remains competitive and we are seeing a number of tenders for services, including an increase in interest in a Corporate Sole Trustee ('CST') model, where our team-based approach works well.

Pensions - Highlights
Compound revenue growth in our Pensions business since 2017 has been 10.6%. Growth in 2023 was an exceptional 21.3% following on from the fall out of the LDI crisis of late 2022. We emphasised at the AGM in March last year and in our dialogue with investors and analysts throughout the year that 2023 was an outlier in terms of revenue growth and that 2024 was always going to be a difficult year in terms of comparator. Recorded revenues reduced by a modest 4.0% in 2024.

Compound growth in revenues over the past two years is 7.9%, which is broadly in line with the seven year revenue growth rate for this business. We remain confident of our ability to growth this business solidly over the business cycle.

In our core Pensions business, we were delighted to add incremental appointments, that included Medical Research Council, Tilney Pension Fund, Kellog Brown & Root and Saint-Gobain Ireland.

Ireland continued to grow with some strong wins, including the first full-service CST in the Irish market. Our Manchester team has recruited additional colleagues and continue to be a leading presence for trusteeship and governance in the North. Jersey, where we have taken on another chair role, also continues to be a focus.

The Pegasus business continues to see demand across a number of different services areas, including support to in-house teams, project management support, data/GMP projects, provider review and selection, General Code support and trustee effectiveness reviews.

We added new capabilities to our CST clients, embedding the General Code as standard, and will continue to demonstrate the streamlining CST can bring to the governance for all sizes of scheme.

We welcomed seven new members into the team in 2024. In May, our new Managing Director, Sankar Mahalingham, took over, with a new management team including Jane Beverley as Head of Trusteeship and Mark Williamson as Head of Pegasus.

In the last twelve months, we have helped deliver over nine material buy-in transactions for our clients, including De Beers, Next, Royal London and Hays.

Pensions - Outlook
2025 will be a busy year as the DB Funding Code comes into full implementation for many schemes. It will also be a key time to prepare for upcoming changes in both 2025 and 2026, with connections to the Pensions Dashboard Programme from April 2025 onwards and schemes' first Own Risk Assessments from March 2026.

As trustee boards and sponsors continue to look at different long-term options for schemes, we remain well placed to offer both strategic and operational governance support.

We are also contributing to the debate surrounding DC consolidation and await further discussion around revisions to the Value for Money framework.

This constantly changing financial and regulatory environment continues to drive the increased professionalisation of pension trusteeship and governance. We have an excellent reputation in this market and will continue to invest in our business in order to meet this evolving client need over time.

Corporate Services
This is a collection of businesses, with four diversified constituents: Structured Finance Services, our whistleblowing division Safecall, Service of Process and our Corporate Secretarial Services business ('CSS').

In aggregate, revenue from these business was up 11.0% in 2024. Safecall, Service of Process ('SOP') grew strongly, while our CSS and Structured Finance revenues were broadly flat year on year.

Service of Process ('SoP')

SoP - Market dynamics
This is our business with the fewest recurring revenues, with the greatest dependency on global macro-economic factors and deal flow in capital markets. Following a challenging 2023, market conditions in Capital Markets improved throughout 2024 and we participated well in this recovery.

SoP - Highlights
Investments in training of our staff and our referral partner networks paid dividends in 2024 against the backdrop of improved market conditions.

We have been much more proactive with our business development efforts and these continue to bear fruit. Particularly pleasing was to complete the purchase of Linklaters book of business in December, as Linklaters sought to focus their business activities around their core high value products and services, and so decided to sell their non-core Service of Process business.

Service of Process has been a core competency of our firm for many decades and, as law firms evolve their commercial approach, we see an increasing number exploring opportunities to outsource non-core activities wherever they can reasonably do so. We are well placed to take advantage of this.

Given the high transaction volumes, we continue to invest in our systems and have much improved data insight.

Earnings in SoP will always be volatile, as demonstrated by the last two years. Forward revenue visibility is very limited, but we remain confident that this business will remain a material contributor to our profits over financial market and economic cycles.

Corporate Secretarial Services ('CSS')

CSS - Market dynamics
Law makers and regulators worldwide continue to raise the bar for Corporate Governance standards and statutory and regulatory obligations continue their relentless rise.

We operate in three main areas:

Managed Services: Global Entity Management services ('GEMS') provide a single outsourced point of contact to multinational corporations to ensure that their legal entities are kept in good standing. Client appointments vary in scale and coverage, ranging from a single legal entity in one country at its simplest to over 300 subsidiaries in 50 countries at its most complex. We are generally paid a fixed annual fee to deliver annual compliance and corporate records maintenance. We may also earn incremental revenues from additional projects such as incorporations and dissolutions, the co-ordination of global corporate change projects and performing entity validation work. Excellent workflow management and use of technology is critical to compete effectively in this space and we continue to invest heavily here. Our team is based in our Manchester office.

Corporate Governance Services: This covers all aspects of Board and Committee support, from full outsourced company secretarial support to attending and minuting meetings. We also provide practical company secretarial support to companies preparing for an IPO transaction, including support post listing. Our clients range from major Main Market and AIM listed companies, including investment trusts, to UK operating subsidiaries of top global brands. Our fees may be fixed annual fees for specifically scoped mandates but can also be time- or project-based. Demand here is often for highly skilled professionals with prior experience in a particular industry and/or governance framework who can seamlessly transition work from being completed in-house. This team in based in London.

Interim Resourcing: Here we provide immediate access to qualified governance professionals, whether on-site or remotely, full time or part time, as required by the client. Typically, we are paid on a time-spent basis, but also complete certain work on a fixed fee. This team is based in London.

CSS - Highlights
Throughout 2024 we continued to take significant steps to prepare CSS for longer-term growth:

- We have increased our headcount in this business by over 50% since the 2021 acquisition of the Konexo business from Eversheds Sutherlands LLP, the majority of whom have either been partly-qualified or fully-qualified Company Secretaries. In turn, we have established clear KPIs and career progression frameworks for this growing team.
- We established a new leadership team during the year. Ben Turner leads the overall team and has over 16 years experience in Financial Services building teams and scaling businesses. Jordan Owen leads our CSS team in Manchester and Patrick Davis leads our CSS team in London.
- We have invested, and continue to invest, in our technology platform and reimagining our operational work flows that will be critical to our long term success.
- We have invested more in our business development efforts and our new business pipelines continue to improve. During the final third of the year, we visited many of our larger multi-national clients based in the United States. Feedback was warm and opportunities to grow from here are numerous.

We remain confident that the significant investments that we have made in new people, skills, technologies and operational workflows will underpin sustainable and controlled growth that is consistent with the other businesses in the IPS portfolio.

Structured Finance Services

Structured Finance Services - Market dynamics
We operate in three main product areas:

Management of Special Purpose Vehicles ('SPVs') and other similar corporate structures: We provide directors, accounting and day-to-day corporate administrative services to entities set up to help financial institutions, including challenger banks and boutique asset managers (Private Equity and Hedge Funds), diversify their funding using securitisation techniques. The SPVs are established to raise funds in the bond / loan markets which are then used to acquire distinct pools of assets (including mortgages, receivables, credit card debt, aircraft, whole businesses etc.) against which the funds are secured. The funding is generally non-recourse, meaning that the funds raised only have recourse to the pool of assets on which they are secured and to no other party.

Accounting services: We provide management and statutory accounting services to corporate entities who wish to outsource this area or where they do not have local accounting knowledge. We do not provide audit services to clients.

Facility and Paying Agency services: We manage and provide outsourced administration for corporate loans and facilities by acting as a conduit between multiple lenders and a single borrower. Our paying agency services relate primarily to managing payments for law firms involved in M&A transactions. Unlike facility agent work, which provides recurring fees, the paying agent services are one-off transaction fees.

We are a small player in the sector, which is dominated by Private Equity-backed competitors with mixed reputations for service delivery. Mark Filer and his team continue to receive consistently good feedback for the quality of our work from our clients.

Structured Finance Services - Highlights
Despite European capital markets new issuance levels generally improving in 2024, the securitisation markets remained subdued and new issuance was broadly flat year on year. (Source: AFME) However, we were delighted to receive repeat appointments from a number of leading names operating in the sector including One William Street and Avenue Capital.

Our facility and paying agent business also grew during the year. These will be reported as part of the Corporate Trust

Our facility and paying agent business also grew during the year. These will be reported as part of the Corporate Trust business line going forward.

Private Credit continues to expand as an asset class and presents opportunities for us to provide outsourced solutions to non-bank lenders.

We have more to do to raise our profile with a larger number of clients and referral partners in order to achieve our desired level of growth in this substantial market.

Whistleblowing: Safecall

Safecall - Market dynamics
Since the rapid expansion of the #metoo movement in late 2017, law makers and corporates throughout the developed world have embraced whistleblowing frameworks and looked to establish best practices. Investors too are demanding of robust, independent whistleblowing structures being in place prior to allocating their capital.

The largest market remains the US, where our footprint is smallest. Hence we have plenty of scope to increase our market share.

All enquiries are dealt with by our highly trained staff that continues to consist largely of former police officers. The quality of the work that we do for our clients receives high praise. To the best of our knowledge, our competitors generally run business models based off low-cost call centres. We have every intention of remaining a premium provider of high-quality products.

Safecall - Highlights
Joanna Lewis, who heads the business, has built excellent momentum since joining us three years ago.

Revenues were a record, up 25.0% year on year, as were revenues from new clients. Among the 119 new clients we took on in 2024 were Royal Mail, Neom (Gratiya) and Specsavers.

We again provided a record number of reports to our clients in 2024 up 11% on 2023. Digital channels (as opposed to voice) continue to account for over 70% of issues raised.

Client functionality via our portal improved in 2024 and will do so again in 2025. Client feedback on our upgraded digital offerings is encouraging. Our confidence continues to grow in our ability to effectively compete for larger mandates.

We expanded our sales and account management teams during the year and increased investment in our training and investigations offerings. Given our increasing client footprint, we will add further capacity and expertise to the operations team managed by Tim Smith.

We are increasingly ambitious in this fast-growing sector.

Central Functions
The larger and more consistent the earnings growth within IPS, the more optionality it creates for the managers of the Investment Portfolio to deliver on our objective of long-term capital gains and steadily increasing income. As we have noted in past annual reports, we are making a significant investment in modernising our central support functions to support this growth.

We continue to plan for growth of mid to high single digits, and expect this to be largely organic. We remain open to opportunities presented by acquisitions where we believe this could add value to our clients and shareholders.

In last year's annual report, we referenced the work done in late 2023 to refresh our IPS strategic plan. In support of those commercial growth plans, we have embarked on an ambitious programme to transform and future-proof our operating model. The investment in our culture and in centralising and modernising our support services signposted here over the last few years has put us in a strong position from which to deliver this operational transformation.

In early 2024, we completed the first phase of the transformation programme by implementing our Professional Services Automation ('PSA') platform and aligning all of our businesses around the vision of a single operating model. Over the summer, we restructured the IPS leadership team to support the upcoming transformation. As well as welcoming a new CFO and Head of Legal Risk and Compliance , we expanded our Executive Leadership team ('ELT') to include our new Chief Technology Officer ('CTO') Spencer Knightsbridge, thereby increasing strategic and decision-making capacity. We then expanded the team who directly support and influence the ELT in delivering strategic priorities via a broader senior team and new governance structure centred around expertise, experience and accountability.

In this context, we incurred £1.0m in cost of a non-recurring nature which, as referred to above, has affected our statutory accounting profit.

Our PSA platform marks a significant change in the way we capture and use data in our IPS businesses. While major system implementations are never easy, colleagues across the business have stepped up to the challenge, embracing new ways of working and demonstrating their commitment to our corporate values of 'make change happen' and 'never stop learning'. We end the year in a substantially stronger operational position than we started it. We have more to do, but the future looks bright as we increasingly turn our attention to analysing and leveraging the data we have collected, to drive better, more informed decision-making.

We continue to invest in our technology, people and processes. Making up for under investment, coupled with delivering cultural change takes time. We believe it is worth it and are confident that we are building a business which will serve shareholders well.

Information Technology
Our IT strategy continues to be centred around being flexible users of third-party software applications, with a focus on making our businesses easy to find, easy to engage with and easy to use. Under the leadership of our new CTO,

on making our businesses easy to find, easy to engage with and easy to use. Under the leadership of our new CTO, Spencer Knightsbridge, who joined in September 2024 reporting to me, we have made significant progress across several key initiatives.

The Digital Workplace Programme reached a major milestone with its completion across all our global offices, including New York, Delaware, and Hong Kong. This standardisation means all our offices now operate on the same modern technology platform, significantly reducing operational complexity. The successful relocation of our New York office demonstrated our ability to execute complex technology transitions while maintaining business continuity.

Safecall continues to evolve its client portal with new functionality, advancing its strategic development goals, and achieved ISO 27001 accreditation, a significant milestone in our security journey.

As noted in our principal risks, the cyber threat landscape is rapidly changing, with attacks growing ever more sophisticated and frequent. Industry data suggests that 'bad actors' are becoming increasingly well-financed and sophisticated in their approach. To maintain our robust security posture and protect our business and clients, we recognise the need for continued investment in our cyber defences.

Our operational capabilities have been transformed through the implementation of our Professional Services Automation platform, Kantata, alongside our financial management system, Sage. These platforms have delivered significant operational efficiencies through improved workflow management, enhanced reporting capabilities, and better resource allocation across our business units, supporting our continued growth.

Recognising the requirements of the FRC's enhanced UK Corporate Governance Code, we continue to strengthen our IT General Controls framework to ensure we maintain appropriate controls across our technology estate. This work, combined with our broader technology initiatives, continues to enhance our operational effectiveness while maintaining robust control environments.

Prospects
Law Debenture is well diversified and resilient by design. The combination of IPS with the Portfolio is a well-proven model and I remain cautiously optimistic about the Group's progress in 2025 and beyond, despite an external environment which is expected to remain uncertain. I am confident that IPS is well positioned for medium-term growth, in line with our mid to high single percentage target. We continue to look for opportunities to grow IPS through organic investment in some of our fastest growing businesses. We continue to invest in operational fitness, talent and technology to ensure we gain market share and maintain longer-term growth.

There has not yet been a significant re-rating of the UK market and our Portfolio is on an average historical price earnings ratio of only around 11.2 times. Our hopes that a decisive UK election result would remove uncertainty and benefit the UK stock market have not materialised. However, despite headwinds from the downbeat reaction to the new UK government's first budget, we continue to believe that good, well-managed UK companies should continue to thrive. Therefore there is still significant potential for a meaningful revaluation of the UK market with clear follow-on benefits to our capital growth.

On behalf of the Board, I want to thank my colleagues for their admirable dedication to developing Law Debenture's client service. I am also very grateful for the continued support of shareholders.

We are cognisant that 2025 will likely present its own set of geopolitical and economic challenges but, given the modest current valuation of the UK equity market, we are optimistic about the investment opportunities we can see. We believe our investment managers have constructed a well-diversified Portfolio of strong and well-managed businesses on relatively low valuation multiples, capable of delivering attractive capital returns, and further increases in dividends, over the medium term.

Denis Jackson
Chief Executive Officer
11 March 2025

IPS 5 Year Performance at a Glance

IPS net revenue and underlying PBIT - 5 year performance

Department	2019 £000	2020 £000	2021 £000	2022 £000	2023 £000	**2024 £000**	**5yr Revenue Variance £000**	**5yr Revenue Variance %**
Pensions	10,598	11,479	13,060	14,343	17,396	**16,694**	**6,096**	**57.5%**
Corporate trust	9,024	10,789	9,771	10,620	12,473	**14,052**	**5,028**	**55.7%**
Corporate services	12,167	12,226	18,755(1)	20,206	20,640	**22,915**	**10,748**	**88.3%**
IPS net revenue	31,789	34,494	41,586	45,169	50,509	**53,661(2)**	**21,872**	**68.8%**
% Net Revenue growth	7.5%	8.5%	20.1%	8.6%	11.8%	**6.2%**		
Underlying PBIT(3)	11,256	12,198	13,340	14,359	15,072	**16,037**	**4,781**	**42.5%**
% Underlying PBIT growth	9.9%	8.4%	9.4%	7.6%	5.0%	**6.4%**		

(1) Includes revenue from the acquisition of the Company Secretarial Services business from Eversheds Sutherland (International) LLP.
(2) This figure is included in the income statement by subtracting cost of sales of £8.0m from gross revenue of £61.7m.
(3) Assessment of profitability has moved from PBT to PBIT as a better and fairer assessment of performance given interest

income can fluctuate with changes in internal allocations of cash within the Group. Refer APMs on page 161 of the full annual report and accounts for reconciliation from statutory profit.

IPS Valuation

	2019 £000	2020 £000	2021 £000	2022 £000	2023 £000	**2024 £000**	**5yr growth %**
Underlying EBITDA(4)	11,515	13,335	15,369	16,588	17,625	**18,594**	**61.5%**
Multiple*	9.2	9.4	10.8	10.5	10.5	**10.5**	**13.7%**
IPS fair value (excluding surplus net assets)	105,938	125,349	165,985	174,174	185,063	**194,505**	**83.6%**
NAV adjustment: total value less net assets already included	91,860	112,407	135,885	148,376	160,836	**187,395**	**104.0%**

* 2024 is an implied multiple. Refer below for further details on the change in IPS valuation methodology for 2024.

(4) Refer to alternative performance measures on page 162 of the full annual report and accounts for reconciliation from statutory EBITDA to underlying EBITDA.

Investment Managers' Review

Investment Strategy
The investment approach adopted has not changed for many years, but it has hopefully been improved with lessons learnt. There is a relatively long list of stocks which allows for a blend of large, medium and small companies. There are overseas holdings where a similar company cannot be found in the UK market or the overseas company is cheaper. Over 80% of the portfolio is in UK quoted companies at present, as this is where we are finding superior value despite concerns about the UK economy. The belief behind portfolio construction is that genuine diversity in the holdings is how capital is preserved in the long term. We employ different approaches to how we look at potential investments. Around 50% of the portfolio is in FTSE 100 companies. These are we believe sound long term investments and they are often well-known companies that feature in other portfolios with similar objectives. However it is what you do differently to others that makes you perform differently. The structure of a cash generative operating company and an investment portfolio gives the opportunity to have a wider range of investments and still produce an attractive level of earnings. Therefore, unusually for an income growth trust there are investments that do not pay a dividend. Early-stage small companies and operationally challenged large companies feature. The small companies that succeed will give substantial returns, while large companies that have a recovery plan that they implement with determination will in time return to paying dividends at a considerably higher share price. The different strategies employed to look at companies results in real diversification of underlying operating activities. It does mean there are usually around 150 holdings and we do not go over 175. The absolute stock specific risk is relatively low compared to the index and the exposure to smaller companies has contributed, in the long term, to the better performance of your company.

Economic and market backdrop
The UK economy is suffering from a lack of productivity growth. The result of this is for the economy to register very little expansion and this in turn means the desire of the electorate for increased government expenditure in the major areas of health, education and defence cannot easily be met. The decline in gilt prices in the final quarter of the year likely reflects the concern over the level of supply that will be forthcoming in future years, rather than any immediate worries over surging inflation. However, the flat lining of the economy masks from top-down observers the reality that there are sound companies in the UK that are growing their profits and generating cash. This, when combined with over half the profits of UK quoted companies coming from overseas activities, means there remain plenty of good investment opportunities for those that pay close attention to companies and valuations, rather than being continually gloomy about the prospects of the UK.

Alternative Performance Measures	**1 year %**	**3 years %**	**5 years %**	**10 years %**
NAV total return (with IPS at fair value and debt at par)(1)	**13.2**	**14.4**	**43.5**	**118.7**
NAV total return (with debt and IPS at fair value)(1)	**13.6**	**24.6**	**56.0**	**133.1**
FTSE Actuaries All-Share Index total return(2)	**9.5**	**18.5**	**26.5**	**81.9**

(1) NAV is calculated in accordance with AIC methodology, based on performance data held by Law Debenture including fair value of IPS business. NAV total return with debt at par excludes the fair value of long-term borrowings, whereas NAV total return with debt at fair value includes the fair value adjustment (see page 159 of the full annual report and accounts).
(2) Source: Refinitiv Datastream, all references to 'FTSE All-Share' and 'benchmark' in this review refer to the FTSE Actuaries All-Share Index total return.

One Year Performance Review and Attribution
2024 was a good year for the Trust, achieving a positive absolute return and outperforming the FTSE All-Share benchmark. We go into the stock specific drivers of performance below, but it is worth noting that three of the five best performers (Rolls-Royce, Flutter and Marks & Spencer) would have been challenging to hold in size in a traditional income-seeking fund. This is because Flutter currently pays no dividend, and while Marks & Spencer and Rolls-Royce have recently returned to paying dividends, they have done so in a relatively modest way, with dividend yields significantly below that of the wider UK equity market. It is therefore the income contribution from the professional services business that have allowed these positions to be held at substantial weightings, demonstrating the advantages of the unusual combined structure of the Trust.

The top five contributors to performance during the year (in absolute terms) were:

Stock	£ Appreciation	% Appreciation
Rolls-Royce	**£24.3m**	**65.3**
Barclays	**£13.7m**	**72.3**
Flutter Entertainment	**£12.6m**	**58.3**
Natwest	**£10.3m**	**72.5**
Marks & Spencer	**£7.7m**	**35.1**

Source: Law Debenture.
Note: % appreciation figures are share price only, not total return.

For the second year in a row, Rolls-Royce and Marks & Spencer were among the top five contributors to performance. In both cases the businesses have long had potential, and under refreshed management teams they are achieving successful turnarounds.

In the case of Rolls-Royce, one of the market leaders globally in jet engines, they have been helped by end market tailwinds, specifically a recovery in flying hours following Covid, as well as difficulties in supply chains for new build aircraft, meaning that older planes are tending to be flown for longer. This is of benefit to Rolls-Royce, where the majority of their earnings are generated from flying hours for existing engines, not from supplying new engines. As well as helpful end markets, there has been 'self help' with a renewed cost discipline and commercial focus. Following good performance the position was materially reduced during 2024, as the turnaround story is more widely appreciated and the valuation has moved higher.

In the case of Marks & Spencer, the food business had been successful for some time but the clothing business had been a drag, losing market share for a number of years. In recent years this has been changed, with a focus on more competitive pricing as well as a refreshed clothing offering. As a result sales and earnings forecasts have moved higher, as has the valuation on the shares. Therefore for the same reason as Rolls-Royce, the Trust's holding in the company has been reduced.

Also among the best contributors to performance during the year were bank holdings Barclays and NatWest (HSBC and Standard Chartered also performed well). In more 'normal' interest rate environments (by which we mean not the near zero interest rate environment that we saw in the decade following the financial crisis), banks can generate good returns on both sides of their balance sheet. In other words they can generate a return from their assets (their lending book such as mortgages, credit cards and commercial loans) as well as their liabilities (deposits from consumers and businesses). This has meant that since interest rates began rising in the period following Covid, bank returns have improved dramatically, resulting in substantial earnings upgrades. Despite higher interest rates, loan losses have (for now) remained subdued. In the period following the financial crisis, banks went through a slow process of repairing their balance sheets and, as a result, were cautious in their lending practises. While this cautiousness was not necessarily positive for the wider economy, it is evident in their low level of bad debts in recent years.

Flutter Entertainment, the owner of brands such as Paddy Power and FanDuel, have used their expertise built up in European and other global markets, to become one of the leading operators in the fast growing US gambling market. If they continue to be successful, as the US market matures, the potential earnings opportunity is substantial.

The bottom five contributors to performance during the year (in absolute terms) were:

Stock	Depreciation	% Depreciation
AFC Energy	(£4.9m)	(57.6)
Rio Tinto	(£4.2m)	(19.2)
Vanquis Banking Group	(£4.2m)	(68.2)
BP	(£4.2m)	(15.7)
Next Fifteen Communications	(£3.2m)	(55.1)

Source: Law Debenture.
Note: % depreciation figures are share price only, not total return.

In a subdued period for commodity prices, two of the bottom five performers were commodity producers (Rio Tinto and BP). Both are held partly for diversification purposes within the broader portfolio, as elsewhere we hold sizable positions in commodity consumers such as industrial goods manufacturers.

The largest individual detractor, AFC Energy, is a designer and manufacturer of hydrogen fuel cells in applications such as construction sites (with the aim being to replace traditional fuel sources such as diesel generators). Commercial roll-out of the technology has been slower than expected, however we continue to see their technology as having a role in the route to net zero.

Also among the detractors were consumer lender Vanquis and media agency Next Fifteen Communications. Both had unexpected external factors that materially impacted their earnings and share prices. Vanquis received a high volume of complaints which, although largely not upheld by the financial ombudsman, still carried a substantial cost of dealing with them. Next Fifteen had a large customer contract unexpectedly come to an end. In each case, while clearly disappointing developments, they demonstrate the importance of having a long, diverse list of holdings.

Longer term performance review
The understandable tendency in annual reports is to focus on the year that has just passed. However, our time horizon in making investments for this portfolio is considerably longer than a year, so it is sometimes helpful to take a step back and examine longer term performance.

On a five year time frame, the Group NAV has grown by 56%, compared to the FTSE All-Share benchmark of 27%. If we look at the stocks that are the largest contributors to this performance (the largest absolute contributors are shown below), the advantages of the combined Trust structure are clear. For example, Ceres Power, Rolls-Royce, Flutter Entertainment and Marks & Spencer are all low or zero dividend yield shares - all would have been challenging

Flutter Entertainment and Marks & Spencer are all low or zero dividend yield shares – all would have been challenging to hold in size in a portfolio that was aiming to meet or beat the FTSE All-Share dividend yield. All have delivered substantial capital growth that have allowed us, as positions are reduced, to recycle some of the sales proceeds elsewhere in order to drive future capital and dividend growth for the Trust.

The top five absolute contributors over the last five years were:

Stock	Contribution to return (%)	Share price total return (%)
Ceres Power	4.3	(34.7)*
Rolls-Royce	3.9	142.5
Flutter Entertainment	2.8	128.4
Marks & Spencer	2.3	78.2
Rio Tinto	2.0	60.5

Source: Janus Henderson Investors, Bloomberg as at 31st December 2024.
*Ceres Power had a negative share price over the five year period, but rose sharply during 2020 and we took substantial profits during 2020 and 2021, hence it has been the best overall contributor.

Portfolio income
The income from the investment portfolio grew at a modest pace during the year, rising from £33.5m in 2023 to £34.7m this year. Dividend growth for the market as a whole was held back by an increasing tendency among UK companies to undertake share buybacks rather than pay special dividends. The increase in buybacks is, in our view, a reflection of growing frustration among UK Boards at their (perceived) undervaluation relative to peers.

The modest level of dividend growth for the portfolio is partially deliberate, in that we are not actively seeking high dividend payers. Some of the best opportunities have been in shares that are not currently paying dividends, but we believe will in future. Examples of this are Rolls Royce and Marks & Spencer. The structure of Law Debenture, with its own stream of cash earnings from the professional services business, allows us to invest at the early stage of the recovery when dividends are not paid, without jeopardising the distribution payments to our shareholders. This means the capital can be more effectively grown and this in turn will lead to long term sustainable dividend growth. It is strong capital growth that is the only way to provide long term substantial dividend growth.

Portfolio activity
During the year our purchases and sales for the investment portfolio broadly matched. Combined with the rise in the Trust's net asset value, this meant that gearing fell modestly over the course of the year, ending at 10.9% (compared to 12.7% at the previous year end).

The investment approach is to buy and sell slowly. With purchases, we are looking to identify companies that are trading at what we view as an unjustified valuation discount (whether compared to relevant peer companies, or relative to the company's own history). If our investment thesis proves correct and a company moves higher in terms of its valuation, we will then look to slowly reduce the holding. This patient approach means the portfolio has a long list of stocks, because position sizes tend to start small and are then sold in increments. At the year end there were 151 holdings in the portfolio.

Turning to specific stocks, the largest five purchases during the year were new holdings in food retailer Sainsbury, fund manager group Schroders, autos component supplier Dowlais, copper producer Freeport-McMoRan and budget hotel operator Whitbread. There is no end market commonality to these companies. What ties the companies together is that all are well managed, with scope to grow earnings over time. In our view the current valuations fail to reflect the long run prospects for the companies.

Disciplined selling is a fundamental part of the Trust's investment process, and where valuations and/or earnings forecasts have moved higher as the prospects for a company have become better understood, we will gradually move on and rotate the proceeds elsewhere. This year the positions in Rolls-Royce (sales proceeds of £38m) and Marks and Spencer (sales proceeds of £14m) were reduced for this reason. There were also a number of sales driven not by valuation but by corporate activity, with heightened takeover offers for UK companies. This included the position in DS Smith (which was sold following the agreed takeover by US-listed International Paper), Hipgnosis Songs Fund (which was sold following the agreed takeover by Blackstone) and International Distribution Services (better known as Royal Mail, which was sold following the agreed takeover by private equity).

Outlook
Since the period end interest rates in the UK have been cut a further 0.50% to 4.50%. We expect further cuts during the course of the year as inflationary pressures in the labour market ease. Survey data is pointing towards an increase in unemployment which is likely to put downward pressure on wage demands. The fall in the base rate highlights the attractive valuation of UK equities. The underlying yield on the Trust's quoted portfolio of dividend paying equities is likely to be in excess of the interest rate during 2025. The dividends from the underlying holdings are supported by good earnings cover and sound balance sheets, suggesting that predicted dividend growth in the portfolio will prove robust. The confidence we have on the dividend outlook makes us positive about potential capital returns. Therefore we intend to be a net purchaser of equities over coming months, modestly increasing the gearing.

Your Company is an investment trust and utilises the strength of the structure by combining the professional services with the conventional share portfolio. The combination of the two parts adds value to both. The Trust also uses the investment trust structure to utilise gearing and the ability to buy less liquid securities where the best value can often be found. These attributes are advantages other investment products often lack.

The investment approach will remain the same as in the past. We will reduce holdings in companies that we believe are approaching fair value and invest in companies which we believe will come through with profitable growth which is not currently recognised in the valuation.

James Henderson and Laura Foll
Investment managers
11 March 2025

Portfolio by Sector and Value

Portfolio by Sector and Value

Portfolio by sector			
2024		**2023**	
Oil and gas	8.8%	Oil and gas	10.3%
Basic materials	5.0%	Basic materials	6.0%
Industrials	23.0%	Industrials	25.6%
Consumer goods	8.4%	Consumer goods	7.8%
Health care	5.7%	Health care	6.0%
Consumer services	13.9%	Consumer services	10.4%
Telecommunications	2.2%	Telecommunications	1.9%
Utilities	3.5%	Utilities	3.1%
Financials	26.7%	Financials	27.4%
Technology	1.8%	Technology	1.5%

Geographical distribution of Portfolio by value			
2024		**2023**	
United Kingdom	87.6%	United Kingdom	88.2%
North America	5.6%	North America	3.2%
Europe	5.5%	Europe	7.4%
Japan	1.3%	Japan	1.2%

Fifteen Largest Holdings: Investment Rationale
as at 31 December 2024

Rank 2024	Company	Location	% of Portfolio	Approx Market Cap.	Valuation 2023 £000	Purchases £000	(Sales) £000	Appreciation/ (Depreciation) £000	Va
1.	**Flutter Entertainment**	UK	3.77	£11.39bn	21,576	7,304	(2,082)	12,570	
Flutter is a global gambling provider and owner of brands such as Paddy Power and Betfair. It is successfully rolling out in th states gradually legalise gambling, providing a potential route to substantial earnings growth in the long term.									
2.	**HSBC**	UK	3.26	£116.08bn	27,555	-	-	6,500	
HSBC is a large global lender and financial services business. It provides geographic diversification to the portfolio while b more focused on geographies where they are among the market leaders.									
3.	**Barclays**	UK	2.98	£14.89bn	18,915	671	(2,161)	13,680	
Barclays is one of the largest lenders in the UK as well as owning a global investment bank. It trades at a lower valuation tha of its peers because of scepticism that the investment bank can generate good returns. On evidence of better execution, have potential to re-rate from its low valuation.									
4.	**Shell**	UK	2.96	£99.18bn	32,119	-	-	(1,169)	
Shell is a vertically integrated oil & gas company with significant exposure to natural gas within its production mix. The bus highly cash generative at current commodity prices, allowing attractive cash returns to shareholders as well as funding si capital expenditure.									
5.	**Rolls Royce**	UK	2.28	£70.49bn	37,263	-	(37,704)	24,322	
Rolls-Royce is a designer and manufacturer of engines for use across a number of end markets, most materially civil aer They have won significant market share on the next generation of wide-bodied planes, where flying hours are recovering pos Under a new CEO they are reducing costs and have laid out ambitious medium term goals for cash generation.									
6.	**BP**	UK	2.14	£80.24bn	26,571	-	-	(4,173)	
BP is a vertically integrated oil & gas company. Similar to Shell it is highly cash generative at current commodity prices, p optionality for the company to both fund significant capital expenditure and return cash to shareholders.									
7.	**GlaxoSmithKline**	UK	2.12	£70.43bn	20,158	3,848	-	(1,932)	
GSK is a global pharmaceutical company that is among the market leaders in areas such as vaccines and HIV. The shares a valuation discount to global pharmaceutical peers that in our view is unjustified.									
8.	**Standard Chartered**	UK	1.79	£14.78bn	12,563	-	-	6,079	
A global bank providing international banking and financial services, with a particular focus on emerging markets. The provides geographic diversification for the portfolio as well as being positively exposed to higher global interest rates.									
9.	**Tesco**	UK	1.79	£15.72bn	14,673	-	-	3,936	
Tesco is the largest food retailer in the UK. It has used its scale to its advantage, setting prices at competitive levels consumer while generating good levels of free cash flow, much of which is returned to shareholders via dividends an buybacks.									
10.	**Rio Tinto**	UK	1.7	£46.73bn	21,908	-	-	(4,197)	
Rio Tinto is a diversified miner with significant exposure to iron ore. As a results of its low position on the cost curve, it is remain cash generative despite volatility in commodity prices and pays an attractive dividend yield.									
11.	**National Grid**	UK	1.54	£37.34bn	13,851	2,463	-	(263)	
National Grid are a regulated utility company with operations in both the UK and the US. The need to reduce global carbon er is likely to increase demands on electricity networks and this could lead to faster regulated asset growth in future driven by t									

to increase grid capacity. The position brings defensive qualities and continues to pay an attractive dividend yield.

12.	**Marks & Spencer**	UK	1.44	£3.82bn	21,792	-	(14,423)	7,651
M&S is a food and clothing retailer. After a long period of underperformance it has been reinvigorated under a new Chairm management team. It is regaining market share in both clothing and food at good margins, meaning substantial earnings u have been achieved in recent years.								
13.	**Sainsbury**	UK	1.4	£6.41bn	-	13,960	-	678
Sainsbury's are one of the largest food retailers in the UK. Under the current management team they have improved th competitiveness, enabling them to gain market share and grow earnings. They generate substantial levels of cash, which is them to invest in the business as well as return money to shareholders.								
14.	**Herald Investment Trust**	UK	1.4	£0.54bn	11,484	-	-	3,066
Herald is a global technology focussed Investment Trust managed by Katie Potts (who launched the Trust in 1994). Its tec focus brings worthwhile diversity to the portfolio and it has been an excellent performer over time.								
15.	**Senior**	UK	1.38	£0.79bn	15,118	807	-	(1,510)
Senior produces specialist components for use across aerospace and industrial end markets. The civil aerospace mar significantly impacted by Covid and is still in a period of recovery. This means there is scope for further earnings growth at while the business remains well managed.								

Changes in Geographical Distribution

Region	Valuation 31 December 2023 £000	Purchases £000	Costs of acquisition £000	Sales proceeds £000	Appreciation/ (Depreciation)* £000	**Valuation 31 December 2024* £000**	**Geographical split at 31 December 2024 %**
United Kingdom	852,381	154,712	(734)	(155,989)	62,143	**912,513**	**87.6%**
North America	31,107	19,899	(44)	(3,044)	10,853	**58,771**	**5.6%**
Europe	69,860	19,542	(13)	(33,848)	1,980	**57,521**	**5.5%**
Japan	11,878	-	-	-	1,356	**13,234**	**1.3%**
Other	-	32	-	-	(32)	**-**	**0.0%**
	965,226	194,185	(791)	(192,881)	76,300	**1,042,039**	**100.0%**

* Please refer to note 2 on page 131 and note 13 on page 139 of the full annual report and accounts.

Who we are
From its origins in 1889, Law Debenture has diversified to become a Group which provides our shareholders, clients and people a unique combination of a Portfolio and an Independent Professional Services ('IPS') business.

Our purpose and objective
Our purpose is to deliver peace of mind for our shareholders, clients and people. This is central to our strategy, both at the Portfolio and IPS levels, and underpins the way we think and behave every day.

Our objective as an investment trust is to achieve long-term capital growth in real terms and steadily increasing income. The aim is to achieve a higher rate of total return than the FTSE Actuaries All-Share Index through investing in a diversified portfolio of stocks and ownership of the IPS business.

To our IPS clients we are trusted, independent experts who have 136 years of experience to call on in delivering vital aspects of their business cycle.

Our purpose and objective are underpinned by our corporate values of:

- We believe it's possible
- We make change happen
- We are better together
- We never stop learning

Our strategy - implementation
Our strategy is centred around the unique combination of the Portfolio and our IPS business. Whilst overseen by the Board, the IPS business operates independently from the Portfolio.

The IPS business provides a reliable source of revenue to the investment trust. This supports the dividend and ensures our investment managers are not constrained to choosing stocks solely based on yield. Instead, the investment managers benefit from increased flexibility in stock selection supporting the delivery of long-term capital growth.

Our unique structure is also tax efficient as some tax relief, arising from excess costs and interest

Our unique structure is also tax efficient as some tax relief, arising from excess costs and interest payments which would otherwise be unutilised, can be passed from the Portfolio to the IPS business reducing the tax liability for the Group and increasing shareholder returns.

The way in which we implemented the investment strategy during 2024 is described in more detail in the investment managers' review above.

Annual performance is set out on pages 2 to 33 of the full annual report and accounts, which contain tables, charts and data to explain performance both during the year under review and over the long-term. Performance against KPIs is discussed on page 38 of the full annual report and accounts.

Our business model
Our business model is designed to position the Company for optimal performance in the AIC UK Equity Income investment trust sector.

Law Debenture's shares are intended for private investors in the UK (retail investors), professionally advised private clients and institutional investors. When choosing an equity focussed investment trust, shareholders typically accept the risk of exposure to equities but hope that the pooled nature of an investment trust portfolio will give some protection from the volatility in share price movements that can affect individual equities.

<table>
<tr><th colspan="2">Total Shareholder Return</th></tr>
<tr><td>PORTFOLIO</td><td>INDEPENDENT PROFESSIONAL SERVICES</td></tr>
<tr><td>(c.81% of NAV - including IPS and long-term borrowings at fair value)</td><td>(c.19% of NAV - including IPS and long-term borrowings at fair value)</td></tr>
<tr><td>• Invests in a diverse equity portfolio</td><td>• Trusted provider of independent governance services, generating recurring revenue.</td></tr>
<tr><td>• Earns capital returns and dividends</td><td rowspan="2">• Profits provide the investment trust with a steadily increasing revenue stream.</td></tr>
<tr><td>• Low ongoing charges</td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="2">PORTFOLIO</td></tr>
<tr><td colspan="2">• The Portfolio will typically contain over 70 and up to 175 stocks, the maximum permitted.
• The Portfolio is diversified in order to spread investment risk with no obligation to hold shares in any particular type of company or industry.
• The IPS business does not form part of the Portfolio.

Whilst performance is measured against the FTSE Actuaries All-Share Index, the composition of the index does not influence the construction of the Portfolio. As a consequence, it is expected that the Portfolio and performance will deviate from the comparator index.</td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="2">INDEPENDENT PROFESSIONAL SERVICES</td></tr>
<tr><td colspan="2">Operating through a number of wholly owned subsidiary companies (see note 13 to the accounts in the full annual report and accounts), we provide pension trustee executives, outsourced pension services, corporate trust services and corporate services to companies, agencies, organisations and individuals throughout the world. The services are provided through offices in the UK, Dublin, New York, Delaware, Hong Kong and the Channel Islands.

Group employees are employed by L.D.C. Trust Management Limited ('LDCTM') and Safecall Limited (in the UK) or a locally incorporated entity (in the overseas jurisdictions). As part of their duties, a number of the employees provide services to the investment trust and their time is charged to the trust, forming part of the ongoing charges.

More details about the performance of the IPS business in 2024 are given in the Chief Executive Officer's review above.</td></tr>
</table>

Our strategy - guidelines
The Board sets the investment strategy and actively monitors both the investment managers' and Executive Leadership team's adherence through a series of guidelines and parameters in each scheduled Board meeting. The strategy is reviewed periodically to ensure we deliver on our objective.

<table>
<tr><th>Investments</th><th>Permitted types of investments are:</th><th>Restrictions:</th></tr>
<tr><td rowspan="5"></td><td rowspan="5">• Equity Shares
• Cash/Liquid Assets</td><td>• Trading is not permitted in suspended shares or short positions</td></tr>
<tr><td>• No more than 15% of gross assets will be invested in other UK listed investment trusts</td></tr>
<tr><td>• No more than 175 stocks</td></tr>
<tr><td>• No investment may be made which raises the aggregate value of the largest 20 holdings, excluding holdings in collective investment vehicles that give exposure to Japan, Asia/Pacific or emerging market regions, to more than 40% of the Portfolio, including gilts and cash</td></tr>
<tr><td>• The value of a new acquisition in any one holding may not exceed</td></tr>
</table>

<table>
<tr><td></td><td></td><td>5% of the total Portfolio value (including cash) at the time the investment is made</td></tr>
<tr><td></td><td></td><td>• Further additions shall not cause a single holding to exceed 5%, and Executive approval must be sought (to be reported at the next Board meeting), to retain a holding should its value increase above the 5% limit</td></tr>
<tr><td></td><td></td><td>• No investment in any investment vehicle managed or advised by Janus Henderson shall be made without prior Board approval</td></tr>
<tr><td></td><td></td><td>• No investment other than in equity shares quoted on a major international Stock Exchange (including AIM for the avoidance of doubt) or instruments convertible into the same may be made without prior Executive approval</td></tr>
<tr><td></td><td></td><td>• The Company may not make investments in unlimited liability companies</td></tr>
<tr><td></td><td>The current regional parameters are:</td><td><table>
<tr><td></td><td>Minimum</td><td>Maximum</td></tr>
<tr><td></td><td>%</td><td>%</td></tr>
<tr><td>United Kingdom</td><td>55</td><td>100</td></tr>
<tr><td>North America</td><td>0</td><td>20</td></tr>
<tr><td>Continental Europe</td><td>0</td><td>20</td></tr>
<tr><td>Japan</td><td>0</td><td>10</td></tr>
<tr><td>Asia/Pacific</td><td>0</td><td>10</td></tr>
<tr><td>Other (including South America)</td><td>0</td><td>10</td></tr>
</table></td></tr>
<tr><td>Derivatives</td><td colspan="2">May be used with prior authorisation of the Board</td></tr>
<tr><td>Hedging</td><td colspan="2">Currency hedges may be put in place with Board approval to protect against foreign exchange movements on the capital and income accounts</td></tr>
<tr><td>Stock-lending</td><td colspan="2">Up to 30% of the market value of the Portfolio may be lent</td></tr>
<tr><td>Gearing</td><td colspan="2">A ceiling on net gearing of 50% is applied. Typically net gearing, (i.e. gearing net of cash), is between 10% and 20% of the total Trust value. The Board retains the ability to reduce equity exposure so that net cash is above 10% if deemed appropriate. Refer to page 160 of the full annual report and accounts for calculation of gearing</td></tr>
<tr><td>Daily dealing limit</td><td colspan="2">Net purchases in any dealing day are to be limited to £30 million unless prior Executive approval is obtained</td></tr>
<tr><td>Underwriting</td><td colspan="2">Permitted capital at risk up to 5% of the value of the Portfolio</td></tr>
<tr><td>Corporate approval</td><td colspan="2">Where indicated, the investment managers must obtain prior approval to exceed permitted limits either through Board or Executive approval. Executive approval shall be the approval of either the Board Chair or the Chief Executive Officer. The Board may make non-material adjustments or changes to the investment policy from time to time. Any changes to the investment policy, which the Board deem to be material, require prior shareholder approval</td></tr>
</table>

Agreement with the investment managers
Appointed investment managers: James Henderson and Laura Foll, Janus Henderson Investors.

On a fully discretionary basis, our investment managers are responsible for implementing the Company's investment strategy. The contract is terminable by either side on six months' notice.

The agreement with Janus Henderson does not cover custody, which is the responsibility of the depository (see section on regulatory compliance in the Directors' Report, page 65 of the full annual report and accounts). It also does not cover the preparation of data associated with investment performance or record keeping, both of which remain the responsibility of the Company.

Fee structure and ongoing charges
Investment trusts are required to publish their ongoing charges ratio. This is the cost of operating the trust and includes the investment management fee, depository and custody fees, investment performance data, accounting, company secretary and back office administration.

The Group continues to have one of the more competitive fee structures in the UK Equity Income Sector with investment management fees of 0.30% p.a. of the value of net assets of the Group (excluding the net assets of IPS), calculated on the basis adopted in the audited financial statements, and total ongoing charges of 0.51%.

No performance fee is paid to the investment manager.

Reappointment of the investment managers
On an annual basis, at a minimum, the Board assesses whether the investment managers should be reappointed. The key criterion for assessment is the long-term performance of the Portfolio.

Given Janus Henderson's proven record of performance, and the competitive fee arrangements in place, the Board has concluded that the continued appointment of our existing investment managers remains in the interests of our shareholders.

Gearing and long-term borrowing
Investment trusts have the benefit of being able to 'gear' their portfolios according to market conditions. This means that they can raise debt (either short or long-term) to generate funds for further investment. These funds can be used to increase the size of the Portfolio. Alternatively, assets from within the Portfolio can be sold to reduce debt and the Portfolio can even be 'negatively geared'. This means selling assets to hold cash so that less than 100% of the Company's assets are invested in equities. At 31 December 2024, our gearing was 11% (2023: 13%) (refer to page 160 of the full annual report and accounts).

The Group has four debentures (long dated sterling denominated financing) details of which are on page 150 of the full annual report and accounts. The weighted average interest payable on the debentures is 3.96% (2023: 3.96%).

The fair value of long-term borrowings held by the Group is disclosed in note 20 to the accounts in the full annual report and accounts. The fair value calculation of all long-term borrowings benchmarks the Group debt against A-rated UK corporate bond yields.

Valuation of our IPS business
Accounting standards require us to consolidate the income, costs and taxation of our IPS business into the Consolidated Statement of Profit or Loss below. The assets and liabilities of the business are also consolidated into the Group column of the statement of financial position below. A segmental analysis is provided in note 6 (pages 133 and 134 of the full annual report and accounts) to these accounts which shows a detailed breakdown of the split between the Portfolio and the IPS business.

Consolidating the value of the IPS business in this way does not fully recognise the value created for the shareholder by the IPS business in the NAV. To address this, the NAV we have published for the Group has included a fair value for the standalone IPS business.

In determining the calculation basis for the fair valuation of the IPS business, the Board continues to take appropriate external professional advice. Historically, the fair value of the IPS business has been calculated based upon maintainable earnings before interest, taxation, depreciation and amortisation ('EBITDA'), with an appropriate multiple applied.

EBITDA is reached by taking the maintainable return, including profit before interest and tax and adding back the depreciation charge for property, plant and equipment and right-of-use assets, the amortisation of intangible assets, and net interest expense all shown in note 6 on page 133 of the full annual report and accounts. At 31 December 2023, EBITDA of £17.6m was applied to a multiple of 10.5x.

The multiple was based on comparable companies sourced from market data, with appropriate adjustments to reflect the difference between the comparable companies and IPS business in respect of size, liquidity, margin and growth. A range of multiples was provided by the professional valuation firm, from which the Board selected an appropriate multiple to apply.

The Board has recently noted that the reliability of adopting this market approach as a primary valuation tool was increasingly limited, due to the reducing number of companies with a strong degree of comparability in terms of risk profile and business model. Consequently, an income based approach has been adopted from 31 December 2024 that follows a discounted cash flow ('DCF') analysis.

This approach considers business forecasts adjusted to consider the fair value a hypothetical third-party would apply when viewing the forecasts. An appropriate cost of equity was determined through consideration of comparable entities to guide on discount rate and applied to the discrete forecast period and projected free cashflows to estimate the terminal value. PwC provided a range from which the Board selected a value.

The calculation of the IPS valuation and methodology used are included at note 13 on page 140 of the full annual report and accounts. As a cross check, the implied multiple for 31st December 2024 was calculated by dividing the DCF IPS valuation by the underlying EBITDA (see APM on page 162 of the full annual report and accounts) deriving a multiple of 10.5x. This compares to the 10.5x multiple applied in the two proceeding years.

Valuation guidelines require that the fair value of the IPS business be established on a stand-alone basis. Therefore, the valuation does not reflect the value of Group tax relief applied from the investment trust to the IPS business.

It is hoped that our continued initiatives to achieve growth into the IPS business will result in a corresponding increase in valuation over time. As stated above, management is aiming to achieve mid to high single percentage growth in 2025. The total valuation (excluding surplus net assets) of the business has increased by £116m/148% since the first valuation of the business as at 31 December 2015. The uplift reflects the IPS business delivering seven years of revenue and underlying profit growth.

In order to assist investors, the Company restated its historical NAV in 2015 to include the fair value of the IPS business for the last ten years. This information is provided within the 10-year record on page 41 of the full annual report and accounts.

Calculation of Net Asset Value ('NAV') per share
The table below shows how the NAV at fair value is calculated. The value of assets already included within the NAV per the Group statement of financial position that relate to the IPS business have been removed (£25.9m) and substituted with the calculation of the fair value and surplus net assets of the business £213.3m. An adjustment of £42.4m is then made to show the Group's debt at fair value, rather than the amortised cost that is included in the NAV per the Group statement of financial position. This calculation shows a NAV fair value for the Group as at 31 December 2024 of £1,150.5m or 872.34 pence per share.

	31 December 2024		31 December 2023	
	£000	**Pence per share**	£000	Pence per share
Net asset value ('NAV') per Group statement of financial position	**920,764**	**698.14**	854,229	654.07
Fair valuation of IPS	**194,505**	**147.48**	185,063	141.70
IPS Net Assets attributable to IPS valuation	**18,811**	**14.26**	25,729	19.70
Fair value of IPS business	**213,316**	**161.74**	210,792	161.40
Removal of IPS net assets included in Group net assets	**(25,921)**	**(19.65)**	(49,956)	(38.25)
Fair value uplift for IPS business	**187,395**	**142.09**	160,836	123.15
Debt fair value adjustment	**42,353**	**32.11**	33,239	25.45
NAV at fair value	**1,150,512**	**872.34**	1,048,304	802.67
NAV attributable to IPS	**213,316**	**19%**	210,792	20%

See commentary for the breakdown of the assets already included in the NAV per the financial statements.

The 'results' NAV at fair value calculated above differs to the 'published' NAV at fair value for 31 December 2024 (year end NAV released by RNS on 2 January 2025). As such, please see below for a reconciliation:

	31 December 2024	
	Value £000	**Pence per share**
Reconciliation of published NAV to results NAV:		
Published NAV cum income with debt at fair value	**1,152,871**	**874.12**
Reconciliation of shareholders' funds to net assets:		
Published NAV	**(941,405)**	**(713.79)**
Results NAV	**920,764**	**698.14**
Revised IPS valuation uplift:		
Published NAV (valuation per 30 June 2024)	**(169,070)**	**(128.19)**
Results NAV	**187,395**	**142.09**
Revised Fair Value of Debentures:		
Published NAV	**(42,396)**	**(32.15)**
Results NAV	**42,353**	**32.11**
Total NAV at fair value per results	**1,150,512**	**872.34**

Our approach to risk
The Group's risk management and internal control framework is embedded in everyday operations and subject to ongoing enhancements. The diagram below summarises our risk reporting and governance framework, with risks effectively managed and monitored in a continuous risk management process. Top-down Board-level oversight for the Portfolio and IPS business is provided by the Audit and Risk Committee.

In discharging its oversight responsibilities in relation to the Portfolio, the Board considers risk matters during the year by meeting regularly with the investment managers and receives a wide range of reports about the Portfolio including investment review, risk reporting and comparative peer reporting.

Thematic discussions are held with the investment managers at two out of six of the scheduled Board meetings each year to address market trends and insights.

The Audit and Risk Committee assists the Board by receiving an annual report from the Group Risk team and Internal Audit. This report includes the findings from their annual operational due diligence visit, their assessment of the annual AAF report, and their review of the quarterly internal controls reports on the investment managers.

The Audit and Risk Committee reviews the principal risks to the Group as well as the adequacy of the controls in place to appropriately mitigate those risks as part of our ongoing risk management. Consideration is given to emerging risks to ensure that the risk management framework remains relevant.

The Risk, Operations and Controls Committee monitors risk management within the IPS business to ensure they are appropriately managed. Detailed, bottom-up risk identification and management is owned by either individual business lines or central functions and is analysed by the Group Risk team. The objective is not to eliminate such risks but to understand and appropriately mitigate these while seeking to deliver on our objectives. On at least a quarterly basis, the Group Risk team provides a report to the Audit and Risk Committee on key matters discussed at the Risk, Operations and Controls

Committee.

The risk assessment process evaluates the probability of the risk materialising and the financial, strategic or reputational impact of the risk using a scoring system approved by the Audit and Risk Committee. There may be uncertainty in measuring certain risks, but the aim is to inform and guide decisions and pinpoint areas which may require more attention.

Those risks which have a higher probability and significant impact on strategy, reputation or financial impact under the risk scoring system are identified as principal risks below. The policies and procedures used to manage and measure these risks have not changed since the prior year.

Governance
The Group's risk management and internal control framework is governed by those listed in "parties involved" section of the diagram above and overseen by the Audit and Risk Committee. IPS business risks are managed through business unit risk committees and management meetings. The outputs of these are fed through to the Risk, Operations and Controls Committee and then the Audit and Risk Committee for review and to the Board for approval as appropriate.

Group risk summary and mitigating actions

PRINCIPAL GROUP RISKS	CHANGES TO RISK IN 2024	MITIGATING FACTORS
1. Investment Performance and Market Risk		
The risk of the Portfolio failing to deliver and/or failing to consider and react to market conditions to deliver the strategic objectives to: • Achieve long-term capital growth. • Deliver steadily increasing income	UNCHANGED Continued geopolitical tensions present elements of uncertainty, and global economic pressures continue to have an unfavourable impact on global markets and therefore the Portfolio. High global inflation in the year undermines the value of investment returns.	• Market risk is an accepted risk given the nature of the Portfolio. To manage this inherent risk, the Board regularly reviews the investment managers' report including risk indicators, MI, and other financial information. The Board engages in open dialogue, robust discussion and provides challenge to the investment managers on their approach and performance, seeking explanations from the investment managers where performance is not in line with our objectives.
• Achieve a rate of return greater than the FTSE Actuaries All-Share Index, our benchmark.		• The investment trust is closed ended and therefore does not have to sell investments to provide liquidity to shareholders who wish to sell. This enables our investment managers to invest for the long-term.
The principal risk is a material decline in the value of the NAV and under-performance against the benchmark. Investment performance and market risk are the largest risks to which the Group is exposed. Our investment risk includes market risk, gearing risk, credit risk, leverage risk and liquidity risk.		• To mitigate leverage risk, all borrowings require the prior approval of the Board and gearing ratios are kept under close review by the Board. We have substantial headroom on all of our existing borrowings.
2. Cyber, Technology and Systems Risk		
The threat of unauthorised or malicious attacks on our IT systems is an ongoing risk. We rely on a set of critical IT systems which are fundamental to the day-to-day running of the business, as in any technology-enabled business.	INCREASED Cyber threats remain a relevant industry-wide risk with cyber-attacks growing ever more sophisticated and their increasing frequency and scale is well publicised. Industry data suggests that "bad actors" are becoming increasingly well-financed, with cyber experts warning of a rising use of commercial hacking tools.	• The Group is Cyber Essentials Plus certified, the highest level of certification offered under the Government-backed, industry-supported Cyber Essentials scheme.
Failures in these systems could lead to reduced revenue, increased costs, liability claims, or harm to our reputation or competitive position. The systems of Janus Henderson, our investment managers, are		• All staff trained on cyber security risks including phishing training and testing. • We are continually investing in our IT security framework

our investment managers, are also considered under this risk type.		• security framework including working with industry-recognised best-in-class security providers.
		• We have an information security governance structure to help identify and mitigate threats.
		• As part of our ongoing oversight of Janus Henderson's control environment, Law Debenture's Group Risk team have specifically reviewed their information security and business continuity/disaster recovery plans.
		• Industry standard cyber insurance is in place to mitigate financial loss.
3. IPS Concentration Risk		
The unique setup of the Group as a Portfolio alongside an unquoted IPS business, which represents 19% of NAV and accounted for 31% of revenue return per share in 2024, creates an illiquid concentration risk.	UNCHANGED The IPS business includes some counter-cyclical services which may help to counteract any adverse market conditions for other business lines.	• The IPS business comprises a diversified range of services with little client concentration risk.
Failure to deliver on the IPS strategy could result in a significant reduction in valuation of the Group's largest asset, thereby putting pressure on our ability to meet our stated objective of long-term capital growth, and steadily increasing income.		• The CEO and COO are accountable for the day-to-day running and operation of the IPS business with independent oversight and challenge from the Non-Executive Directors. The performance of the IPS business is reviewed at all Board meetings.
IPS Concentration Risk also includes aggregation of litigation, compliance, regulatory and internal control failures and people risk.		• The annual IPS budget is subject to review and approval by the Board which provides robust scrutiny and challenge on IPS strategic plans.
		• Any significant IPS investment requires Board approval. This reduces the risk of unplanned concentration risk.
		• Valuation of the IPS business takes into account the illiquid nature of the holding. This is reviewed and approved by the Audit and Risk Committee .
		• The Audit and Risk Committee has oversight of internal control findings from second/third line and external audit.

Emerging risks
Emerging risks are those identified by Law Debenture, where the potential impact and/or likelihood is not yet fully known. The firm monitors the evolution of these risks and associated mitigants.

ESG Regulatory Risk: Uncertainties related to the outcomes of evolving environmental and sustainability regulations, which could incur additional implementation and ongoing compliance costs, expertise and disclosure requirements are closely monitored by the ESG manager.

Technological Advancements in Artificial Intelligence: There are both risks and opportunities presented by advancements in artificial intelligence, including the potential to disrupt or harm, as well as the operational benefits of harnessing efficiencies, impacting the investment portfolio and IPS business. We continue to review the risks and opportunities of artificial intelligence across our business. We continue to review the risks and opportunities of artificial intelligence across our business.

Viability statement

The Board has considered the Group's current financial position and the potential impact of its principal risks and uncertainties, and has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due for a period of five years from the date of this report. The Board applied an assessment period of five years, increasing from three years in 2023 to align with market peers and long-term nature of the investment trust.

In assessing the viability of the Group over the review period, the Board has considered a number of key factors, including:

Our business model and strategy

- The Board seeks to ensure that the Group delivers long-term performance. The closed ended nature of the investment trust creates a stable capital basis which enables our investment managers to take a longer term view in their construction and management of the Portfolio. This partially mitigates the risk to the Group of potential liquidity issues should shareholders wish to sell their shares, potentially avoiding any untimely requirements to sell down the Portfolio.
- As an investment trust, we benefit from the unique structure of a predominately UK-based equity Portfolio with a diversified revenue stream arising from the IPS business. As demonstrated by our long-term performance, the combination of the Portfolio and the IPS revenue streams provide protection to the long-term viability of the Group. Over a five year period, the share-price total return is 72.4%. The NAV total return with debt at FV is 56.0% compared to the FTSE Actuaries All-Index Total Return of 26.5%.
- One of the principal group risks relates to investment performance and market risk. Part of the risk to the Group is that a breach of our debt covenants results in a requirement for the Group to repay the debentures at short notice, potentially requiring the sale of assets during a market downturn. Whilst the Board acknowledges this risk, the uncertainty arising due to Covid and more recently the macroeconomic environment demonstrates the Group's ability to navigate these challenges. At the height of market decline on 23 March 2020, the Group maintained significant headroom on all covenants.
- The IPS business currently holds enough working capital to meet any short term requirements of the group and our book of clients provides a steady, largely reoccurring, flow of income. There has been a concerted focus on debtor management which has enhanced the IPS business's cashflow over the past year and improved our working capital cycle.
- Furthermore, the majority of the Portfolio is invested in UK listed securities which are traded on major stock exchanges, providing the Group with the ability to quickly liquidate assets, should the need arise.
- The investment trust has an ongoing charge of 2024: 0.51% (2023: 0.49%). This is the second lowest OCR in the UK Equity Income sector*.

*Source: The AIC Compare investment companies | The AIC

Our business operations

- The investment trust retains ownership of all assets held by the Custodian under the terms of formal agreements with the Custodian and Depositary. This supports our ability to meet our Legal and Regulatory requirements and acts as a control to both verify the existence of our assets and further safeguard the interests of our shareholders.
- The Group's cash is all held with banks approved by the Board. The Group's cash balance, including money market funds, as at 31 December 2024 amounted to £38.4m (31 December 2023: £31.4m) of which, IPS held £11.9m. Cash is treated as a fungible across the Group and it is deployed on a basis of need with periodic clear down of intercompany balances via an intra-group net-off agreement.
- There is long term borrowing in place comprising four debentures;

Maturity date	PAR Value	Interest
2034	£40m	6.125%
2041	£20m	2.54%
2045	£75m	3.77%
2050	£30m	2.53%
Total	**£165m**	**Weighted average: 3.96%**

The weighted average cost of borrowing is 3.96%. Each debenture is subject to a formal agreement, including financial covenants which the Company has complied with in full during the year. As at the end of December, net gearing was 10.9% which is well within the typical operating range of 10%-20%.

- During January 2021, the Company also made arrangements to put in place a £50m unsecured overdraft facility with HSBC. Whilst available, this facility is currently not in use but provides further mitigation of any liquidity risk.
- The Board reviews the Portfolio performance including revenue forecasts, along with other key metrics such as gearing at each Board Meeting and receives monthly financial reporting to monitor and manage the principal risk relating to investment performance.

In addition to this, the Board carries out an assessment of our principal risks and uncertainties which could threaten the Group's business model. This assessment has been shared separately and is presented as part of the annual report. As part of this exercise, the Board has assessed the emerging risks which may impact the operations of the Group and will continue to actively review the likely impact of these potential risks. This is set out above.

The Board do not consider any ongoing geo-political events will have material impact on the longer term viability of the Group, given the headroom identified in the risk sensitivities from the far more extreme scenarios.

In light of the current conditions, the Board has considered the Group's current financial position and the potential impact of its principal risks and uncertainties, and has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due for a period of five years from the date of this report.

Balance sheet resilience
As at the 31 December 2024, Law Debenture Corporation held total investments, including cash and the IPS business of £1.30bn (31 December 2023: £1.21bn). With the exception of the IPS business, the majority of these assets are liquid and could be sold down within a short period of time, i.e. less than 10 working days.

The Board and the Executive Leadership team have actively monitored the cash position across the Group throughout the year, mindful of our commitment to pay quarterly dividends to shareholders. As of 31 December 2024, the Group holds cash of £38.4m (31 December 2023: £31.4m). In addition to this, the Company has an overdraft facility of £50m to protect against any significant reduction in cash inflows.

Extracts from the Directors' Report

Repurchase and issue of shares
At the 2024 AGM, the Directors were given power to buy back up to 19,666,035 ordinary shares or, if less, the number of shares equal to 14.99% of the Company's issued share capital at that date. During the year, the Company did not repurchase any of its shares for cancellation. This authority will expire at the 2025 AGM. The Company intends to seek shareholder approval to renew its powers to repurchase shares for cancellation up to 14.99% of the Company's issued share capital if circumstances are appropriate, at the 2025 AGM.

The Directors were also given power to allot up to 13,119,436 ordinary shares at the 2024 AGM. From the 2024 AGM to the 11 March 2025 the Company issued a total of 1,401,388 ordinary shares under its share issuance programme and its SAYE scheme. The authority will expire at the 2025 AGM at which the Company intends to seek shareholder approval to renew its powers to issue shares up to 20% of the Company's share capital in issue at 11 March 2025.

Cancellation of share premium account
The share premium account is a non-distributable reserve and the Company is therefore unable to use it, amongst other things, for justifying distributions to shareholders, including the payment of dividends. As at 31 December 2024, the Company had distributable reserves of approximately £34,283,000 and an amount standing to the credit of the Company's share premium account of £119,449,000.

Accordingly, in order to enhance the Company's distributable reserves position, the Company is seeking shareholder approval at the AGM to cancel the Company's share premium account. If approved by shareholders and subsequently by the Court, this will result in an increase of the Company's distributable reserves and thereby support the Company in achieving its objective of increasing the Company's dividend over time.

Share capital and significant shareholdings
The Company's share capital is made up of ordinary shares with a nominal value of 5 pence each. The voting rights of the shares on a poll are one vote for every share held. There are no restrictions on the transfer of the Company's ordinary shares or voting rights and no shares which carry specific rights with regard to the control of the Company. There are no other classes of share capital and none of the Company's issued shares are held in treasury. As at 31 December 2024, there were 132,594,209 ordinary shares in issue with 132,594,209 voting rights. Note 17 in the full annual report and accounts includes details of share capital changes in the year.

As at 31 December 2024, there were no shareholders that had notified the Company of a beneficial interest of 3% or more of the issued share capital. Additionally, no such disclosures had been made to the Company as at 11 March 2025. Share information as required by section 992 of the Companies Act 2006 appears at pages 37 and 143 of the full annual report and accounts.

Directors' responsibility statement pursuant to DTR4
The Directors confirm to the best of their knowledge that:

- the financial statements have been prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group; and
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Group, together with a description of the principal risks and uncertainties that they face.

Extract from the Audit and Risk Committee Report

Significant financial issues relating to the 2024 accounts
The UK Corporate Governance Code requires the Committee to describe any significant issues considered in relation to the 2024 financial statements and how those issues were addressed.

The significant issues and judgements considered by the Committee include the valuation of IPS, presentation of underlying results of IPS including a detailed review of goodwill impairments and non-recurring costs, debtor recoverability and discussions around the control environment.

No new significant issues arose during the course of the external audit. There continued to be a focus on embedding the improved Finance operations and we have continued to make investments in this area to support the strategy for long term growth. We are pleased with the progress made and the improved control environment.

The Committee is satisfied that the judgements made by management are reasonable and that appropriate disclosures have been included in the accounts. The Committee was able to conclude and report to the Board that the financial statements themselves and the Annual Report as a whole are fair, balanced and understandable and provide the necessary information for shareholders to assess the Company and Group's position and performance, business model and strategy.

Consolidated Statement of Profit or Loss
For the year ended 31 December 2024

				2024			2023
	Notes in the Annual Report	**Revenue £000**	**Capital £000**	**Total £000**	Revenue £000	Capital £000	Total £000
UK dividends		**32,328**	**-**	**32,328**	29,834	-	29,834
UK special dividends		**-**	**1,432**	**1,432**	-	1,368	1,368
Overseas dividends		**2,373**	**-**	**2,373**	3,670	-	3,670
Total dividend income		**34,701**	**1,432**	**36,133**	33,504	1,368	34,872
Interest income	5	**739**	**-**	**739**	1,197	-	1,197
Independent professional services fees	6	**61,659**	**-**	**61,659**	58,543	-	58,543
Other income		**1,204**	**-**	**1,204**	1,369	-	1,369
Total income		**98,303**	**1,432**	**99,735**	94,613	1,368	95,981
Net gain on investments held at fair value through profit or loss	2	**-**	**76,301**	**76,301**	-	37,379	37,379
Total income and capital gains/(losses)		**98,303**	**77,733**	**176,036**	94,613	38,747	133,360
Cost of sales		**(8,212)**	**-**	**(8,212)**	(8,255)	-	(8,255)
Goodwill impairment	10	**-**	**(17,037)**	**(17,037)**	-	-	-
Administrative expenses	3	**(42,685)**	**(2,706)**	**(45,391)**	(39,708)	(2,075)	(41,783)
Operating profit		**47,406**	**57,990**	**105,396**	46,650	36,672	83,322
Finance costs							
Interest payable	5	**(1,640)**	**(4,908)**	**(6,548)**	(1,635)	(4,908)	(6,543)
Profit before taxation	6	**45,766**	**53,082**	**98,848**	45,015	31,764	76,779
Taxation	7	**(1,897)**	**-**	**(1,897)**	(1,626)	-	(1,626)
Profit for the year	6	**43,869**	**53,082**	**96,951**	43,389	31,764	75,153
Return per ordinary share (pence)	9	**33.48**	**40.51**	**73.99**	33.43	24.47	57.90
Diluted return per ordinary share (pence)	9	**33.48**	**40.51**	**73.99**	33.41	24.47	57.88

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2024

			2024			2023
GROUP	**Revenue £000**	**Capital* £000**	**Total £000**	Revenue £000	Capital £000	Total £000
Profit for the year	**43,869**	**53,082**	**96,951**	43,389	31,764	75,153
Foreign exchange on translation of foreign operations	**(219)**	**(4,541)**	**(4,760)**	(602)	-	(602)
Pension actuarial gains/(losses)	**2,738**	**-**	**2,738**	(1,400)	-	(1,400)
Taxation on pension	**(499)**	**-**	**(499)**	-	-	-
Other comprehensive	**2,020**	**(4,541)**	**(2,521)**	(2,002)	-	(2,002)

comprehensive income/(loss) for the year						
Total comprehensive income for the year	**45,889**	**48,541**	**94,430**	41,387	31,764	73,151

*2024 charge offset by credit in foreign exchange translation reserve. See Consolidated Statement of Changes in Equity.

All items stated in the statement of comprehensive income will be subsequently classified to profit or loss when specific conditions are met.

Statement of Financial Position
As at 31 December 2024

			GROUP		COMPANY
	Notes in the Annual Report	**2024 £000**	2023 £000	**2024 £000**	2023 £000
Assets					
Non-current assets					
Goodwill	10	**1,976**	19,006	**-**	-
Property, plant and equipment	11	**1,958**	2,267	**-**	-
Right-of-use assets	22	**3,822**	4,131	**-**	-
Other intangible assets	12	**2,631**	3,034	**16**	16
Investments held at fair value through profit or loss	13	**1,042,039**	965,226	**1,041,938**	965,126
Investments in subsidiary undertakings	13	**-**	-	**61,176**	61,368
Retirement benefit asset	23	**10,475**	7,440	**-**	-
Total non-current assets		**1,062,901**	1,001,104	**1,103,130**	1,026,510
Current assets					
Trade and other receivables	14	**17,758**	21,496	**2,700**	3,014
Contract assets	14	**6,659**	8,604	**4**	-
Cash and cash equivalents	15	**38,354**	31,439	**26,453**	12,382
Total current assets		**62,771**	61,539	**29,157**	15,396
Total assets		**1,125,672**	1,062,643	**1,132,287**	1,041,906
Current liabilities					
Amounts owed to subsidiary undertakings	19	**-**	-	**25,537**	18,558
Trade and other payables	16	**18,989**	22,553	**11,789**	11,023
Lease liabilities	22	**1,018**	1,025	**-**	-
Corporation tax payable		**2,297**	2,198	**-**	-
Other taxation including social security		**2,266**	1,842	**25**	839
Contract liabilities	16	**8,996**	8,000	**10**	8
Total current liabilities		**33,566**	35,618	**37,361**	30,428
Non-current liabilities					
Long-term borrowings	20	**163,868**	163,889	**124,295**	124,343
Contract liabilities	16	**1,866**	2,403	**-**	-

Deferred tax liabilities	7	**1,418**	1,788	**-**	-
Lease liabilities	22	**4,190**	4,716	**-**	-
Total non-current liabilities		**171,342**	172,796	**124,295**	124,343
Total net assets		**920,764**	854,229	**970,631**	887,135
Equity					
Called up share capital	17	**6,626**	6,557	**6,626**	6,557
Share premium account		**119,449**	107,110	**119,449**	107,110
Own shares	17	**(5,156)**	(3,926)	**-**	-
Capital redemption		**8**	8	**8**	8
Foreign exchange translation reserve		**7,197**	2,659	**-**	-
Capital reserves	18	**742,817**	694,276	**810,265**	740,146
Retained earnings		**49,823**	47,545	**34,283**	33,315
Total equity		**920,764**	854,229	**970,631**	887,135
Total equity pence per share		**694.42**	651.13		

As permitted by Section 408 of the Companies Act 2006, the Company has not presented its own income statement, however its profit for the year was £114,793k (2023: profit £76,763k). The financial statements were approved by the Board of Directors and authorised for issue on 11 March 2025. They were signed on its behalf by:

R. Hingley, Board Chair | D. Jackson, Chief Executive Officer
The Law Debenture Corporation p.l.c. registered number 00030397

Consolidated Statement of Changes in Equity
As at 31 December 2024

GROUP	**Share capital £000**	**Share premium account £000**	**Own shares £000**	**Capital redemption £000**	**Foreign exchange translation reserve £000**	**Capital reserves £000**	**Retained earnings £000**	**Total equity £000**
Balance at 1 January 2024	**6,557**	**107,110**	**(3,926)**	**8**	**2,659**	**694,276**	**47,545**	**854,229**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**53,082**	**43,869**	**96,951**
Deconsolidation of liquidated entities	**-**	**-**	**-**	**-**	**4,538**	**(4,538)**	**-**	**-**
Foreign exchange and other movements	**-**	**-**	**-**	**-**	**-**	**(3)**	**(219)**	**(222)**
Actuarial gain on pension scheme (net of tax)	**-**	**-**	**-**	**-**	**-**	**-**	**2,239**	**2,239**
Total comprehensive profit for the year	**-**	**-**	**-**	**-**	**4,538**	**48,541**	**45,889**	**98,968**

Issue of shares	**69**	**12,339**	**(1,230)**	**-**	**-**	**-**	**-**	**11,178**
Dividend relating to 2023	**-**	**-**	**-**	**-**	**-**	**-**	**(11,971)**	**(11,971)**
Dividend relating to 2024	**-**	**-**	**-**	**-**	**-**	**-**	**(31,640)**	**(31,640)**
Total equity at 31 December 2024	**6,626**	**119,449**	**(5,156)**	**8**	**7,197**	**742,817**	**49,823**	**920,764**

GROUP	Share capital £000	Share premium account £000	Own shares £000	Capital redemption £000	Foreign exchange translation reserve £000	Capital reserves £000	Retained earnings £000	Total equity £000
Balance at 1 January 2023	6,407	83,022	(3,128)	8	2,855	662,512	47,391	799,067
Profit for the year	-	-	-	-	-	31,764	43,389	75,153
Foreign exchange and other movements	-	-	-	-	(196)	-	(602)	(798)
Actuarial (loss) on pension scheme (net of tax)	-	-	-	-	-	-	(1,400)	(1,400)
Total comprehensive profit/(loss) for the year	-	-	-	-	(196)	31,764	41,387	72,955
Issue of shares	150	24,088	(798)	-	-	-	-	23,439
Dividend relating to 2022	-	-	-	-	-	-	(11,276)	(11,276)
Dividend relating to 2023	-	-	-	-	-	-	(29,957)	(29,957)
Total equity at 31 December 2023	6,557	107,110	(3,926)	8	2,659	694,276	47,545	854,229

Capital reserves comprises realised and unrealised gains on investments held at fair value through profit or loss (see note 18 in the full annual report and accounts) and the 2024 £17,037k impairment of CSS (see CEO Statement above).

Please refer to note 8 in the full annual report and accounts for details of dividends paid.

Statement of Changes in Equity
As at 31 December 2024

COMPANY	**Share capital £000**	**Share premium account £000**	**Capital redemption £000**	**Capital reserves £000**	**Retained earnings £000**	**Total £000**
Balance at 1 January 2024	**6,557**	**107,110**	**8**	**740,146**	**33,315**	**887,135**
Profit for the year	**-**	**-**	**-**	**70,119**	**44,674**	**114,793**
Foreign exchange & other movements	**-**	**-**	**-**	**-**	**(95)**	**(95)**
Total comprehensive profit for the year	**-**	**-**	**-**	**70,119**	**44,579**	**114,698**
Issue of shares	**69**	**12,339**	**-**	**-**	**-**	**12,408**
Dividend relating to 2023	**-**	**-**	**-**	**-**	**(11,971)**	**(11,971)**
Dividend relating to 2024	**-**	**-**	**-**	**-**	**(31,640)**	**(31,640)**
Total equity at	**6,626**	**119,449**	**8**	**810,265**	**34,283**	**970,631**

31 December 2024						

COMPANY	Share capital £000	Share premium account £000	Capital redemption £000	Capital reserves £000	Retained earnings £000	Total £000
Balance at 1 January 2023	6,407	83,022	8	708,382	29,549	827,368
Profit for the year	-	-	-	31,764	44,999	76,763
Total comprehensive profit for the year	-	-	-	31,764	44,999	76,763
Issue of shares	150	24,088	-	-	-	24,238
Dividend relating to 2022	-	-	-	-	(11,276)	(11,276)
Dividend relating to 2023	-	-	-	-	(29,957)	(29,957)
Total equity at 31 December 2023	6,557	107,110	8	740,146	33,315	887,135

Capital reserves comprises realised and unrealised gains on investments held at fair value through profit or loss (see note 18 in the full annual report and accounts).

Please refer to note 8 in the full annual report and accounts for details of dividends paid.

Cash Flow Statement
For the year ended 31 December 2024

		GROUP		COMPANY	
	Notes in the Annual Report	**2024 £000**	2023 £000	**2024 £000**	2023 £000
Cash flows from operating activities (before dividends received) and taxation paid	28	**11,070**	11,268	**(6,319)**	(5,780)
Cash dividends received		**36,578**	32,964	**50,828**	48,964
Taxation paid		**(770)**	-	**-**	-
Cash generated from operating activities		**46,878**	44,232	**44,509**	43,184
Investing activities					
Acquisition of property, plant and equipment	11	**(268)**	(874)	**-**	-
Acquisition of right of use assets	22	**-**	-	**-**	-
Expenditure on intangible assets	12	**(275)**	(54)	**-**	-
Purchase of investments (less cost of acquisition)	13	**(193,394)**	(98,934)	**(193,394)**	(98,934)
Sale of investments	13	**192,881**	62,093	**192,881**	62,093
Interest received	5	**739**	1,197	**449**	323
Cash flow from investing activities		**(317)**	(36,572)	**(64)**	(36,518)
Financing activities					
Interest paid		**(6,294)**	(6,544)	**(6,652)**	(6,653)
Dividends paid	8	**(43,012)**	(40,518)	**(43,012)**	(40,518)
Payment of lease liabilities	22	**(1,295)**	(1,272)	**-**	-
Proceeds from issuance of share capital		**12,408**	24,237	**12,408**	24,237
Purchase of own shares	17	**(1,230)**	(798)	**-**	-
Movement in amounts owed to subsidiary undertakings*		**-**	-	**6,977**	(1,043)
Net cash flow from financing activities		**(39,423)**	(24,895)	**(30,279)**	(23,977)
Net increase/(decrease) in cash and cash equivalents		**7,138**	(17,235)	**14,166**	(17,311)
Cash and cash equivalents at beginning of year		**31,439**	49,559	**12,382**	29,825
Foreign exchange		[illegible]	[illegible]	[illegible]	[illegible]

Foreign exchange losses on cash and cash equivalents		**(223)**	(886)	**(95)**	(132)
Cash and cash equivalents at end of year		**38,354**	31,439	**26,453**	12,382

*Comparative figure restated. Please see note 28 in the full annual report and accounts.

Extracts from the Notes to the Accounts
For the year end 31 December 2024

Going concern
The Directors have considered the impact of the current economic uncertainty, across the Group, including cash flow forecasting, balance sheet review at entity level, a review of covenant compliance including the headroom above the covenants and an assessment of the liquidity of the Portfolio. Whilst the debentures held are subject to covenants, the Directors are comfortable that the risk of breach is minimal, and the current economic environment does not create material uncertainty for the Group.

The assets of the Group consist largely of securities that are readily realisable, and it will be able to meet its financial obligations, including the repayment of the debenture interest, as they fall due for a period of at least twelve months from the date of approval of the financial statements.

Accordingly, the Directors believe that the Group has adequate resources to continue in operational existence for 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 other material uncertainties that cast significant doubt on the Group's ability to continue as a going concern.

Segment analysis

	Investment Portfolio		**Independent Professional Services**		**Total**	
	31 December 2024 £000	31 December 2023 £000	**31 December 2024 £000**	31 December 2023 £000	**31 December 2024 £000**	31 December 2023 £000
Revenue						
Dividend income	**34,701**	33,504	**-**	-	**34,701**	33,504
IPS revenue:						
Corporate Services	**-**	-	**28,260**	25,041	**28,260**	25,041
Corporate Trust	**-**	-	**16,524**	16,043	**16,524**	16,043
Pensions	**-**	-	**16,875**	17,459	**16,875**	17,459
Segment revenue	**34,701**	33,504	**61,659**	58,543	**96,360**	92,047
Other income	**1,204**	1,369	**-**	-	**1,204**	1,369
Cost of sales	**(214)**	(221)	**(7,998)**	(8,034)	**(8,212)**	(8,255)
Administration costs (note 3)	**(4,025)**	(4,271)	**(38,660)**	(35,437)	**(42,685)**	(39,708)
Profit before interest and tax	**31,666**	30,381	**15,001**	15,072	**46,667**	45,453
Interest payable (net) (note 5)	**(1,184)**	(1,302)	**283**	864	**(901)**	(438)
Profit before tax	**30,482**	29,079	**15,284**	15,936	**45,766**	45,015
Income tax	**-**	-	**(1,897)**	(1,626)	**(1,897)**	(1,626)
Profit for the year	**30,482**	29,079	**13,387**	14,310	**43,869**	43,389
Revenue return per ordinary share (pence)	**23.26**	22.41	**10.22**	11.02	**33.48**	33.43
Assets	**1,071,082**	980,587	**54,590**	82,056	**1,125,672**	1,062,643
Liabilities	**(176,239)**	(176,314)	**(28,669)**	(32,100)	**(204,908)**	(208,414)
Total net assets	**894,843**	804,273	**25,921**	49,956	**920,764**	854,229

The table below shows the segment results adjusted for the non-recurring administration expenses (see APMs on page 161 of the full annual report and accounts):

Adjusted profit before interest and tax	**31,666**	30,381	**16,037**	15,072	**47,703**	45,453
Adjusted profit before tax	**30,482**	29,079	**16,320**	15,936	**46,802**	45,015
Adjusted profit after tax	**30,482**	29,079	**14,423**	14,310	**44,905**	43,389
Adjusted revenue return per share	**23.26**	22.41	**11.01**	11.02	**34.27**	33.43

Geographic location of revenue: Approximately 9[illegible]% of revenue is based in the UK. Geographic

Geographic location of revenue: Approximately 90% of revenue is based in the UK. Geographic location is based on the jurisdiction in which the contracting legal entity is based.

Major customers: Due to the diverse nature of the IPS revenue streams, there is no single customer or concentration of customers that represents more than 3% of gross revenue streams.

Capital element: The capital element of the income statement is wholly gains and losses relating to investments held at fair value through profit and loss (2024: gains £76,301k; 2023: gains £37,379k), administrative expenses (2024: £2,706k; 2023: £2,075k), interest payable (2024: £4,908k; 2023: £4,908k) and a capital dividend received of 2024: £1,432k; 2023: £1,368k, which corresponds to amounts classified as capital in nature in accordance with the SORP are shown in the capital column of the income statement above. For 2024, the capital element also includes the goodwill impairment of £17,037k from the IPS segment. 2024 IPS statutory PBT and PBIT were £(1,753)k and £(2,036)k respectively following the goodwill impairment reported as a capital expense.

Details regarding the segments are included in note 1 - Segment reporting on page 123 of the full annual report and accounts.

	Investment Portfolio		**Independent Professional Services**		**Total**	
	31 December 2024 £000	31 December 2023 £000	**31 December 2024 £000**	31 December 2023 £000	**31 December 2024 £000**	31 December 2023 £000
Other information						
Capital expenditure	**-**	-	**912**	1,319	**912**	1,319
Depreciation and amortisation	**-**	-	**1,584**	1,295	**1,584**	1,295
Depreciation - right-of-use assets	**-**	-	**719**	891	**719**	891

Financial instruments
The principal risks facing the Group in respect of its financial instruments remain unchanged from 2023 and are:

Market risk
Price risk, arising from uncertainty in the future value of financial instruments. The Board maintains strategy guidelines whereby risk is spread over a range of investments, the number of holdings normally being between 70 and 175. In addition, the stock selections and transactions are actively monitored throughout the year by the investment manager, who reports to the Board on a regular basis to review past performance and develop future strategy. The Portfolio is exposed to market price fluctuation: if the valuation at 31 December 2024 fell or rose by 10%, the impact on the Group's total capital reserves for the year would have been £104.2m (2023: £96.5m). Corresponding 10% changes in the valuation of the Portfolio on the Company's total capital reserves for the year would have been £104.2m (2023: £96.5m). 10% has been used based on historic trends, however we will continue to revisit this on a periodic basis.

Foreign currency risk, arising from movements in currency rates applicable to the Group's investment in equities and fixed interest securities and the net assets of the Group's overseas subsidiaries denominated in currencies other than sterling. The Group's financial assets denominated in currencies other than sterling were:

	2024			2023		
GROUP	**Investments £000**	**Net monetary assets £000**	**Total currency exposure £000**	Investments £000	Net monetary assets £000	Total currency exposure £000
US Dollar	**41,391**	**4,101**	**45,492**	24,062	1,766	25,828
Canadian Dollar	**6,329**	**-**	**6,329**	5,564	-	5,564
Euro	**44,247**	**410**	**44,657**	56,492	2,829	59,321
Danish Krone	**4,935**	**-**	**4,935**	3,147	-	3,147
Swiss Franc	**5,268**	**-**	**5,268**	8,376	-	8,376
Hong Kong Dollar	**-**	**311**	**311**	-	1,455	1,455
Japanese Yen	**13,190**	**-**	**13,190**	11,877	-	11,877
Total	**115,360**	**4,822**	**120,182**	109,518	6,050	115,568

The Group US dollar net monetary assets is that held by the US operations of £2.0m (2023: £1.4m) together with £1.8m (2023: £0.4m) held by non-US operations.

	2024			2023		
COMPANY	**Investments**	**Net monetary assets**	**Total currency exposure**	Investments	Net monetary assets	Total currency exposure

	£000	£000	£000	£000	£000	£000
US Dollar	**41,391**	**-**	**41,391**	24,062	-	24,062
Canadian Dollar	**6,329**	**-**	**6,329**	5,564	-	5,564
Euro	**44,247**	**-**	**44,247**	56,492	-	56,492
Danish Krone	**4,935**	**-**	**4,935**	3,147	-	3,147
Swiss Franc	**5,268**	**-**	**5,268**	8,376	-	8,376
Japanese Yen	**13,190**	**-**	**13,190**	11,877	-	11,877
Total	**115,360**	**-**	**115,360**	109,518	-	109,518

The holding in Scottish Oriental Smaller Companies Trust is denominated in sterling but has underlying assets in foreign currencies equivalent to £9.4m (2023: £8.2m). Investments made in the UK and overseas have underlying assets and income streams in foreign currencies which cannot easily be determined and have not been included in the sensitivity analysis. If the value of all other currencies At 31 December 2024 rose or fell by 10% against sterling, the impact on the Group's total profit or loss for the year would have been £12.8m and £10.5m respectively (2023: £12.2m and £10.0m). Corresponding 10% changes in currency values on the Company's total profit or loss for the year would have been the same. The calculations are based on the Portfolio at the respective year end dates and are not representative of the year as a whole.

Interest rate risk, arising from movements in interest rates on borrowing, deposits and short-term investments. The Board reviews the mix of fixed and floating rate exposures and ensures that gearing levels are appropriate to the current and anticipated market environment. The Group's interest rate profile was:

							2024
				GROUP			**COMPANY**
	Sterling £000	**HK Dollars £000**	**US Dollars £000**	**Euro £000**	**Sterling £000**	**US Dollars £000**	**Euro £000**
Floating rate assets	**33,484**	**311**	**4,101**	**410**	**26,453**	**-**	**-**

							2023
				GROUP			COMPANY
	Sterling £000	HK Dollars £000	US Dollars £000	Euro £000	Sterling £000	US Dollars £000	Euro £000
Floating rate assets	25,740	1,455	1,766	2,829	12,425	-	-

The Group holds cash and cash equivalents on short-term bank deposits and money market funds. Interest rates tend to vary with bank base rates. The Portfolio is not directly exposed to interest rate risk.

		GROUP		**COMPANY**
	2024 Sterling £000	2023 Sterling £000	**2024 Sterling £000**	2023 Sterling £000
Fixed rate liabilities	**163,868**	163,892	**124,295**	124,343
Weighted average fixed rate for the year	**3.96%**	3.96%	**3.27%**	3.27%

If interest rates during the year were 1.0% higher the impact on the Group's total profit or loss for the year would have been £256,000 credit (2023: £311,000 credit). It is assumed that interest rates are unlikely to fall below the current level.

The Company holds cash and cash equivalents on short-term bank deposits and money market funds, it also has short-term borrowings. Amounts owed to subsidiary undertakings include £40m at a fixed rate. Interest rates on cash and cash equivalents and amounts due to subsidiary undertakings at floating rates tend to vary with bank base rates. A 1.0% increase in interest rates would have affected the Company's profit or loss for the year by £145,000 credit (2023: £161,000 credit). The calculations are based on the balances at the respective year end dates and are not representative of the year as a whole.

Liquidity risk
Is the risk arising from any difficulty in realising assets or raising funds to meet commitments associated with any of the above financial instruments. To minimise this risk, the Board's strategy largely limits investments to equities and fixed interest securities quoted in major financial markets. In addition, cash balances are maintained commensurate with likely future settlements. The maturity of the Group's existing borrowings is set out in note 20 in the full annual report and accounts. The interest on borrowings is paid bi-annually on March and September for the 2045 secured senior notes, April and October for the 2034 secured bonds and May and November for the 2041 and 2050 senior secured notes. Refer to note 20 in the full annual report and accounts for details of financial covenants attached to the

loan notes.

Credit risk
Is the risk arising from the failure of another party to perform according to the terms of their contract. Cash and cash equivalents are held with banks which are rated "A-" or higher by Standard & Poor's Rating Services.

The credit risk on liquid funds and borrowings is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies.

The Group's maximum exposure to credit risk arising from financial assets is £56.1m (2023: £48.8m). The Company's maximum exposure to credit risk arising from financial assets is £29.2m (2023: £12.8m).

Outstanding customer receivables are continuously monitored and followed up where required. Specific provisions incremental to ECL are made when there is evidence that the Group will not be able to collect the debts from the customer. This evidence can include indications that the customer is experiencing financial difficulty, problems contacting the customer or disputes with a customer. The ageing of trade receivables and the expected credit loss at the reporting date are disclosed below.

Stock lending
Stock lending agreements are transactions in which the Group lends securities for a fee and receives cash as collateral. The Group continues to recognise the securities in their entirety in the statement of financial position because it retains substantially all of the risks and rewards of ownership. Because as part of the lending arrangement the Group sells the contractual rights to the cash flows of the securities, it does not have the ability to use the transferred assets during the term of the arrangement.

Stock lending transactions are carried out with a number of approved counterparties. Details of the value of securities on loan at the year end can be found in note 27 in the full annual report and accounts. In summary, the Group only transacts with counterparties that it considers to be credit worthy.

Trade and other receivables
The ageing profile of the carrying value of trade receivables past due is as follows:

	GROUP		**COMPANY**	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Between 31 and 60 days	**2,474**	1,965	**-**	-
Between 61 and 90 days	**2,476**	1,375	**-**	-
More than 91 days	**5,125**	6,192	**36**	21
Total	**10,075**	9,532	**36**	21

IFRS 9 credit loss rates
The Group 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 business geography and ageing.

The expected loss rates are estimated using the Group'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 Group'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.

The below table displays the gross carrying amount against the expected credit loss provision and specific provisions. Specific provisions relate to certain balances 91+ days overdue and the Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.
The total specific and credit loss provision at 31 December 2024 is £1,975,000 (2023: £2,143,000).

The loss allowance as at 31 December 2024 was determined as follows:

Trade receivables - days past due						
	Current £000	**1 - 30 days overdue £000**	**31 - 60 days overdue £000**	**61 - 90 days overdue £000**	**91+ days overdue £000**	**Total £000**
31 December 2024						
Expected loss rate	**2.94%**	**3.10%**	**3.42%**	**3.48%**	**4.35%**	**3.60%**
Gross carrying amount	**1,541**	**4,089**	**2,474**	**2,476**	**5,125**	**15,705**
Expected credit loss provision	**(45)**	**(127)**	**(85)**	**(86)**	**(223)**	**(566)**
Specific provision	**-**	**-**	**-**	**-**	**(1,409)**	**(1,409)**
Net carrying amount	**1,496**	**3,962**	**2,389**	**2,390**	**3,493**	**13,730**

The loss allowance as at 31 December 2023 was determined as follows:

Trade receivables - days past due

	Current £000	1 - 30 days overdue £000	31 - 60 days overdue £000	61 - 90 days overdue £000	91+ days overdue £000	Total £000
31 December 2023						
Expected loss rate	0.80%	2.08%	2.85%	5.38%	5.86%	3.31%
Gross carrying amount	5,902	2,409	1,965	1,375	6,192	17,843
Expected credit loss provision	(47)	(50)	(56)	(74)	(363)	(590)
Specific provision	-	-	-	-	(1,553)	(1,553)
Net carrying amount	5,855	2,359	1,909	1,301	4,276	15,700

Trade and other payables				
	GROUP		COMPANY	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Due in less than one month	**18,989**	22,553	**11,789**	11,023
Due in more than one month and less than three months	**-**	-	**-**	-
Total	**18,989**	22,553	**11,789**	11,023

Fair value

The Directors are of the opinion that the fair value of financial assets and liabilities of the Group are not materially different to their carrying values, with the exception of the long-term borrowings (see note 20 in the full annual report and accounts). The Group's basis of fair value calculation on these long-term borrowings uses quoted prices (unadjusted) in active markets for identical liabilities that the entity can access at the measurement date. The Group does not make adjustments to quoted prices, only under specific circumstances, for example when a quoted price does not represent the fair value (i.e. when a significant event takes place between the measurement date and market closing date).

Related party transactions

GROUP

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

COMPANY

The related party transactions between the Company and its wholly owned subsidiary undertakings are summarised as follows:

	2024 £000	2023 £000
Dividends from subsidiaries	**14,250**	16,000
Interest on intercompany balances charged by subsidiaries	**721**	721
Management charges from subsidiaries	**1,000**	850

The ultimate parent entity is The Law Debenture Corporation p.l.c.

Amounts owed to subsidiary undertakings represent intercompany loans which are unsecured, interest-free and repayable on demand. These are presented net due to the intercompany netting agreement (see accounting policies). Included within this net balance are a receivable and payable of £19m and £40m respectively which are contractually repayable on demand but have been considered non-current as these are not expected to be repaid within 12 months.

Fair value

The key management personnel are the Directors of the Company and are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. Details of their compensation are included in note 4 to the accounts on page 132 of the full annual report and accounts and in Parts 2, 3 and 4 of the Remuneration Report on pages 86 to 103 of the full annual report and accounts. Key management personnel costs inclusive of employers national insurance are £1,559k (2023: £1,558k).

Annual General Meeting (AGM)

The 135th AGM will be held in-person at the offices of Peel Hunt, 7th Floor, 100 Liverpool Street, London EC2M 2AT and streamed online on 11 April 2025 at 11.00am. Further details are included in the Notice of AGM included in the full annual report and accounts.

Access to the Annual Report

The annual report and accounts will shortly be available for download from the National Storage Mechanism at https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

CORPORATE INFORMATION

Company Advisers and Information

Directors

Robert Hingley*+

Pars Purewal#

Investment portfolio manager

Janus Henderson Global Investors

201 Bishopsgate, London EC2M 3AE

Pars Purewal
Claire Finn~
Clare Askem
Maarten Slendebroek
Denis Jackson
Trish Houston

*Chairman of the Board
+Chairman of the Nomination Committee
~ Chairman of the Remuneration Committee
#Chairman of the Audit and Risk Committee

Website
https://www.lawdebenture.com

Registrar
Computershare Investor Services PLC
The Pavilions, Bridgwater Road, Bristol BS99 6ZZ
T: 0370 707 1129

Auditors
Deloitte LLP, 110 Queen Street, Glasgow, G1 3BX

Alternative Investment Fund Manager
The Law Debenture Corporation p.l.c.

Global custodian
HSBC Bank plc (under delegation by the depositary)
8 Canada Square, London E14 5HQ

Joint brokers
J.P. Morgan Securities PLC
25 Bank Street, London E14 5JP

Peel Hunt LLP
100 Liverpool Street, London, EC2M 2AT

Depositary
NatWest Trustee and Depositary Services Limited
250 Bishopsgate, London EC2M 4AA

Investment managers
James Henderson and Laura Foll are joint managers. They also manage Lowland Investment Company plc and the Henderson UK Equity Income & Growth Fund.

James joined Henderson Global Investors (now Janus Henderson Investors) in 1983 and has been an investment trust portfolio manager since 1990. He first became involved in the management of Law Debenture's portfolio in 1994 and took over lead responsibility for management of the portfolio in June 2003.

Laura joined Janus Henderson Investors in 2009 and has held the position of portfolio manager on the Global Equity Income team since 2014. She first became involved with Law Debenture's portfolio in September 2011 and became joint portfolio manager in 2020.

The Law Debenture Corporation p.l.c. is registered in England, company registration number 30397. LEI number - 2138006E39QX7XV6PP21