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LawDebenture

ANNUAL REPORT AND FINANCIAL STATEMENTS

2024

The Law Debenture Corporation p.l.c.

LawDebenture

Law Debenture is an investment trust and a leading provider of independent professional services. In 2024 we celebrated 135 years of being listed on the London Stock Exchange.

Connect with us

We are working to build more frequent communication with you, our shareholders. In addition to our Annual Report and Accounts you can register to receive our monthly Factsheet by email. You can also opt in to hear more about our market insights, upcoming events, and webinars. To register, simply scan the QR code on this page using your smartphone. Open your camera, point it at the QR code, and follow the link to the relevant section of our website.

For more information visit our website: https://www.lawdebenture.com/investment-trust

For general enquiries, please contact the Company Secretary at: tsu.cosec@lawdeb.com

WIN* - Widening Investor Networks

Discover our financial education initiative, **WIN***.

WIN* aims to support those new to investing, acting as a trusted friend and family proxy. Our resources and events will deliver independent guidance and practical tips to retail investors who want to identify.

Visit our website to register for updates, watch recordings of our recent events and access our insights and resources. To register, simply scan the QR code on this page using your smartphone. Open your camera, point it at the QR code, and follow the link to the relevant section of our website.

Cover image: Courtesy of Mike Smedley *'City Life'* – LawDeb Lens 2018

LawDebenture

Contents

AT A GLANCE

STRATEGIC REPORT

CORPORATE GOVERNANCE

FINANCIAL STATEMENTS

CORPORATE INFORMATION

Law Debenture has a highly differentiated business model

Portfolio

c.81% of NAV*

including IPS and long-term borrowings at fair value[1]

Managed by James Henderson and Laura Foll of Janus Henderson

OBJECTIVE: LONG-TERM CAPITAL GROWTH IN REAL TERMS AND STEADILY INCREASING INCOME

- Focused on long-term returns
- Ongoing charges ratio at 0.51%[2] compared to industry average of 1.05%[3]
- Contrarian investment style:
  - *High quality companies with strong competitive advantage at attractive valuations*
  - *Out of favour equities standing at valuation discounts to their long-term historical average*
- Selective, bottom-up approach
- Diversified portfolio by sector (predominant UK weighting)

Independent Professional Services ('IPS') business

c.19% of NAV*

including IPS and long-term borrowings at fair value[1]

PENSIONS

The longest established and one of the largest UK providers of pension trustee services

CORPORATE TRUST

A leading independent corporate trustee across international capital markets

CORPORATE SERVICES

Range of outsourced solutions to corporates internationally

INTERNATIONAL PRESENCE:

United Kingdom, New York, Ireland, Hong Kong, Delaware, Cayman Islands and Channel Islands

We believe that all divisions have potential for further growth in expanding markets. Our plan to achieve this is by increasing our market share through better leveraging of technology, our strong relationships and our brand

Significant, consistent income contribution from IPS gives greater flexibility in stock selection

*The investment portfolio and IPS comprise c.97% and c.3% of net assets respectively. Please refer to Note 6.

1 Please refer to page 159 for an explanation of net asset value with debt and IPS at fair value.
2 Considered to be alternative performance measure and is described in more detail on page 160.
3 Source: Association of Investment Companies ('AIC') industry average as at 31 December 2024.

Law Debenture's Investment Proposition

Consistent dividend growth

46 years of increasing or maintaining dividends to shareholders (113.4% increase in dividend over the last ten years)

7.9% CAGR of dividend over the last 10 years

4.7% increase in 2024 DPS (2023: 4.9%)

136 years of history

Long-term record

of value creation for shareholders

Strength and diversity of income

Flexibility and valuation uplift from IPS + consistent portfolio outperformance

IPS enables greater flexibility in Portfolio holdings

IPS accounts for c.19% of the 2024 NAV but has funded c.1/3 of dividends over the last 10 years

Portfolio differentiators:

- Ability to hold zero/low dividend yield shares (eg; Ceres, Flutter, M&S)
- Ability to avoid high dividend yield stocks in industries in structural decline
- Ability to invest flexibly overseas

Focus on delivering long-term outperformance

Outperformance of our benchmark, the FTSE Actuaries All-Share Index, by 51.2% over ten years (29.6% over five years and 6.1% over three years)

Ongoing charges ratio of 0.51% compared to industry average of 1.05%

IPS has a proven record of growth under the management team

CAGR of 11.0% in net revenue and 7.3% in underlying PBIT[2] over the last five years

Ambition to grow profits of IPS by mid to high single digit percentage growth

IPS valuation[3] has increased by 83.6% between 2019 and 2024 to £194.5m[1]

UK weighting (88% Portfolio) has potential to outperform

UK has lagged global stock markets in recent years

Around 80%[4] earnings of the FTSE 100 come from outside the UK

Significant UK valuation discount has attracted M&A activity

1 Increase in total annual valuation of Independent Professional Services business, excluding net assets. For a calculation of this please refer to page 140.
2 PBIT is stated on an underlying basis. Please refer to Chairman's Statement on page 8 and see alternative performance measures on page 161 for reconciliation to statutory PBIT and details of non-recurring items.
3 Please refer to page 159 for an explanation of net asset value with debt and IPS at fair value. IPS valuation excludes IPS net assets.
4 Source, London Stock Exchange.

Past performance is not a guide to future performance. The value of shares and income from them may fall as well as rise and investors may not get back the amount they originally invested. Capital at risk. None of the views expressed in this document should be construed as advice to buy or sell a particular investment.

Law Debenture: Awards

We were delighted our continued commitment to delivering peace of mind to a variety of our stakeholders was again recognised through a series of notable award wins in 2024.

For the third year running Law Debenture was named **winner of the AJ Bell Investment Awards** in the **'Income – Active'** category. CEO Denis Jackson shared "It's brilliant to receive this recognition from AJ Bell's customers for the third year in a row. We are pleased that investors continue to see value in the unique and differentiating combination of the Independent Professional Services business and equity portfolio that Law Debenture offers."

In the inaugural **Quoted Data Awards**, voted for by private investors, Law Debenture was named Best for **Long-term Income**. COO Trish Houston noted that "for several years now we have been working hard to ensure our shareholders understand the unique value our combined business brings, by improving our disclosure, participating in retail investor events and in launching our Widening Investor Networks ('WIN') initiative. It is rewarding to know that our message is being heard, as we deliver peace of mind to our Shareholders".

We were proud to feature highly once again in the **FTSE Women Leaders' Review**. Following the Report's release in February 2025, which saw LawDeb placed joint 2nd in the Financial Services sector and 5th overall in the FTSE 250, CEO Denis Jackson shared "I take immense pride in knowing that for many of our colleagues, Law Debenture's workplace represents the most diverse community in which they participate. This is a reflection of both our values and our commitment to creating an environment where different perspectives thrive. This year's Report is once again encouraging in the journey towards gender balance, and shifting cultures, in UK workplaces."

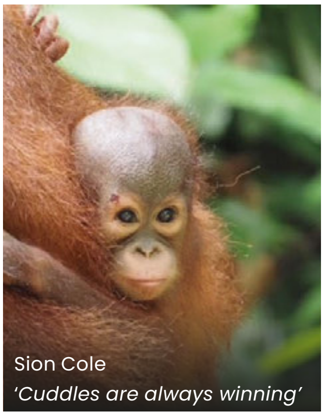
Continuing to be recognised for our success in delivering results through a diverse and inclusive workforce, Law Debenture won two categories of the **INSEAD Alumni Balance in Business Initiative: FTSE 250 Trailblazer ExCo and Direct Reports** and **Best overall ExCo, Direct Reports and Board** representation. We also won the Diversity and Inclusion category at **The Chartered Governance Institute UK & Ireland Awards**. CGI said "As a service business, Law Debenture knows that its people are its greatest asset. Their DE&I strategy is designed to maintain their status as an employer of choice and a top-tier service provider for the long term. This strategy is all-encompassing, impacting every facet of their operations.

LawDeb Lens: annual amateur photography competition

Enjoy the LawDeb Lens 2025 shortlisted and winning photos. The theme for this year was 'Win'.


Jill Ampleford
'A lasting legacy'


Janet Brown
'Inside the Hive at Kew - Bees, the ultimate networkers'

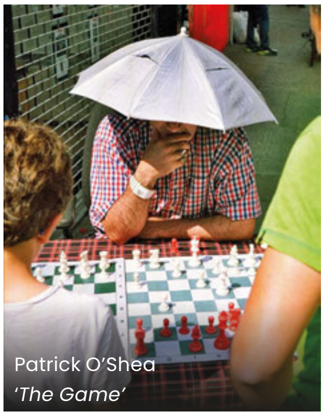

Sion Cole
'Cuddles are always winning'

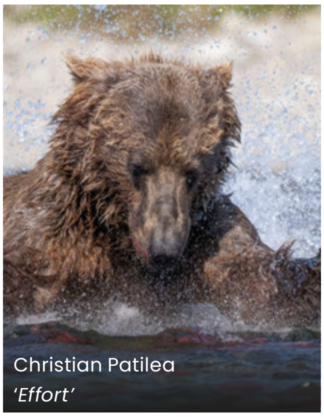

Liam Davis
'Conversely winning'

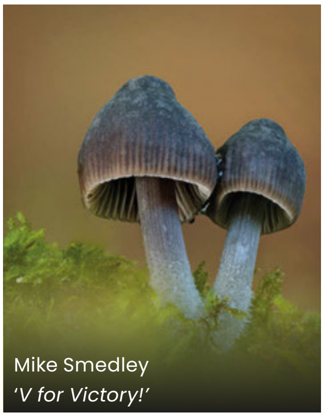

Tony English
'Ollantaytambo'

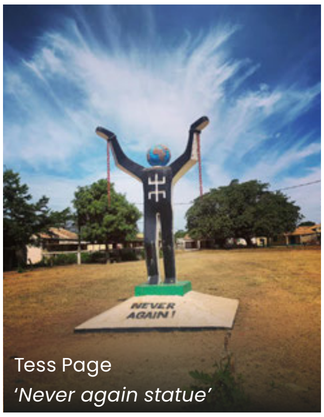

Ben Gold
'The Puffin - for animals, surviving is winning'


Scott Latham
'Ice cream at Lords'

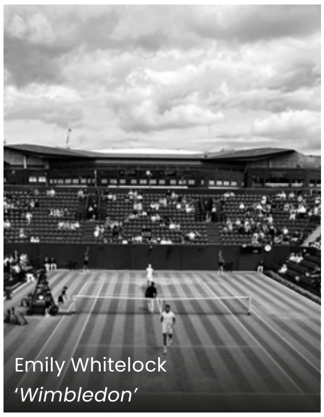

Patrick O'Shea
'The Game'


Christian Patilea
'Effort'


Mike Smedley
'V for Victory!'



Tess Page
'Never again statue'


Emily Whitelock
'Wimbledon'

Underpinned by our corporate values of 'better together' and 'never stop learning', our events create opportunities for colleagues, Shareholders, clients, referring partners and other stakeholders to connect, learn, share knowledge, and celebrate achievements.

We host an annual, now very well-established, events programme focused on financial education initiatives, innovation in the pensions industry, corporate governance and more informal industry networking. One of our standout initiatives is **LawDeb Lens**, our annual amateur photography competition, now in its eighth year. This competition invites all within the wider LawDeb community to showcase their creativity around a topical theme.

Each year, we are impressed by the quality and diversity of submissions, as well as the unique and inventive ways participants interpret the chosen theme. Throughout the Report you will see photos that have been entered into the Lens competition over the years. The theme for 2024 was 'Win', supporting the launch in September 2024 of our successful 'Widening Investor Networks' ('WIN') financial education initiative.

The theme for Lens 2025 is 'Evolution', reflecting the evolving nature of our 135-year-old business. COO Trish Houston affirms, "LawDeb has survived, adapted, and thrived through wars, technological advancements, pandemics and countless economic and political transformations. The only constant through it all, is change - something we embrace as we set the business up for its next 135 years!"

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 to page 40.

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.*

1 Please refer to page 40 for 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 on page 37 and in our alternative performance measures on page 160.

4 Source: Refinitiv.

5 Source: Office for National Statistics.

Key Statistics

for the year ended 31 December 2024

15.9%*

Share price total return
(2023: 8.1%)

13.6%[1]

Growth in Net Asset Value – including debt and IPS at fair value total return
(2023: 7.8%)

Total Net Assets per statement of financial position percentage increase of 7.8% (2023: decrease of 6.9%)

(0.1)%*

Average discount in share price versus reported NAV (with debt and IPS at fair value)
(2023: 1.2% premium)

31 December 2004 premium: 2.4%
(2023: discount 0.2%)

6.4%[4*]

Growth in IPS underlying PBIT
(2023: 5.0%)

0.51%[2*]

Ongoing charges ratio – compared to industry average of 1.05%
(2023: 0.49%)

7.3%[4*]

5 year compounding annual growth rate in IPS underlying PBIT

4.7%

Proposed increase in 2024 dividend per share
(2023: 4.9%)

83.6%[3*]

Increase in IPS valuation from 2019 to 2024

A consistent long-term out-performer

**Items marked "*" are considered to be alternative performance measures and are described in more detail on page 161.*

1 Please refer to page 40 for calculation of net asset value.

2 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 Investment Portfolio. There is no performance related element to the fee. Gearing is described in the Strategic Report on page 37 and in our alternative performance measures on page 160.

3 Calculated using the published fair value of IPS business, excluding net assets, over the past five years.

4 PBIT is stated on an underlying basis. Please refer to Chairman's statement on page 8 and refer to alternative performance measures on page 161 for reconciliation to statutory PBIT and details of non-recurring items.

Past performance is not a guide to future performance. Capital at risk.

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.

Chairman's Statement continued

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 Annual Report.

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 Annual Report.

Chairman's Statement continued

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.

> We delivered on our two main objectives, producing NAV growth and continuing to increase income for shareholders

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.

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,

Chief Executive Officer's Review continued

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

Law Debenture celebrated 135 years on the London Stock Exchange on 16 December 2024, with CEO Denis Jackson closing the market hosted by LSE CEO Julia Hoggett

We were proud to mark 135 years of being listed on the London Stock Exchange. CEO Denis Jackson was joined by COO Trish Houston; CTO Spencer Knightsbridge; Chairman Robert Hingley; Janus Henderson Investors Joint Portfolio Managers James Henderson and Laura Foll; colleagues old and new and our trusted advisors, coupled with representatives of our original shareholders, as listed on our 1889 Prospectus, a document our guests thoroughly enjoyed perusing on the night, including those from Clifford Chance, Hill Dickinson, HSBC, Lloyds Bank, NatWest, Norton Rose, Penningtons Manches Cooper, and PwC.

Denis commented, *"This milestone reflects our proud heritage but also our ongoing ability to adapt to and thrive in the constantly evolving investment landscape. With our well diversified investment portfolio and ongoing investment in IPS, Law Debenture is resilient by design, and we look forward to continuing delivering strong long-term performance and returns for our shareholders in the years to come."*

Trish added, *"A huge thank you to Julia Hoggett and everyone at the LSE for a wonderful evening which brought into focus our role as guardians of these incredible institutions. Happy Anniversary, LawDeb."*

Our updated, new look website *www.lawdebenture.com* was launched concurrently.

More photos and footage of the anniversary event are available there under News & Insights/*Law Debenture celebrates 135th anniversary on the London Stock Exchange.*

We are proud to have delivered a 113.4% increase in dividends per share over the last ten years, with 46 years of increasing or maintaining dividends.

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 for the IPS segmental analysis. Corporate services: 2021 includes additional revenue arising from the acquisition of the CSS business from Eversheds Sutherland (International) LLP.*

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.

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 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

Chief Executive Officer's Review continued

Case Study: De Beers UK Pension Scheme

Elizabeth Hartree is the Independent Trustee for the De Beers UK Pension Scheme, an appointment LawDeb has held since 2017. In 2024, the Trustees transacted with the Pension Insurance Corporation for a £870m buy in, insuring all the liabilities of current and future DB pensioners of the Scheme, nearly 2,000 members in total. The transaction was extremely timely, removing all risk for members of reliance on the company just weeks before Anglo American was subject to ongoing hostile takeover bids, and subsequently announced it planned to divest its entire interest in De Beers.

The Trustees had to navigate some interesting challenges in order to secure this result for members, including:

- Ensuring the Scheme was extremely well-prepared, a factor which was noted to have helped secure such a favourable result;
- Planning a relatively unusual and long deferred premium period, in order to maximise the run off from a suite of illiquid investments;
- Disclosure of a benefit structure with several unique aspects and membership data in respect of multiple overseas members.

Elizabeth continues to Chair the DC section of the Scheme which remains unaffected by the buy-in.

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

Chief Executive Officer's Review continued

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.

Pensions Age Award for Independent Trustee Firm of the Year

On 4 March 2025 the LawDeb Pensions business, was delighted to win the Pensions Age Award for Independent Trustee Firm of the Year. The Award criteria focused on innovation and adding value for both clients and the wider pensions industry. As the longest established and one of the largest providers of independent pension trustees in the UK, we are trusted by clients to deliver best practice governance and recognised for our team-approach, a real differentiator.

Sankar Mahalingham, Managing Director of LawDeb Pensions shares: "We have built an exceptional group of pensions experts at LawDeb and this Award is great recognition of the fantastic outcomes we have been able to deliver for our clients and their members, by working together as a team. With the award criteria focused on innovation and adding value in the pensions space we were proud to showcase the work we do.

The world of pensions is ever-evolving and we are at the forefront, driving forward developments that we believe will lead to superior member outcomes, and pushing back on those that won't. Our innovation in the corporate sole trustee space makes this robust governance solution accessible for schemes of all sizes and complexity. Our dedicated Endgame Solutions Working Group is ensuring that each scheme identifies the best solution for them and their members. We deliver all of this whilst promoting best practice governance and the value of diversity on pension boards. We innovate, we add value for clients and the industry and we do it everyday, together."

Chief Executive Officer's Review continued

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.

Law Firms: Key referral relationships, in addition to being our service providers

The work we do at Law Debenture matters. Our business was founded in 1889. That is 135 years of us making a positive impact for our shareholders, clients and communities. It's a responsibility that we take seriously, and it is one of the reasons law firms have always and do increasingly refer business to LawDeb. Business that is vital in servicing their own, wider clients' needs globally, whether that is transactional or governance in nature and across our Pensions, Corporate Trust and/or Corporate Services businesses, all are relevant.

We are established, trusted and truly independent. Our track record over the last 135 years of stability coupled with innovation, and our ongoing commitment to delivering peace of mind sets us apart.

LawDeb's Business Development function is in very regular contact with key stakeholders, right across the legal sector. This coupled with hosting annual Law Firm events, results in us generating a robust and repeating pipeline of new business opportunities for all our IPS businesses, whilst continuing to build wider trust and credibility.

What began as an annual event for our network of lawyers in private practice in London in 2021 has since been expanded to include our wider legal and consulting networks in Manchester and Hong Kong, with LawDeb's BD and Marketing team now responsible for running three events annually, during September and October.

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 business line going forward.

Chief Executive Officer's Review continued

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 product.

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 added 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.

Client Testimonial: The Guardian

"Safecall has been providing our whistleblowing service since 2011, providing 24/7, 365-day support to our colleagues across the business. In more recent years, Safecall has provided refresher investigative training to our People team. They have also carried out numerous independent investigations on our behalf, and we have been impressed with their professionalism, experience, judgement, and relationship management. We are pleased with the services they provide."

Suzy Black
Group HR Director at Guardian News and Med

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

Chief Executive Officer's Review continued

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, 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

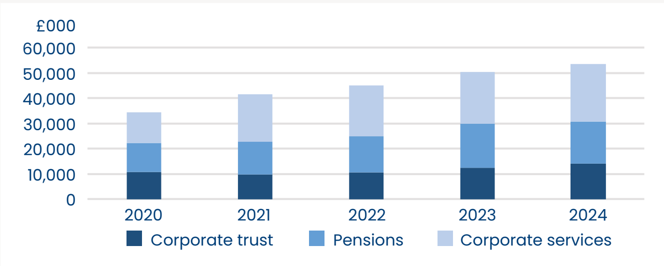
IPS 5 Year Performance at a Glance

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%**		

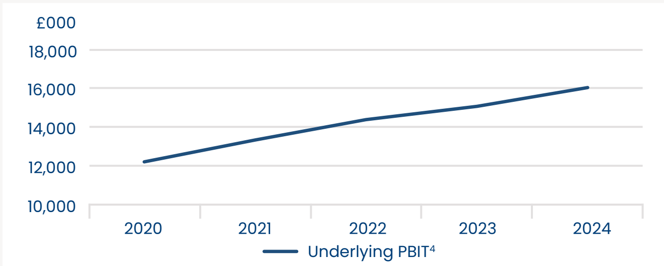
1 Includes revenue from the acquisition of the Company Secretarial Services business from Eversheds Sutherland (International) LLP.
2 This figure is included in the income statement by subtracting cost of sales of £8.0m from gross revenue of £61.7m.
3 Assessment of profitability has moved from PBT to 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 for reconciliation from statutory profit.

5 YEAR IPS NET REVENUE



Source: Law Debenture as at 31 December 2024.

5 YEAR UNDERLYING PROFIT BEFORE INTEREST AND TAX[4]



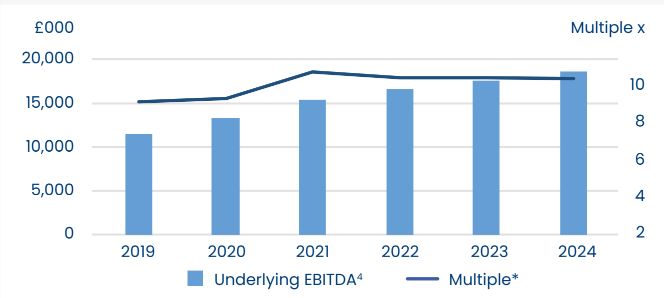
Source: Law Debenture as at 31 December 2024.

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%**

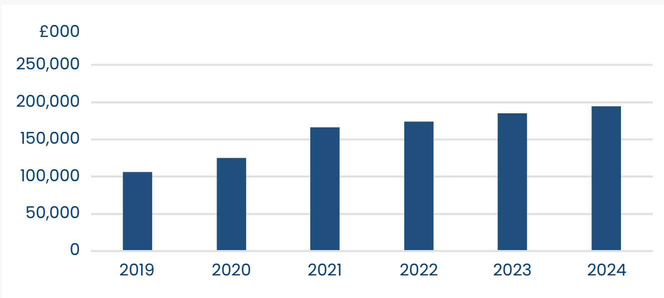
** 2024 is an implied multiple. Refer to page 39 for further details on the change in IPS valuation methodology for 2024.*

IPS UNDERLYING EBITDA[4] AND APPLIED MULTIPLE



Source: Law Debenture as at 31 December 2024.

TOTAL IPS FAIR VALUE (excluding surplus net assets)



Source: Law Debenture as at 31 December 2024.

4 Refer to alternative performance measures on page 162 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

Investment Managers' Review continued

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).*
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.*

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.

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:

Top five gains over one year

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) remain 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.

Investment Managers' Review continued

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

Top five losses over one year

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 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:

Top five contributors over five years

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 31 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

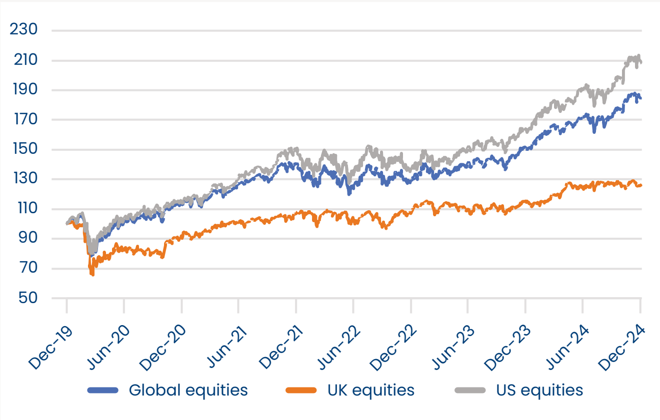
During the year our purchases and sales for the investment portfolio broadly matched. Combined with the rise in the Trust's net asset value, this meant that gearing fell modestly over the course of the year, ending at 10.9% (compared to 12.7% at the previous year end).

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.

Investment Managers' Review continued

Before turning to individual purchases and sales, it is worth touching on a commonality to a number of the purchases. UK equities, as shown in the chart below, have materially underperformed overseas equities (and particularly the United States) in recent years.

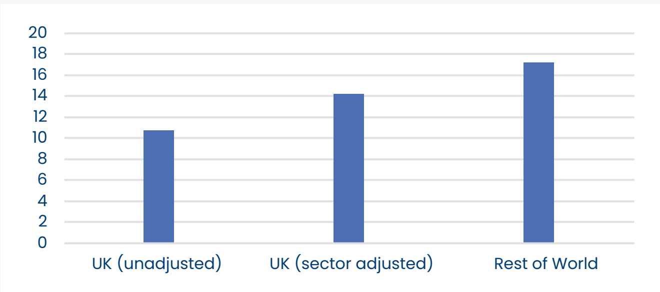
PERFORMANCE OF UK EQUITIES VS PEERS



Source: Datastream as at 31 December 2024, total return, £, rebased to 100 (at 31 December 2019). Indices used: UK equities – FTSE All-Share, Global equities – MSCI World, US equities – S&P 500.

As a result of this underperformance, UK equities remain at a significant valuation discount to overseas peers and, as the chart below shows this valuation discount remains even if we adjust for the different sectoral composition of the UK index (its lower weighting in technology shares, for example). For this reason the majority of the largest purchases this year were in the UK, and the UK weighting in the portfolio remains at a historically high level of 88% at the year end.

UK FORWARD PRICE EARNINGS V REST OF WORLD



Source: Panmure Liberum as at 31 December 2024. 12 month forward price/ earnings.

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.

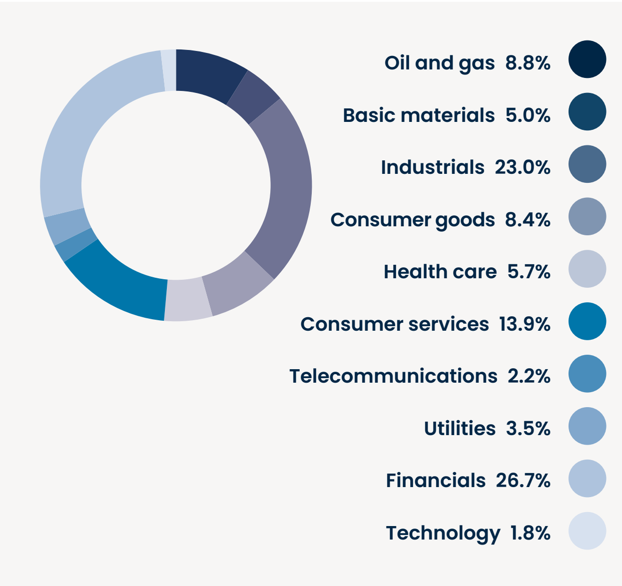
Your Company is an investment trust and utilises the strength of the structure by combining the professional services with the conventional share portfolio. The combination of the two parts adds value to both. The Trust also uses the investment trust structure to utilise gearing and the ability to buy 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.

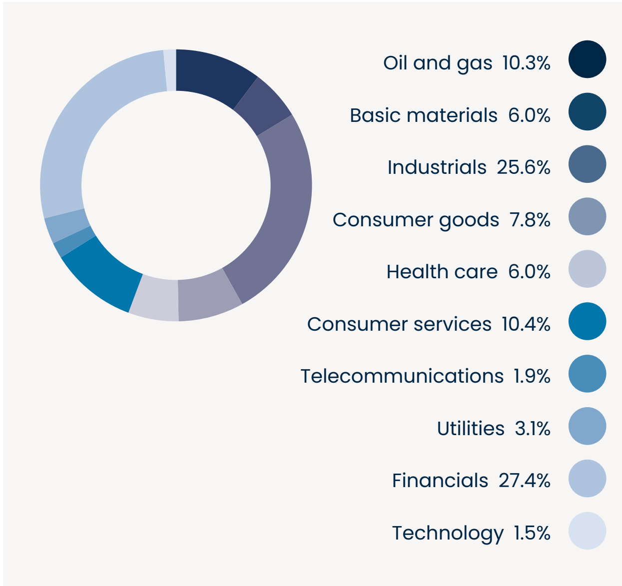
James Henderson and Laura Foll
Investment managers
11 March 2025

Portfolio by Sector and Value

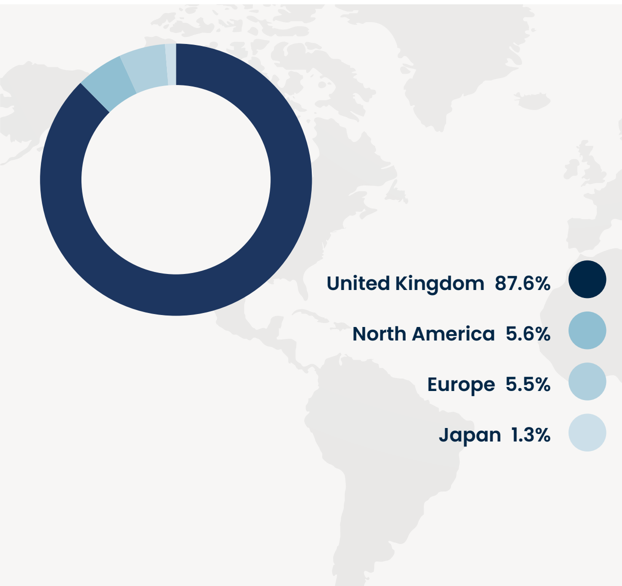
Portfolio by sector 2024



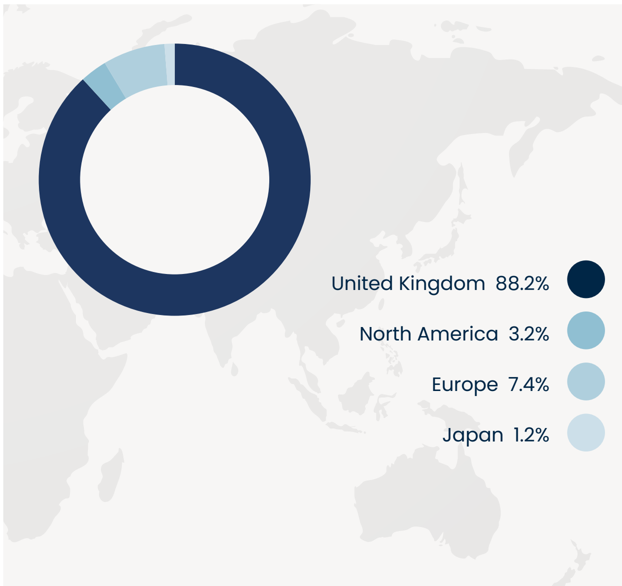
Portfolio by sector 2023



Geographical distribution of Portfolio by value 2024



Geographical distribution of Portfolio by value 2023



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	**Valuation 2024 £000**
1.	**Flutter Entertainment**	UK	3.77	£11.39bn	21,576	7,304	(2,082)	12,570	**39,368**
Flutter is a global gambling provider and owner of brands such as Paddy Power and Betfair. It is successfully rolling out in the US as 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	**34,055**
HSBC is a large global lender and financial services business. It provides geographic diversification to the portfolio while becoming 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	**31,105**
Barclays is one of the largest lenders in the UK as well as owning a global investment bank. It trades at a lower valuation than many of its peers because of scepticism that the investment bank can generate good returns. On evidence of better execution, it could have potential to re-rate from its low valuation.									
4.	**Shell**	UK	2.96	£99.18bn	32,119	–	–	(1,169)	**30,950**
Shell is a vertically integrated oil & gas company with significant exposure to natural gas within its production mix. The business is highly cash generative at current commodity prices, allowing attractive cash returns to shareholders as well as funding significant capital expenditure.									
5.	**Rolls Royce**	UK	2.28	£70.49bn	37,263	–	(37,704)	24,322	**23,881**
Rolls-Royce is a designer and manufacturer of engines for use across a number of end markets, most materially civil aerospace. They have won significant market share on the next generation of wide-bodied planes, where flying hours are recovering post Covid. 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)	**22,398**
BP is a vertically integrated oil & gas company. Similar to Shell it is highly cash generative at current commodity prices, providing 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)	**22,074**
GSK is a global pharmaceutical company that is among the market leaders in areas such as vaccines and HIV. The shares trade at 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	**18,642**
A global bank providing international banking and financial services, with a particular focus on emerging markets. The position 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	**18,609**
Tesco is the largest food retailer in the UK. It has used its scale to its advantage, setting prices at competitive levels for the consumer while generating good levels of free cash flow, much of which is returned to shareholders via dividends and share buybacks.									
10.	**Rio Tinto**	UK	1.7	£46.73bn	21,908	–	–	(4,197)	**17,711**
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 able to remain cash generative despite volatility in commodity prices and pays an attractive dividend yield.									

Fifteen Largest Holdings: Investment Rationale continued

as at 31 December 2024

Rank 2024	Company	Location	% of Portfolio	Approx Market Cap.	Valuation 2023 £000	Purchases £000	(Sales) £000	Appreciation/ (Depreciation) £000	**Valuation 2024 £000**
11.	**National Grid**	UK	1.54	£37.34bn	13,851	2,463	–	(263)	**16,051**
National Grid are a regulated utility company with operations in both the UK and the US. The need to reduce global carbon emissions is likely to increase demands on electricity networks and this could lead to faster regulated asset growth in future driven by the need 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	**15,020**
M&S is a food and clothing retailer. After a long period of underperformance it has been reinvigorated under a new Chairman and management team. It is regaining market share in both clothing and food at good margins, meaning substantial earnings upgrades have been achieved in recent years.									
13.	**Sainsbury**	UK	1.4	£6.41bn	–	13,960	–	678	**14,638**
Sainsbury's are one of the largest food retailers in the UK. Under the current management team they have improved their price competitiveness, enabling them to gain market share and grow earnings. They generate substantial levels of cash, which is enabling 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	**14,550**
Herald is a global technology focussed Investment Trust managed by Katie Potts (who launched the Trust in 1994). Its technology 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)	**14,415**
Senior produces specialist components for use across aerospace and industrial end markets. The civil aerospace market was significantly impacted by Covid and is still in a period of recovery. This means there is scope for further earnings growth at Senior, while the business remains well managed.									

Classification of Investments

based on market values as at 31 December 2024

	UK %	North America %	Europe %	Rest of the world %	Total 2024 %	Total 2024 £000	Total 2023 %	Total 2023 £000
Oil & Gas								
Alternative Energy	1.01	—	—	—	1.01	10,594	1.10	10,651
Oil & gas producers	5.44	1.25	—	—	6.69	69,906	7.93	76,646
Oil equipment services & distribution	1.08	—	—	—	1.08	11,264	1.07	10,396
	7.53	1.25	—	—	8.78	91,764	10.1	97,693
Basic Materials								
Chemicals	0.98	—	0.2	—	1.18	12,307	1.22	11,759
Forestry & paper	—	—	—	—	—	—	0.84	8,067
Mining	3.21	0.58	—	—	3.79	39,503	3.82	36,913
	4.19	0.58	0.2	—	4.97	51,810	5.88	56,739
Industrials								
Aerospace & defence	5.63	—	0.21	—	5.84	60,988	8.13	78,454
Construction & materials	5.99	—	—	—	5.99	62,309	5.08	48,970
Electronic & electrical equipment	2.02	—	0.31	—	2.33	24,347	2.64	25,509
General industrials	—	—	—	—	—	—	1.18	11,365
Industrial engineering	3.3	1.26	—	—	4.56	47,508	4.05	39,016
Industrial transportation	0.09	—	0.23	—	0.32	3,331	0.83	8,016
Support services	3.25	—	0.18	—	3.43	35,622	3.35	32,261
Waste & environmental services & equipment	0.19	—	—	—	0.19	1,996	—	—
	20.47	1.26	0.93	—	22.66	236,101	25.26	243,591
Consumer Goods								
Automobiles & parts	0.88	0.78	—	1.27	2.93	30,421	2.15	20,621
Beverages	—	—	0.14	—	0.14	1,422	0.08	802
Food & drug retailers	1.79	—	—	—	1.79	18,609	1.52	14,673
Food producers	1.11	—	0.25	—	1.36	14,203	1.39	13,418
Household goods & home construction	2.02	—	—	—	2.02	20,990	2.14	20,696
Leisure goods	—	—	0.14	—	0.14	1,486	0.23	2,173
Personal goods	—	—	—	—	—	—	0.20	1,886
	5.8	0.78	0.53	1.27	8.38	87,131	7.71	74,269
Health Care								
Health care equipment & services	1.1	—	—	—	1.1	11,444	0.59	5,710
Pharmaceuticals & biotechnology	2.84	1.03	0.68	—	4.55	47,351	5.33	51,442
	3.94	1.03	0.68	—	5.65	58,795	5.92	57,152
Consumer Services								
General retailers	4.48	—	—	—	4.48	46,747	4.35	42,164
Media	2.55	—	—	—	2.55	26,633	1.96	18,890
Travel & leisure	4.93	0.74	1.17	—	6.84	71,226	3.92	37,943
	11.96	0.74	1.17	—	13.87	144,606	10.23	98,997
Telecommunications								
Fixed line telecommunications	1.35	—	—	—	1.35	14,045	0.93	8,943
Mobile telecommunications	0.72	—	0.16	—	0.88	9,174	0.95	9,202
	2.07	—	0.16	—	2.23	23,219	1.88	18,145
Utilities								
Electricity	0.49	—	—	—	0.49	5,119	0.61	5,839
Gas, water & multiutilities	3.01	—	—	—	3.01	31,370	2.46	23,769
	3.5	—	—	—	3.5	36,489	3.07	29,608
Financials								
Banks	9.81	—	0.41	—	10.22	106,620	9.44	91,179
Equity investment instruments	3.19	—	—	—	3.19	33,187	2.81	27,195
Financial services	3.46	—	0.21	—	3.67	38,169	4.98	48,199
Life insurance/assurance	3.31	—	—	—	3.31	34,472	3.36	32,378
Nonlife insurance	2.21	—	0.26	—	2.47	25,628	2.24	21,544
Real estate investment trusts	3.38	—	0.29	—	3.67	38,269	4.28	41,246
Real estate investments & services	0.17	—	—	—	0.17	1,722	—	—
	25.53	—	1.17	—	26.7	278,067	27.11	261,741
Technology								
Advanced medical equipment & technology	0.76	—	—	—	0.76	7,943	0.53	5,082
Software & computer services	—	—	0.51	—	0.51	5,336	0.46	4,409
Technology hardware & equipment	0.34	—	0.17	—	0.51	5,333	0.47	4,604
	1.10	—	0.68	—	1.78	18,612	1.46	14,095
Other								
Other	—	—	—	—	—	—	0.09	784
Sustainable energy	1.48	—	—	—	1.48	15,445	1.29	12,412
	1.48	—	—	—	1.48	15,445	1.38	13,196
TOTAL 2024	**87.57**	**5.64**	**5.52**	**1.27**	**100.00**	**1,042,039**		
TOTAL 2023	88.16	3.24	7.37	1.23	—	—	100.00	965,226

The above table excludes bank balances and short-term deposits.

Harry Evans
'City life' – LawDeb Lens 2020

Portfolio Valuation

based on market values as at 31 December 2024

Holding name	Country	Sector	Industry	£000	%
Flutter Entertainment	UK	Consumer Services	Travel & leisure	39,368	3.77
HSBC	UK	Financials	Banks	34,055	3.26
Barclays	UK	Financials	Banks	31,105	2.98
Shell	UK	Oil & Gas	Oil & gas producers	30,950	2.96
Rolls Royce	UK	Industrials	Aerospace & defence	23,881	2.28
BP	UK	Oil & Gas	Oil & gas producers	22,398	2.14
GlaxoSmithKline	UK	Health Care	Pharmaceuticals & biotechnology	22,074	2.12
Standard Chartered	UK	Financials	Banks	18,642	1.79
Tesco	UK	Consumer Goods	Food & drug retailers	18,609	1.79
Rio Tinto	UK	Basic Materials	Mining	17,711	1.70
National Grid	UK	Utilities	Gas, water & multiutilities	16,051	1.54
Marks & Spencer	UK	Consumer Services	General retailers	15,020	1.44
Sainsbury	UK	Consumer Services	General retailers	14,638	1.40
Herald Investment Trust	UK	Financials	Equity investment instruments	14,550	1.40
Senior	UK	Industrials	Aerospace & defence	14,415	1.38
BT Group	UK	Telecommunications	Fixed line telecommunications	14,045	1.35
Toyota Motor Corporation	Japan	Consumer Goods	Automobiles & parts	13,190	1.27
Cummins	USA	Industrials	Industrial engineering	13,093	1.26
NatWest	UK	Financials	Banks	13,068	1.25
Anglo American	UK	Basic Materials	Mining	13,002	1.25
Kier	UK	Industrials	Construction & materials	12,799	1.23
Boku	UK	Industrials	Support services	12,585	1.21
Balfour Beatty	UK	Industrials	Construction & materials	12,572	1.21
IMI	UK	Industrials	Industrial engineering	12,519	1.20
Marshalls	UK	Industrials	Construction & materials	12,483	1.20
Hill & Smith	UK	Industrials	Industrial engineering	12,420	1.19
Aviva	UK	Financials	Life insurance/assurance	12,058	1.16
M & G	UK	Financials	Financial services	11,859	1.14
Cranswick	UK	Consumer Goods	Food producers	11,590	1.11
Morgan Advanced Materials	UK	Industrials	Electronic & electrical equipment	11,560	1.11
Land Securities	UK	Financials	Real estate investment trusts	11,526	1.11
Kingfisher	UK	Consumer Goods	Household goods & home construction	11,310	1.09
Shaftesbury Capital	UK	Financials	Real estate investment trusts	11,295	1.08
Irish Continental Group	Ireland	Consumer Services	Travel & leisure	11,151	1.07
Severn Trent	UK	Utilities	Gas, water & multiutilities	10,910	1.05
BAE Systems	UK	Industrials	Aerospace & defence	10,906	1.05
ITV	UK	Consumer Services	Media	10,856	1.04
International Consolidated Airlines	UK	Consumer Services	Travel & leisure	10,378	1.00
Ibstock	UK	Industrials	Construction & materials	9,938	0.95
Hiscox	UK	Financials	Nonlife insurance	9,778	0.94
Prudential Corp	UK	Financials	Life insurance/assurance	9,769	0.94
Babcock	UK	Industrials	Aerospace & defence	9,635	0.92

Portfolio Valuation continued

based on market values as at 31 December 2024

Holding name	Country	Sector	Industry	£000	%
Scottish Oriental Small Co	UK	Financials	Equity investment instruments	9,443	0.91
Schroders	UK	Financials	Equity investment instruments	9,194	0.88
Johnson Service Group	UK	Industrials	Support services	8,922	0.86
Dunelm	UK	Consumer Services	General retailers	8,848	0.85
Dowlais Group	UK	Consumer Goods	Automobiles & parts	8,762	0.84
IP Group	UK	Financials	Financial services	8,539	0.82
Ceres Power	UK	Oil & Gas	Oil equipment services & distribution	8,319	0.80
Smith & Nephew	UK	Health Care	Health care equipment & services	8,126	0.78
General Motors	USA	Consumer Goods	Automobiles & parts	8,088	0.78
Oxford Nanopore Technologies	UK	Technology	Advanced medical equipment & technology	7,943	0.76
Whitbread	Canada	Consumer Services	Travel & leisure	7,660	0.74
Haleon	UK	Health Care	Pharmaceuticals & biotechnology	7,548	0.72
Hammerson	UK	Financials	Real estate investment trusts	7,518	0.72
Vodafone	UK	Telecommunications	Mobile telecommunications	7,511	0.72
Bristol-Myers Squibb	USA	Health Care	Pharmaceuticals & biotechnology	7,462	0.72
Phoenix Group Holdings	UK	Financials	Life insurance/assurance	7,126	0.68
AFC Energy	UK	Oil & Gas	Alternative energy	7,120	0.68
WPP	UK	Consumer Services	Media	7,033	0.67
Beazley (UK)	UK	Financials	Nonlife insurance	6,940	0.67
VH Global Sustainable Energy Opportunities	UK	Other	Sustainable energy	6,760	0.65
Johnson Matthey	UK	Other	Sustainable energy	6,700	0.64
International Personal Finance	UK	Financials	Financial services	6,695	0.64
Weir Group	UK	Industrials	Industrial engineering	6,552	0.63
Elementis	UK	Basic Materials	Chemicals	6,539	0.63
Gibson Energy	Canada	Oil & Gas	Oil & gas producers	6,329	0.61
Sabre Insurance Group	UK	Financials	Nonlife insurance	6,210	0.60
Freeport-McMoran	USA	Basic Materials	Mining	6,089	0.58
Spectris	UK	Industrials	Electronic & electrical equipment	5,952	0.57
Air Products and Chemicals	Canada	Oil & Gas	Oil & gas producers	5,797	0.56
Chesnara	UK	Financials	Life insurance/assurance	5,520	0.53
Lloyds Banking Group	UK	Financials	Banks	5,478	0.53
Inchcape	UK	Industrials	Support services	5,002	0.48
Workspace Group	UK	Financials	Real estate investment trusts	4,910	0.47
Reach	UK	Consumer Services	Media	4,814	0.46
SSE	UK	Utilities	Electricity	4,812	0.46
Oxford Sciences Innovation	UKULM	Financials	Financial services	4,767	0.46
Epwin Group	UK	Consumer Goods	Household goods & home construction	4,717	0.45
SigmaRoc	UK	Industrials	Construction & materials	4,592	0.44
Centrica	UK	Utilities	Gas, water & multiutilities	4,409	0.42
Accsys Technologies	UK	Industrials	Construction & materials	4,327	0.42
Halfords	UK	Consumer Services	General retailers	4,265	0.41
Castings	UK	Industrials	Construction & materials	4,021	0.39

Portfolio Valuation continued

based on market values as at 31 December 2024

Holding name	Country	Sector	Industry	£000	%
Vertu Motors	UK	Consumer Services	General retailers	3,977	0.38
Next Fifteen Communications Group	UK	Consumer Services	Media	3,930	0.38
Zigup	UK	Industrials	Support services	3,753	0.36
Bellway	UK	Consumer Goods	Household goods & home construction	3,738	0.36
TT Electronics	UK	Industrials	Electronic & electrical equipment	3,556	0.34
XP Power	UK	Technology	Technology hardware & equipment	3,520	0.34
Ricardo	UK	Industrials	Support services	3,503	0.34
Croda	UK	Basic Materials	Chemicals	3,384	0.32
Convatec Group	UK	Health Care	Health care equipment & services	3,318	0.32
Ondine Biomedical	Canada	Health Care	Pharmaceuticals & biotechnology	3,234	0.31
Grit Real Estate Income Group	Guernsey	Financials	Real estate investment trusts	3,020	0.29
Vanquis Banking Group	UK	Financials	Financial services	2,985	0.29
ITM Power	UK	Oil & Gas	Oil equipment services & distribution	2,944	0.28
Renold	UK	Industrials	Industrial engineering	2,924	0.28
SAP	Germany	Technology	Software & computer services	2,857	0.27
Munchener Rueckver	Germany	Financials	Nonlife insurance	2,699	0.26
Novo Nordisk	Denmark	Health Care	Pharmaceuticals & biotechnology	2,561	0.25
UniCredit	Italy	Financials	Banks	2,560	0.25
Invinity Energy Systems	UK	Oil & Gas	Alternative energy	2,510	0.24
Siemens	Germany	Technology	Software & computer services	2,479	0.24
DVS	Denmark	Industrials	Industrial transportation	2,375	0.23
Serica Energy	UK	Oil & Gas	Oil & gas producers	2,366	0.23
Sanofi	France	Health Care	Pharmaceuticals & biotechnology	2,359	0.23
Deutsche Boerse	Germany	Financials	Financial services	2,157	0.21
Safran	France	Industrials	Aerospace & defence	2,152	0.21
Roche	Switzerland	Health Care	Pharmaceuticals & biotechnology	2,113	0.20
Jubilee Metals Group	UK	Basic Materials	Mining	2,040	0.20
Windar Photonics	UK	Industrials	Waste & environmental services & equipment	1,996	0.19
Gelion	UK	Other	Sustainable energy	1,985	0.19
SGS	Switzerland	Industrials	Support services	1,859	0.18
ASML	Netherlands	Technology	Technology hardware & equipment	1,813	0.17
Great Portland Estates	UK	Financials	Real estate investments & services	1,722	0.17
Bawag	Austria	Financials	Banks	1,711	0.16
Cellnex Telecom	Spain	Telecommunications	Mobile telecommunications	1,664	0.16
Marstons	UK	Consumer Services	Travel & leisure	1,619	0.16
Hercules Site Services	UK	Industrials	Construction & materials	1,576	0.15
LVMH	France	Consumer Goods	Leisure goods	1,486	0.14
Anheuser-Busch InBev	Belgium	Consumer Goods	Beverages	1,422	0.14
Infineon Technologies	Germany	Industrials	Electronic & electrical equipment	1,389	0.13
Danone	France	Consumer Goods	Food producers	1,316	0.13
Nestle	Switzerland	Consumer Goods	Food producers	1,297	0.12
Watkin Jones	UK	Consumer Goods	Household goods & home construction	1,225	0.12

Portfolio Valuation continued

based on market values as at 31 December 2024

Holding name	Country	*Sector*	Industry	£000	%
DSM-Firmenich	Netherlands	Basic Materials	Chemicals	**1,214**	**0.12**
Aena	Spain	Consumer Services	Travel & leisure	**1,051**	**0.10**
Arbuthnot Banking Group	UK	Financials	Financial services	**1,039**	**0.10**
ASM International	Netherlands	Industrials	Electronic & electrical equipment	**1,020**	**0.10**
Ilika	UK	Oil & Gas	Alternative energy	**963**	**0.09**
Logistics Development Group	UK	Industrials	Industrial transportation	**956**	**0.09**
Syensqo	Belgium	Basic Materials	Chemicals	**876**	**0.08**
Kone	Finland	Industrials	Electronic & electrical equipment	**870**	**0.08**
Gran Tierra Energy	Canada	Oil & Gas	Oil & gas producers	**861**	**0.08**
First Tin	UK	Basic Materials	Mining	**660**	**0.06**
Longboat Energy	UK	Oil & Gas	Oil & gas producers	**510**	**0.05**
Kistos	UK	Oil & Gas	Oil & gas producers	**468**	**0.04**
Surface Transforms	UK	Consumer Goods	Automobiles & parts	**381**	**0.04**
SIMEC Atlantis Energy	UK	Utilities	Electricity	**307**	**0.03**
Carclo	UK	Basic Materials	Chemicals	**294**	**0.03**
Indus Gas	UK	Oil & Gas	Oil & gas producers	**144**	**0.01**
LDIC Investments	UK	Financials	Financial services	**100**	**0.01**
Deltic Energy	UK	Oil & Gas	Oil & gas producers	**82**	**0.01**
Allied Minds (delisted)	UK	Financials	Financial services	**—**	**—**
Better Cap (delisted)	UK	Financials	Equity investment instruments	**—**	**—**
Interserve (delisted)	UK	Industrials	Support services	**—**	**—**
Libertine Holdings (delisted)	UK	Other	Sustainable energy	**—**	**—**
Morses Club (delisted)	UK	Financials	Financial services	**—**	**—**
Saietta Group (delisted)	UK	Consumer Goods	Automobiles & parts	**—**	**—**
Studio Retail Group (delisted)	UK	Consumer Services	General retailers	**—**	**—**
				1,042,039	**100.00**

In accordance with listing rule 11.7.8, The Law Debenture Corporation p.l.c. announces that it has no investments in other UK listed investment companies that require to be disclosed.

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.*

Company Overview

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 culture

Our purpose and values are central to our objective. They are reinforced by our culture as a business, which is one of excellence, independence and trust.

The Board endorses our purpose and values and is responsible for ensuring that our culture is aligned with our strategy by assessing, monitoring and challenging the same where appropriate. The Board discharges this duty by reviewing the relevant policies, practices and behaviours throughout the business including its own conduct as a Board and of its individual directors and by ensuring our stated purpose, values and objectives are reflected in its discussions and decision-making.

Some of the ways in which the Board monitors the Group's culture, with the assistance of its Committees, senior managers and external advisors, are by reviewing:

- reports on the results of our quarterly eNPS surveys;
- reports on stakeholder engagement as described on page 66 and our Section 172(1) Statement on pages 48 to 52;
- reports on risk management, internal controls, internal audits, compliance, anti-bribery and whistleblowing arrangements;
- cyclical presentations from our Business and Department Heads at each Board meeting;
- feedback from our key external advisors such as our external auditors and investment managers on their relationship with the relevant teams within the business;
- reports on the diversity and inclusion of the Board and the IPS business and oversight of the statistics set out in the ESG section on page 58; and
- Board, Committee and individual directors' performance evaluations, the process and outcome of which is set out on page 96.

Following on from the project to articulate the culture and values of our business in 2021, we have organised culture weeks, during 2023 and 2024 to continue to embed, share and celebrate our values as a business and are in the process of planning for 2025.

We believe the culture of the Group is strong and a contributing factor to our consistent performance in challenging market conditions.

> Our unique structure allows our investment managers to focus on capital generation, while knowing that historically approximately one-third of the Trust's income has been provided by the IPS business.

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 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 on pages 21 to 24.

Annual performance is set out on pages 2 to 33, 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.

Company Overview continued

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.

Total Shareholder Return

PORTFOLIO

(c.81% of NAV – including IPS and long-term borrowings at fair value)

- Invests in a diverse equity portfolio
- Earns capital returns and dividends
- Low ongoing charges

INDEPENDENT PROFESSIONAL SERVICES

(c.19% of NAV – including IPS and long-term borrowings at fair value)

- Trusted provider of independent governance services, generating recurring revenue.
- Profits provide the investment trust with a steadily increasing revenue stream.
- Tax efficient

PORTFOLIO

- 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.

INDEPENDENT PROFESSIONAL SERVICES

Operating through a number of wholly owned subsidiary companies (see note 13 to the 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 on pages 11 to 19.

Company Overview continued

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><td rowspan="2">Investments</td><td>Permitted types of investments are:
Equity Shares
Cash/Liquid Assets</td><td>Restrictions:
Trading is not permitted in suspended shares or short positions
No more than 15% of gross assets will be invested in other UK listed investment trusts
No more than 175 stocks
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
The value of a new acquisition in any one holding may not exceed 5% of the total Portfolio value (including cash) at the time the investment is made
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
No investment in any investment vehicle managed or advised by Janus Henderson shall be made without prior Board approval
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
The Company may not make investments in unlimited liability companies</td></tr>
<tr><td>The current regional parameters are:</td><td><table><tr><th></th><th>Minimum %</th><th>Maximum %</th></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 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>

Company Overview continued

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 depositary (see section on regulatory compliance in the Directors' Report, page 65). 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, depositary 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 page 160).

The Group has four debentures (long dated sterling denominated financing) details of which are on page 150. 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. The fair value calculation of all long-term borrowings benchmarks the Group debt against A-rated UK corporate bond yields.

Capital structure

Law Debenture has one class of share – ordinary shares – and each share has the same rights as every other share.

The Company conducts its affairs so that its ordinary shares are capable of being recommended by independent financial advisors to retail investors in accordance with relevant FCA rules.

We consider our ordinary shares to be mainstream investment products because they are shares in an investment trust. The Company intends to continue conducting its affairs for the foreseeable future so that the ordinary shares can continue to be categorised as a mainstream investment.

Transparency

In order to assist shareholders in understanding the nature of the underlying investments they are buying into when investing in Law Debenture's shares, we publish our NAV on a daily basis. We also publish the entire Portfolio monthly – with additional monthly updates on the composition of the top ten holdings in the Portfolio.

Future trends and factors

Law Debenture will continue to strive to deliver its business objectives for both the Portfolio and the IPS business.

The Chairman's statement, the CEO's review and the investment managers' review (all of which form part of this Strategic Report) set out the Company's views on future developments.

Performance and related data

Pages 6 and 21 to 24, which contain performance and related data, form part of this Strategic Report.

Company Overview continued

Key performance indicators (KPIs) and alternative performance measures

The KPIs used to measure the progress and performance of the investment trust are:

- NAV total return with IPS and debt at fair value (combining the capital and income returns of the Group) and how this compares, over various time intervals, with relevant indices;
- the discount/premium in share price to NAV; and
- the costs and ongoing charges of running the Portfolio as a percentage of its value.

Since the objective of the investment trust is measurable solely in financial terms, the Board does not consider that it is appropriate to adopt non-financial KPIs. The financial measures adopted as KPIs are part of our financial reporting obligations.

NAV total return with IPS and debt at fair value

1 year	3 years	5 years	10 years
13.6%	24.6%	56.0%	133.1%

Premium/(discount)

	31 December 2024	31 December 2023
Year end	2.4%	(0.2%)
High for year	3.0%	3.0%
Low for year	(5.9%)	(4.0%)

Ongoing charges ratio

Year ended 31 December 2024	Year ended 31 December 2023
0.51%	0.49%

Alternative Performance Measures as defined under ESMA guidelines have been adopted and these are described in detail on pages 159 and 160.

Share price and NAV

Investment trusts can trade at a discount (where the share price is lower than the combined value ('NAV') of the underlying assets), or at a premium (where the share price trades at a higher level than the underlying NAV). Investment trust investors need to understand these concepts as well as examine the underlying portfolio and the way in which it is managed, to decide whether or not an investment trust share represents "good value".

Law Debenture's responsibilities as an institutional shareholder

The Company recognises that, in delivering its objective to produce long-term capital growth and a steadily increasing income, it must ensure that its investment strategy is delivered with due emphasis on the need to ensure that investee companies are acting in accordance with accepted standards of corporate governance. The Company has therefore adopted the following policy.

We delegate stewardship activities within our investment portfolio to our investment managers, whose preference as an active manager, is to engage with management and boards to resolve issues of concern rather than to vote against shareholder meeting proposals. In their experience, this approach is more likely to be effective in influencing company behaviour. However, where they believe proposals are not in line with shareholder interests or where engagement proves unsuccessful, they will vote against.

Our investment manager will normally support incumbent management and vote in favour of resolutions proposed by the boards of companies in which it has a shareholding, but will vote against management or withhold a vote where appropriate.

The Board determines the Company's investment strategy but does not issue express instructions to the investment managers on transactions in particular shares. Where our investment manager believes that incumbent management is failing in its duties, they may enter into dialogue with the company concerned in an attempt to alter the management's position.

Where this is not possible, or where incumbent management declines to alter its behaviour, our investment manager will consider voting against resolutions proposed by the management. Further, if it is deemed necessary or desirable, the Company would consider acting collectively with other institutional investors to try and achieve a particular goal.

Janus Henderson, on Law Debenture's behalf, monitors companies in which Law Debenture is invested, and from time to time may discuss matters of corporate responsibility with such companies. Law Debenture's investment managers have voting discretion but may notify Law Debenture on occasion and when appropriate, should matters arise that might lead the Company to consider intervening, abstaining or voting against a particular proposal. During the year, the Company abstained or voted against one or more resolutions at 51 shareholder meetings of investee companies.

The Company will not hold shares in companies whose ethical and environmental practices are, in its view, likely to damage the performance of the business to the detriment of its shareholders.

The Company does not believe that conflicts arise between its duties as an institutional shareholder and the work undertaken by the IPS business. The investment managers have complete discretion as to Portfolio decisions and as a matter of policy,

Company Overview continued

has no access to 'non-public' knowledge about any of the activities of the IPS business.

Janus Henderson is a signatory to the 2020 UK Stewardship Code. As the Company's investment manager, Janus Henderson makes the day-to-day investment decisions and is therefore best placed to engage with Portfolio companies and discharge stewardship obligations. The Board is of the view that becoming a signatory to the Stewardship Code would unnecessarily duplicate the work of the investment managers and therefore continues to rely on Janus Henderson in this regard.

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 on page 116. The assets and liabilities of the business are also consolidated into the Group column of the statement of financial position on page 117. A segmental analysis is provided in note 6 (pages 133 and 134) 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. 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. As a cross check, the implied multiple for 31 December 2024 was calculated by dividing the DCF IPS valuation by the underlying EBITDA (see APM on page 162) 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 in the Annual Report within the 10-year record on page 41.

Calculation of Net Asset Value ('NAV') per share

Calculation of 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**

Long-Term Performance Record

	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Net assets per the statement of financial position (£m)[1]	557.3	662.3	748.3	669.4	775.3	727.0	878.8	799.1	854.2	**920.8**
Revenue return (pence)	18.10	15.96	21.66	21.26	30.68	21.56	28.09	34.44	33.43	**33.48**
Capital return (pence)	(17.47)	89.30	67.10	(71.85)	79.27	(19.06)	94.60	(103.17)	24.47	**40.51**
Total statutory return (pence)	0.63	105.26	88.76	(50.59)	109.95	2.50	122.69	(68.73)	57.90	**73.99**
Revenue return (pence)										
Portfolio	11.01	10.88	11.61	13.23	22.18	12.12	18.09	24.06	22.41	**23.26**
Independent professional services[3]	7.09	7.68	9.93*	7.87	8.54	9.35	10.00	10.38	11.02	**10.22**
	18.10	18.56	21.54	21.10	30.72	21.47	28.09	34.44	33.43	**33.48**
Group charges	–	(2.60)	0.12	0.16	(0.04)	0.09	–	–	–	**–**
Total statutory revenue return (pence)[3]	18.10	15.96	21.66	21.26	30.68	21.56	28.09	34.44	33.43	**33.48**
Dividends (pence)	16.20	16.70	17.30	18.90	26.00	27.50	29.00	30.5	32.0	**33.5[2]**
Share price (pence)[1]	498.0	530.0	629.0	540.0	650.0	690.0	799.0	771.0	801.0	**893.0**
(Discount)/premium (%)[1]	(5.1)	(11.4)	(6.0)	(12.1)	(7.4)	3.6	1.4	1.2	(0.2)	**2.4**
NAV at fair value (pence)[1]	524.5	598.5	669.5	614.1	702.2	666.2	787.8	761.7	802.7	**872.3**
Market capitalisation (£m)[1]	589.3	627.2	744.5	639.3	769.8	817.3	982.1	984.4	1,046.1	**1,177.8**

1 At 31 December calculated in accordance with AIC methodology, based on performance data held by Law Debenture including fair value of IPS business and long-term borrowings.
2 Proposed total dividend for 2024.
3 Underlying 2024 IPS revenue per share of 11.01 pence (see APM on page 160) deriving total revenue per share of 34.27 pence.

**This includes 2.72 pence per share of exceptional items including the sale of an unlisted investment, excluding which, normalised earnings per share were 7.21 pence per share.*

Note: The 10 year record has been restated (2014) to reflect the fair value of the IPS business and the long-term borrowings.
10 year dividend growth of 113.4% has been calculated based on growth since the 2014 total dividend of 15.7 pence per share.

Risk Management

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.

RISK MANAGEMENT PROCESS AND GOVERNANCE OVERVIEW

Internal risk reporting

Consolidated Group-level risks

- Business area risk registers consolidated to draw out significant risks
- Principal risks identified, including emerging risks
- Review and agreement of the principal risks by the Risk, Operations and Controls Committee
- Review and approval by the Audit and Risk Committee

Business and functional risk registers

- Continual review and assessment of business area risk registers and challenge on mitigating actions, including consideration of emerging risks, by the business and Group Risk Manager
- Review and challenge of risks at Risk, Operations and Controls Committee meetings

Real-time issues and areas of change

- Monitoring of emerging areas of increasing significance to the Group and establishing sufficient mitigating actions

Parties involved

Top-down

- The Law Debenture Corporation p.l.c. Board
- Group Audit and Risk Committee
- Risk, Operations and Controls Committee
- Group Risk team

- Group Risk team
- Business Unit Risk Committees

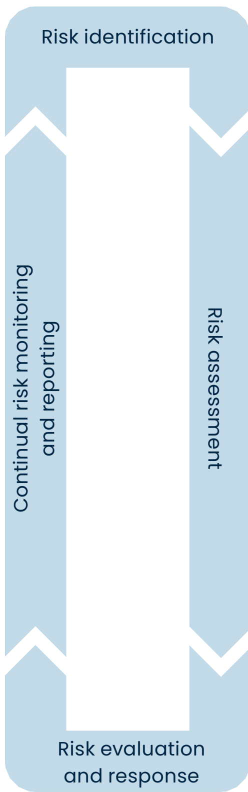
Bottom-up

External risk reporting

Principal risks and uncertainties

- A summarised version of principal risks for external reporting
- Review and approval by the Audit and Risk Committee and the Board

Risk management process



Risk Management continued

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 on pages 44 and 45. 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.

Risk reporting

Risk reporting includes identification of thematic risk trends, communication of this information across the business, and the maintenance of risk registers. These registers document risk types, key risks identified and their status, the internal controls and mitigating factors in place to address these risks.

Our risk reporting for the IPS business is overseen by the Risk, Operations and Controls Committee, which meets quarterly and is chaired by the COO and supported by the Group Risk team. IPS business risks have a lower materiality threshold than for the Group, however the Risk, Operations and Controls Committee identifies risk events or risk topics of relevance which are taken to the Audit and Risk Committee, which oversees Group risks. The Group Risk team also speaks directly to the Chair of the Audit and Risk Committee.

Group reporting also includes risks associated with the Portfolio, overseen by the Audit and Risk Committee. As part of risk management we assess the activities of the investment managers, perform operational due diligence and review the internal control reports of key service providers to the Portfolio.

Three Lines of Defence

The Group has organised risk management according to the three lines of defence model. Roles and responsibilities are described below to show accountability between management which owns the risks, the Risk function which provides oversight, and Internal Audit which provides independent assurance.

First line:
Frontline staff

Primary responsibility for management of operational risks and taking adequate governance and control measures to manage the risks.

Second line:
Risk and Compliance

Responsible for the design, implementation and effectiveness of risk management and monitoring of the first line of defence.

Third line:
Internal Audit

To provide independent and objective assurance about the effectiveness of first and second-line controls, with a direct reporting line to the Audit and Risk Committee.

Governing bodies and senior management

The Audit and Risk Committee, the Board and Risk, Operations and Controls Committee sit above the three lines. Part of their remit is to set the risk appetite for the Group, and the IPS business according to their respective materiality thresholds.

Categorisation of Group risks

A principal risk is a risk or combination of risks that could seriously affect the performance, future prospects or reputation of the Law Debenture Group. The principal risks of the Group which could impact the achievement of strategic objectives are split into two categories: Principal Group risks and Emerging risks:

Principal Group risks

The identified Group risks predominantly relate to the Portfolio. Forming approximately 19% of our net asset value, the IPS business as a whole represents a concentration risk for the Group. However, the identified Group risks predominantly relate to the Portfolio, which represents a far greater 81% of net asset value.

Emerging risks

Given our objective to deliver long-term capital growth and steadily increasing income, we continually horizon scan for emerging risks which although, not an immediate threat, may impact our ability to deliver on our objectives to shareholders.

Risk Management continued

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. • Achieve a rate of return greater than the FTSE Actuaries All-Share Index, our benchmark. 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.	**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. • 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. • 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. 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 also considered under this risk type.	**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. • All staff trained on cyber security risks including phishing training and testing. • We are continually investing in our IT 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.

Risk Management continued

PRINCIPAL GROUP RISKS	CHANGES TO RISK IN 2024	MITIGATING FACTORS
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. 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. IPS Concentration Risk also includes aggregation of litigation, compliance, regulatory and internal control failures and people 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. • 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. • 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.

Viability Statement

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 at page 44 and 45.

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.

Viability Statement continued

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.

Section 172(1) Statement

As reported on page 34, the Company's purpose is to deliver peace of mind for our shareholders, clients and employees through the combination of our Portfolio and IPS business. Our purpose, values and strategy are inextricably linked and are reflected in our policies, practices and high standards of business conduct.

The Board is responsible for the overall strategy and overseeing the management of the Company and the wider Group, setting investment principles and ensuring that it is acting in accordance with its legal and regulatory obligations. In discharging its responsibilities, the Board takes into account the Group's purpose, values and culture and acts in good faith to promote its long-term success. This includes oversight of stakeholder engagement, feedback from the same as appropriate and ensuring that obligations to its key stakeholders are fulfilled. Those impacted by the Company and the wider Group's activities and considered key to its operations can be placed into the following six categories:

Section 172(1) Statement continued

Case Study: Law Debenture Website Refresh

Following feedback from website users, use of analytics and internal review, we identified aspects of our website that needed to be improved. Our marketing team ran a project to understand the needs of our stakeholders and to design and launch a new Law Debenture website to meet them. This site went live in December 2024.

When looking specifically at those coming to the website for our investment trust, many being shareholders and potential investors, we see that they use the site to access our Factsheet, Annual Financial Reports, and information about our corporate governance. The navigation and site layout meant users had to click on multiple links to access these and signposting was not as clear as it could be. In addition, the content was not always well tailored to a retail investor meaning information was not written or displayed in an accessible way.

Features of the new website include:

- simplified navigation with direct signposting to most sought after content;
- language suitable for retail investors with clearer guidance around financial promotions;
- an accessibility statement and accessible design with improved use of fonts and colours to make for easier reading;
- optimised configuration for use on a mobile device;
- increased use of video content to support users in getting to know our business;
- more information about the work we do, the impact we have and the reasons we are trusted by so many.

Review of stakeholder engagement mechanisms

During the reporting period, the Board conducted a review of the effectiveness of its stakeholder engagement practices, including the existing governance structure around engagement, its list of key stakeholders and the engagement activities adopted. This included feedback from Clare Askem, in her capacity as Workforce Engagement Director, on the effectiveness of workforce engagement tools used since her appointment to the role in April 2022.

Regarding workforce engagement, quarterly conversations between the Workforce Engagement Director, the Head of HR and the COO, whilst originally set up to discuss eNPS survey results, have become broader discussions on colleague matters. Data is now sufficient to enable persistent areas of weakness to be proactively addressed. Better Together Lunches were introduced during 2024. These are informal sessions allowing smaller groups of colleagues to engage directly with individual directors of the Company. They are considered a good way for genuine colleague engagement allowing NEDs to have open conversations and making NEDs more accessible to colleagues across the business. Following a broader review of project implementation earlier this year (subsequent to a dip in engagement scores), the business took an action to specifically include workforce engagement as a consideration of Project Initiation Documents. This has been implemented and is being managed by the Change Committee. The Executive Leadership team (specifically the COO with whom most engagement takes place) were considered open to receiving employee feedback and take proportionate actions where required. An update was provided to the Board at its September meeting.

The Board concluded that the governance structure and current stakeholder engagement practices in general, remained effective.

Section 172(1) Statement continued

Key priorities and main methods of engagement with key stakeholders in 2024

KEY STAKEHOLDERS	KEY PRIORITIES	ENGAGEMENT ACTIVITIES IN 2024
Shareholders, potential investors and debenture holders		
Investment from shareholders and debenture holders makes up the majority of the Company's capital, funding the principal investment activities. Shareholders also hold the Board accountable to its investment and governance objectives.	To deliver against our stated objective to provide long-term capital growth in real terms and a steadily increasing income. To provide a fair, balanced and understandable representation of the Company and the Group's position, performance, business model and strategy.	• Distribution of the Annual and Half Year Reports • Registrar call centre/company secretarial inbox • Award nominations and wins* • Circulation of debenture compliance certificates • Engagement via the press and social media platforms including LinkedIn • AGM* • Institutional investor meetings (c.30 held in 2024)* • Analyst and shareholder meetings* • Quarterly dividends • Daily NAV publications • Monthly Factsheets • WIN: Widening Investor Networks** • Website Refresh
Client and referral partners		
Clients and referral partners help to create, maintain and grow demand for our IPS services. Their feedback is encouraged to help us continue to improve as a business.	Seek to provide peace of mind to our clients through delivery of an excellent service.	• Client care meetings • IPS wide client and referrer survey issued June 2024 • Annual and/or other periodic reviews • Lens photography competition* • Annual Pensions Debate* • Lawyers Referral Network, including three meetings of the wider legal and consulting networks. • Website Refresh
Employees		
Our people are key to our IPS operations and we rely on their support and expertise to deliver peace of mind through service excellence.	To provide a diverse and inclusive workplace which supports our people to grow their careers in a way that is both meaningful to them and promotes the delivery of our long-term strategy.	• Employee wellbeing week • Quarterly meetings on colleague matters between the Workforce Engagement Director, COO and Head of Human Resources • Informal NED Better Together lunches where NEDs meet small groups of employees • Celebration of culture* and values via our annual culture week • Monthly culture carrier awards • Quarterly eNPS surveys • Monthly all-staff hybrid business updates • Bi-annual all-staff financial performance updates • NED visibility/attendance at key business updates for colleagues* • Community groups to bring our people together • Learning and development training modules • Team and Company-wide events • Reports from Business and Department Heads at Board meetings* • Financial Planning Sessions • Contact/escalation for whistleblowing matters

**Direct engagement with members of the Board. All other items are overseen by management and reported to the Board or its Committees, as appropriate.*
***Further information on our WIN programme can be found on the inside front cover*

Section 172(1) Statement continued

Key priorities and main methods of engagement with stakeholders in 2024

KEY STAKEHOLDERS	KEY PRIORITIES	ENGAGEMENT ACTIVITIES IN 2024
Principal service providers		
We rely on our service providers to manage our Investment Portfolio and provide the infrastructure and advice to meet our shareholders' expectations, service our client base and remain compliant with legal and regulatory requirements. Our principal service provider is the investment manager, Janus Henderson Investors. Key suppliers include our joint corporate brokers, registrar, depositary/global custodian and external auditor.	To provide a clear framework and open communication channel between us and our key service providers to facilitate the best possible investment outcomes for our shareholders.	• The investment managers attend all scheduled Board meetings* • Annual review of the investment managers' controls and compliance • Informal meetings between investment managers, PR and Marketing team and LawDeb Marketing Director in order to streamline processes and share best practice marketing • Regular meetings with custodian and depositary • Regular meetings with our corporate brokers* • Annual service review with our registrar • Active engagement with large suppliers of the IPS infrastructure
Governmental agencies/regulatory bodies		
We have a duty to ensure we are compliant with any laws, regulations and applicable best practice. We also ensure that we engage in consultations and relevant discussions regarding new implementations or updates that might affect any of our key stakeholders and our ability to operate effectively within the market.	To comply with existing laws, regulations and applicable best practice and to contribute to discussions when these are being made, in the best interests of shareholders and our other key stakeholders.	• Responses to external consultations on proposed legal and regulatory changes including the corporate director ban, director verification and the UK Corporate Governance Code changes affecting corporate reporting and the responsibility of audit committee and audit standards • Regulatory and compliance updates to the Board and its Committees by Legal, CFO, Company Secretary and Group Risk team
Community and the environment		
We recognise that we are stewards of our community and the environment and that investment geared toward these helps to improve economic stability and build a more inclusive community. This in turn contributes to the Company's sustainability and subsequently helps us to deliver on our objective for our shareholders in light of our key stakeholders' interests.	To act responsibly as an institutional shareholder and to ensure we have a positive impact on the Company's operations, the community and our environment.	• ESG reporting into the Audit and Risk Committee • ESG page on Group website, including publishing our Environmental policy • Charity group supporting chosen charities • Largely paperless offices and increased recycling in all offices • Deemed consent for shareholders to receive electronic communications • Energy efficient office buildings in London, Manchester and Sunderland • Voluntary TCFD disclosures • Minimal carbon emissions • Increased regular communications from the ESG committee on initiatives • Designated ESG section in our annual report • Increased employee engagement (see above) and diversity, equity and inclusion initiatives in the last two to three years • Octopus electric car scheme offered as benefit in kind to employees • Volunteering opportunities at Whitechapel Mission

** Direct engagement with members of the Board. All other items are overseen by management and reported to the Board or its Committees, as appropriate.*

Section 172(1) Statement continued

Key strategic decisions impacting stakeholders in 2024

Where appropriate, information or feedback received from shareholders and other key stakeholders are routinely reported to the Board by the Executive Leadership team, Legal, the Company Secretary, IPS Business Heads, the Group Risk team and the investment managers.

During the year, the Board made decisions to deliver against our strategy, whilst considering the different interests of our stakeholder groups and the impact of key decisions upon them. Each decision taken by the Board is with a view to ensuring that we deliver on our commitment to our shareholders to deliver peace of mind through long-term capital growth and steadily increasing income. The following provides an overview of some of the key decisions taken and how integral our stakeholders are in the Board's decision-making process.

1) WEBSITE REFRESH

Following feedback from website users, use of analytics and internal review we identified aspects of our website that needed to be improved particularly in relation to making the website easier to navigate and more user friendly for shareholders. Our marketing team ran a project to understand the needs of our users and to design and launch a new Law Debenture website to meet them, as described in the case study on page 49.

2) IPS LEADERSHIP RESTRUCTURE

Over the summer we reorganised the IPS leadership structure to support the continued transformation journey of the business. Our new CTO also joined the CEO, COO & CFO on the Executive Leadership team ('ELT'), thereby increasing strategic and decision-making capacity. We also expanded the team who directly support and influence the ELT in delivering strategic priorities via a broader senior team and new governance structure of committees centred around expertise, experience and accountability.

The new committee membership includes investment trust directors to represent our shareholders, commercial business heads to represent our clients, HR to represent our people, and our ESG manager among others.

3) CONTINUED INVESTMENT IN DELIVERING LONG-TERM IPS REVENUE GROWTH THROUGH OUR TARGET OPERATING MODEL

In support of our commercial growth plans, we are progressing 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. The objective is to organise ourselves in a way that drives scalable, controlled growth underpinned by great technology which allows our people to focus on delivering excellent outcomes for our clients. We believe that this will not only benefit our clients, but it will deliver better returns for our shareholders though improved margins and financial control, and for our people as they have more time for the interesting, challenging and purposeful work that attracts the best talent to LawDeb.

4) REFERRAL NETWORK

LawDeb's Business Development function is in very regular contact with key stakeholders, right across the legal sector. This, coupled with hosting annual Law Firm events, results in us generating a robust and repeating pipeline of new business opportunities for all our IPS businesses, whilst continuing to build wider trust and credibility.

What began as an annual event for our network of lawyers in private practice in London in 2021 has since been expanded to include our wider legal and consulting networks in Manchester and Hong Kong, with LawDeb's Business Development and Marketing team now responsible for running three events annually, during September and October, hosting 250+ lawyers from major international law firms to regional UK firms and smaller corporate boutiques.

Environmental, Social and Governance ('ESG')

Environmental and Social Case Study: Investment managers' engagement with Rio Tinto over mine closures

We engaged with Rio Tinto, specifically with the Head of Mine Closures, to discuss the company's approach to managing its legacy assets. Our conversation covered the mapping of these assets, the allocation of closure responsibilities across different regions, and the criteria for determining the extent of remediation efforts. Given Rio Tinto's 151-year history, the company has a substantial number of sites to manage. While the company strives to comply with local regulations, it places significant emphasis on the social aspects of mine closure and the impact on local communities. Rio Tinto recognises that, although closure standards may vary by region, reputational damage is a global concern that can affect future operations.

Group approach to ESG

ESG considerations may help to underpin sustainable long-term returns for our shareholders, as well as promoting behaviours aligned to our corporate purpose and values.

In 2024, we continued with our voluntary TCFD disclosures, and increased our IPS Corporate Social Responsibility initiatives through food donation drives to local charities, and enhanced waste reduction initiatives to support staff members to reduce waste and protect our environment. In 2025 we continue to increase ESG awareness across the Group via education, communication, and a range of activities.

ESG considerations when investing

Whilst we are not positioned as an ESG investment trust, our investment managers integrate ESG factors as part of their fundamental stock analysis. The investment managers consider ESG risks that are material and could impact a company's prospects. These risks would be likely to have a significant impact on the financial condition or operating performance of a business, and have the potential to influence investment decisions. Our investment managers also evaluate a company's ability to manage these risks when choosing to invest or divest in a company. ESG factors are considered to be material if omitting, obscuring or misstating them could be reasonably expected to influence investment decisions.

Whilst ESG data is considered, the managers' approach to ESG is more qualitative which means that companies with weaker ESG risk profiles are not automatically excluded from the portfolio.

The managers do not explicitly exclude any stocks or sectors, but they will divest or not invest in companies where company management are not considered to be appropriately managing risks, or where they believe companies do not present an attractive risk reward proposition.

The team proactively engages with senior management on key ESG issues and risks, assessing their responses and subsequent actions. Typically, the managers meet at least annually with the companies held in the Portfolio with part of the discussion covering material ESG concerns.

Environmental

As a business, we are conscious that our decisions could impact the environment. The Group's Scope 2 carbon emissions arise from its consumption of energy in maintaining its offices. Our London and Manchester offices use 100% renewable energy with no carbon emissions and are each built according to high sustainability standards. These zero carbon sources represent approximately 80% of energy use in offices across the Group.

ESG materiality disclaimer

The Company integrates ESG but does not pursue a sustainable investment objective or otherwise take ESG factors into account in a binding manner. ESG integration is the practice of incorporating material environmental/social and governance information or insights in a non-binding manner alongside traditional measures into the investment decision process to improve long-term financial outcomes of portfolios. ESG related research is one of many factors considered within the investment process.

Environmental, Social and Governance (‘ESG’) continued

Emissions data (unaudited)

Energy consumption		kWh
As at 31 December	**2024**	2023
Scope 1[1]	**–**	–
Scope 2[2]	**637,995**	625,356

Approximately 87% energy is generated from UK operations, with the remainder from our overseas offices.

Carbon emissions		Tonnes of CO_2e
As at 31 December	**2024**	2023
Scope 1[1]	**–**	–
Scope 2[2]	**34.00**	36.43

Approximately 13% carbon emissions are generated from UK operations as most of our UK office space is powered by zero carbon emissions fuel sources. Approximately 87% of carbon emissions are from our overseas offices.

Intensity ratio		Tonnes of CO_2e per £000 of IPS revenue*
As at 31 December	**2024**	2023
Scope 1[1]	**–**	–
Scope 2[2]	**0.0006**	0.0006

1 The Group has nil Scope 1 emissions.
2 Emissions from purchased electricity in our offices, market-based.

** The ratio used "Tonnes of CO2e per £000 of IPS revenue" uses IPS revenue from notes to the accounts "6. Segment analysis". As we are calculating Scope 2 emissions (energy used in our offices), IPS revenue is used in the ratio, as the Portfolio has nil Scope 1 and 2 CO2e emissions. The energy calculations have not been externally audited.*

The Group is not yet required to calculate Scope 3 emissions.

The following describes the methodology used to calculate our Scope 2 emissions. Where available, direct energy bills from office energy consumption are used. Energy bills are pro-rated where we share office space in the building. The CO_2e of the energy provider is used with this data to calculate the net emissions impact. In our smallest office space, which forms part of a much larger building, accurate data on energy consumption is not readily available so we used an alternative calculation methodology of an average of Group energy consumption per employee.

The Group does not have defined "net zero emissions" targets as we do not yet calculate Scope 3 emissions. The parent company, The Law Debenture Corporation p.l.c., heads the Group and reports on the streamlined energy and carbon reporting (SECR) regulations in the table above. None of the Group subsidiaries meets the SECR regulations at an individual level.

Law Debenture offers staff the option to participate in 100% electric salary sacrifice scheme from Octopus Electric Vehicles. These are leased by staff directly and do not form part of a group fleet of vehicles, therefore emissions from these vehicles are not included in the emissions data table above.

Greenhouse gas reporting definitions

Carbon greenhouse gas (‘GHG’) usage is calculated and presented in three categories using The Greenhouse Gas (‘GHG’) Protocol:

Scope 1 – direct GHG emissions from combustion in owned or controlled boilers, vehicles (nil consumption for Group)

Scope 2 – energy emissions from own consumption of purchased electricity, heat, steam and cooling – e.g. offices where we are in control of our energy

Scope 3 – other indirect emissions of wider operational reach including investments, business travel, supply chain, and office energy not captured in Scope 1 or 2.

Environmental Case Study: Our IPS business incorporating sustainability in the selection of infrastructure managers

A significant UK defined benefit scheme, managed by our pensions trustee team, was transitioning into infrastructure assets with a substantial investment allocation. The investment adviser organised a "beauty parade" featuring three highly rated managers in this sector. At the conclusion of the selection day, two managers were identified as preferred providers. However, the Trustees raised concerns regarding the sustainability characteristics of certain assets within the energy sector of one of the funds, leading to the process being paused to conduct further due diligence.

Additional discussions were held both internally, through a "peer panel" comprising four independent Law Debenture Trustee Directors and consultations with two other Trustees with expertise in this area, and externally, with an ESG expert from the investment consultancy. These discussions aimed to assess the ESG characteristics and risks of the relevant assets in the context of a future energy transition. As a result, the Trustees decided to introduce a fourth asset manager into the process, who was ultimately appointed in place of one of the initially preferred managers.

Environmental, Social and Governance ('ESG') continued

Task Force on Climate-Related Financial Disclosures ('TCFD')

Law Debenture is not required to provide Climate-related Financial Disclosures in accordance with the Companies Act, nor required to disclose alignment with TCFD recommendations as an investment trust with less than £5bn of Assets Under Management. However, we are sharing voluntary TCFD across 3 of the 11 TCFD Recommendations available at https://www.fsb-tcfd.org/recommendations/

Fully compliant disclosures have been provided in respect of:

- Governance – disclosures a) and b); and
- Risk management – disclosure a).

In addition, we are partially compliant with metrics and targets disclosure b) (disclosures provided are partially compliant because Scope 3 emissions are not yet disclosed).

After careful consideration we have chosen to retain our existing TCFD reporting level at this time, in order to focus on areas which are more significant for our Group to achieve its strategic objectives.

As part of this exercise to understand climate change materiality risks on our financial statements we have undertaken an assessment and concluded there are no material climate change risks impacting our financial statements.

The Portfolio has no sector exclusions and is not an ESG-focused fund. The Portfolio does not concentrate solely on promoting environmental and/or social characteristics (which must also have good governance practices) and does not have sustainable investment as its principal objective. We do not include ESG terms such as 'responsible', 'ethical', 'climate' or 'social' in the Company name. Our IPS business is a low carbon emitter as shown on page 54 on our Scope 1 and 2 emissions data table, which is very low for an operational business within the FTSE 250 index.

In the table of voluntary TCFD disclosures on pages 56 to 57, we have presented a view of TCFD across the Portfolio and the IPS business for greater transparency, as opposed to a single set of disclosures for the entire Group.

Our investment managers at Janus Henderson manage our Portfolio. Further information on Janus Henderson's TCFD disclosures can be found on its website www.janushenderson.com.

Environmental, Social and Governance ('ESG') continued

VOLUNTARY TCFD REPORTING

GOVERNANCE

Disclose the Company's governance around climate-related risks and opportunities.

Overview to Governance

The Audit and Risk Committee reviewed the ESG Strategy and Implementation Plan (the Plan) for the Group in July 2022, with further updates on ESG risks and developments being brought to the Audit and Risk Committee at least annually. We will continue to evolve the Plan as the industry matures, based on feedback from the Audit and Risk Committee and Board taking into consideration views of key stakeholders such as shareholders and their representatives. During the year, periodic updates on climate related risks to the financial statements and horizon scanning are brought to the Audit and Risk Committee for discussion.

Law Debenture does not currently have climate-related goals and targets because it is not an ESG fund. The IPS business is a low direct carbon emitter see page 54. The Board plans to revisit climate-related goals when TCFD reporting becomes mandatory for investment trusts of our size.

Portfolio

Within the Portfolio, climate-related risks and opportunities are assessed where they are considered to be material to the investment rationale, refer to "ESG Considerations when investing" on page 53 for further information. This assessment is alongside the fundamental research that is integral to the investment process.

There are no sector exclusions in the Portfolio. Instead, the focus is on active engagement with companies in order to better understand how climate risks and opportunities are managed. Interactions and engagements with companies are reported to the Board on a quarterly basis. These discussions can take place either directly via the investment managers or via Janus Henderson's Governance and Stewardship team.

IPS Business

Climate-related risks and opportunities are overseen by our ESG Committee. The ESG Committee is made up of a cross-functional mix of Law Debenture employees to drive, create and review Law Debenture's ESG policies for approval by Executive Leadership and the Audit and Risk Committee.

In accordance with this approach, climate-related risks are also considered as part of our ESG risk management procedures. In accordance with the Group's policy for identifying risks and opportunities, risks are identified through a "bottom up" approach by Business Units and central functions, including the Shared Services Centre. These are documented, assessed and monitored in Business Unit risk registers or via the ESG Committee which oversees the TCFD disclosures and impacts.

STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the Company's businesses, strategy, and financial planning where such information is material.

Overview to Strategy

In undergoing our financial planning, no climate-related impact to our balance sheet or income statement is expected at present and therefore no financial adjustments are required. This will be reviewed on a periodic basis by the Executive Leadership team and the Audit and Risk Committee.

Portfolio

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 through investing in a diversified portfolio of stocks.

There are no specific ESG or carbon-related targets. The investment managers seek to identify material risks and opportunities relevant to each investment case over a variety of time horizons as per their investment decisions. The need to decarbonise the global economy over the long term presents potential investment opportunities. For example, industrial gas company Air Products & Chemicals and sustainable technology company Johnson Matthey have the potential to benefit from the need to decarbonise. We continue to invest in early-stage companies, Ceres Power, AFC Energy and ITM, who are developing and manufacturing technologies that could benefit from decarbonsation trends over the longer term.

The investment managers report to the Board on ESG related considerations as part of their regular updates.

IPS Business

We are a minor Scope 2 emitter, from the energy consumed in the organisation via our offices. Our head offices use green energy from 100% renewable energy sources.

Legislative change in relation to carbon, including reporting requirements and taxation implications poses an immaterial yet emerging risk to our business along with others in the marketplace and we must ensure we are able to meet such reporting requirements.

RISK MANAGEMENT

Disclose how the Company identifies, assesses, and manages climate-related risks.

Overview to Risk Management
Our approach to the identification and assessment of risk management includes a review of climate-related risks that are reported to the Audit and Risk Committee annually, most recently in December 2024. We have assessed the impact of climate change on the financial statements of the Group and concluded that presently there are no adjustments required to the financial statements.

We consider climate risk for the Group to be low and it is not considered to be a principal risk under the Group's scoring assessment of principal risks in Risk Management on pages 44 to 45 ESG climate regulatory reporting requirements, remain an emerging risk and we will continue to review this on a regular basis.

Portfolio	IPS Business
Climate-related risks within the Portfolio are predominantly assessed through investment analysis. This includes scheduled company reporting, meetings with company management and access to third party research. Where appropriate we engage with company management in order to increase climate disclosures and to set clear and measurable greenhouse gas reduction targets.	Climate considerations are reviewed at an operational level where feasible. The majority of direct carbon and energy usage is via the office locations. There has been an active decision to move into sustainable premises at our two largest offices, the London head office and Manchester site (c.80% employees), which are both sustainable BREEAM offices. There have been no IPS assets impaired because of climate-related physical risks.

METRICS AND TARGETS

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.

Overview to Metrics and Targets
As the direct climate risk for Law Debenture is low, it has been decided not to accelerate the implementation of metrics or setting of targets. During the year, we undertook an assessment on calculating Scope 3 emissions across the Group and have decided not to publish Scope 3 emissions given that a) we are not an ESG fund, and b) due to the highly complex and costly barriers to entry in calculating this metric in the operational IPS business.

Portfolio	IPS Business
There are currently no KPIs to assess climate-related risks that are applied to the Portfolio in aggregate.	Our current reporting metric is Scope 1 and 2 carbon emissions, which we publish on page 54 using the Greenhouse Gas Protocol.

Environmental, Social and Governance ('ESG') continued

Social

Diversity and inclusion

The composition of our Board and Executive Leadership team reflects a diverse cross section of gender, ethnicity, age and background. We are proud of the progress we have made and believe we are reaping the rewards of genuine diversity of thought. Law Debenture is named as the best performer in the FTSE Women Leaders Review 2024 for FTSE 250. Law Debenture moved into first place, from second last year, with 59.1% women in Leadership. We fully support all the recommendations in this report.

FTSE Women Leaders

For more information on the progress against diversity and inclusion objectives please refer to page 76. In January 2025 we published our latest Gender Pay Gap Summary (https://www.lawdebenture.com/news-insights/lawdebs-gender-pay-gap-2024) which highlights areas in which we continue to make excellent progress.

Awards and recognition

Endeavouring to lead by example, we are proud to share the following achievements in the Social space (see page 61 for our governance awards):

- Named as the best performer in the FTSE Women Leaders Review 2024 for FTSE 250 – Combined Executive Committee & Direct Reports, Law Debenture moved into first place, from second last

REPORTING ON GENDER IDENTITY (unaudited)

As at 31 December	Number of Board members		Percentage of the Board		Number of senior positions on the Board (CEO, COO, SID and Chair)[1]		Number in executive management[2]		Percentage of executive management[2]		Number in senior management[3]		Percentage of senior management[3]		Number in Group employees		Percentage of Group employees	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Men	**4**	4	**57%**	57%	**2**	3	**2**	1	**50%**	33%	**8**	8	**53%**	44%	**129**	136	**43%**	45%
Women	**3**	3	**43%**	43%	**2**	1	**2**	2	**50%**	67%	**7**	10	**47%**	56%	**172**	163	**57%**	55%
Total	**7**	7	**100%**	100%	**4**	4	**4**	3	**100%**	100%	**15**	18	**100%**	100%	**301**	299	**100%**	100%

REPORTING ON ETHNIC BACKGROUND (unaudited)

As at 31 December	Number of Board members 2024	2023	Percentage of the Board 2024	2023	Senior positions on the Board 2024	2023	Number in executive management 2024	2023	Percentage of executive management 2024	2023	Number in senior management 2024	2023	Percentage of senior management 2024	2023	Number in Group employees 2024	2023	Percentage of Group employees 2024	2023
White British or other White (including minority-white groups)	**6**	6	**86%**	86%	**4**	4	**4**	3	**100%**	100%	**13**	16	**86%**	89%	**195**	200	**64%**	67%
Mixed/Multiple Ethnic Groups	**–**	–	**0%**	0%	**–**	–	**–**	–	**0%**	0%	**1**	1	**7%**	6%	**5**	9	**2%**	3%
Asian/Asian British	**1**	1	**14%**	14%	**–**	–	**–**	–	**0%**	0%	**1**	–	**7%**	0%	**44**	41	**15%**	14%
Black/African/Caribbean/Black British	**–**	–	**0%**	0%	**–**	–	**–**	–	**0%**	0%	**–**	–	**0%**	0%	**20**	21	**7%**	7%
Other ethnic group, including Arab	**–**	–	**0%**	0%	**–**	–	**–**	–	**0%**	0%	**–**	1	**0%**	6%	**14**	13	**5%**	4%
Not specified/prefer not to say	**–**	–	**0%**	0%	**–**	–	**–**	–	**0%**	0%	**–**	–	**0%**	0%	**23**	15	**7%**	5%
Total	**7**	7	**100%**	100%	**4**	4	**4**	3	**100%**	100%	**15**	18	**100%**	100%	**301**	299	**100%**	100%

1 At Law Debenture, the role of COO has been defined as a Senior Board position. The CFO is not a Board position but is a member of the executive management.
2 Executive management report to the Board.
3 Our definition of "senior management" aligns to that of the Parker Review (https://parkerreview.co.uk/). The Parker Review defines senior management as members of the Executive Committee (or equivalent) and of the senior managers who report directly to the members of the Executive Committee; "ExCo and ExCo minus one". We have excluded the CEO and COO who are also members of the Board as well as members of the Executive Committee. Changes to female representation among senior management largely due to organisational changes. There remains strong female representation across the Group.

Environmental, Social and Governance ('ESG') continued

year, with 59.1% women in Leadership. We also top the FTSE 350 and Top 50 Private Companies Sector Rankings for Financial Services.

- Three of our pension trustees were shortlisted in the Women in Pensions Awards 2024, with Samantha Pitt winning Trustee of the Year.
- Law Debenture was named winner of the Chartered Governance Institute UK & Ireland Diversity & Inclusion Initiative of the Year 2024.
- Law Debenture won the INSEAD alumni balance in business awards Best Overall Board, Exco and Direct Reports category which recognises trail-blazing FTSE350 organisations levelling the playing field for women and men in the workplace.

DE&I considerations are ingrained in the way we operate. A few of the actions undertaken in 2024 include:

- Ongoing culture initiatives –
  Such as Culture Week 2024 to bring together colleagues across the business to meet and share ideas.
- Training for all staff including unconscious bias, and equality and diversity topics.
- Encouraging volunteering with our partners –
  The Whitechapel Mission in London, and Wood Street Mission in Manchester.
- Ethnicity and gender shortlisting requirement with our preferred recruitment providers.
- Supporting our nominated charities of the year, the Samaritans and Marie Curie, via a wide variety of activities.

Data collection

Data for the table on page 58 which employees are invited to provide on a voluntary basis at enrolment, is stored in the HR system. We encourage staff to fill these out but there is no statutory obligation.

Human rights and modern slavery

The Group believes in the importance of doing business in ways that value and respect the human rights of our staff, customers, and business partners.

The Group will not knowingly engage with companies that use unlawful child labour or forced labour, nor will it knowingly accept products or services from suppliers that employ or utilise child labour or forced labour.

Pursuant to the UK Modern Slavery Act, our Modern Slavery Statement is published on our website (https://media.umbraco.io/lawdebenture/ygyjjd0w/law-debenture-modern-slavery-statement-2322024.pdf).

Case Study: Our IPS business supporting the issuance of an Education Bond for Pearson plc

We acted as Trustee on Pearson plc's £350m bond issue. The proceeds of the bonds are intended to contribute to improving access to education; the eligible projects target under-served learners and communities, including people living below the poverty line, those with disabilities and the unemployed. Pearson plc have put in place a Social Bond Framework to set out how they use proceeds from Educational Bonds with the aim of helping the United Nations meet their 4th Sustainable Development Goal – to "ensure inclusive and equitable quality education and promote lifelong learning opportunities for all."

Law Debenture has been recognized as a winner of the "Diversity and Inclusion Initiative of the Year" award, highlighting the significant efforts in promoting diversity and inclusion within the organisation.

Environmental, Social and Governance ('ESG') continued

Governance

Good governance is the essence of the commercial offering through the IPS business. At Law Debenture, we are award-winning providers of governance services.

As a FTSE 250 PLC, we comply with the requisite laws and regulations including the UK Corporate Governance Code and the Financial Conduct Authority's UK Listing Rules – for further details see our Corporate Governance report on pages 70 to 73.

As an investment trust, we also adhere to the UK Stewardship Code (the Code) through our investment manager. The Code sets out investment standards to be applied by institutional investors, asset managers and service providers.

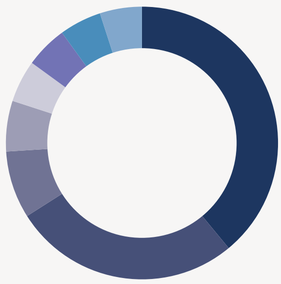
Voting

We delegate stewardship activities within our investment portfolio to our investment managers, whose preference as an active manager, is to engage with management and boards to resolve issues of concern rather than to vote against shareholder meeting proposals. In their experience, this approach is more likely to be effective in influencing company behaviour. However, where they believe proposals are not in line with shareholder interests or where engagement proves unsuccessful, they will vote against.

Law Debenture Voting Summary

During 2024, our investment managers voted on behalf of Law Debenture at 170 company meetings, including 26 with at least one vote against management.

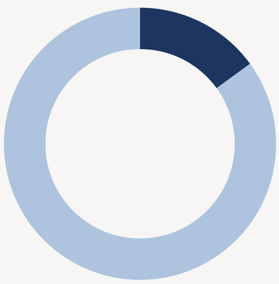
Voting by category



Source: Janus Henderson using Institutional Shareholder Services (ISS) categories, 31 December 2024, for the period 1 January 2024 to 31 December 2024.

- **39%** Director-related
- **27%** Compensation
- **8%** Capitalisation
- **6%** Other business
- **5%** Environmental & social
- **5%** Environmental
- **5%** Related-party transactions
- **5%** Social

% of AGMs with at least one vote against management



Source: Janus Henderson using Institutional Shareholder Services (ISS) categories, 31 December 2024, for the period 1 January 2024 to 31 December 2024.

Note: Some meetings had more than one vote against management.

- **15%** of meetings with at least one vote against management
- **85%** of meetings where we did not vote against management

Notable votes cast against management proposals:

Toyota – We voted against management in favour of a shareholder resolution requiring the company to disclose annually its climate-related lobbying activities.

Notable votes cast in favour of management proposals:

Ondine – We voted in favour of management, against the recommendations of our proxy advisor. Our investment managers acknowledge that early-stage companies can have some governance shortcomings, in this case board members with multiple responsibilities. While this does not adhere to best practise, Ondine is a small, early stage company and it is aware of the need to deal with this.

Ilika – We voted in favour of management, against the recommendations of our proxy advisor following an engagement with management. Our investment managers believe that the company made sufficient disclosures to explain the remuneration policies for senior management, and the company will be working to improve its discussions with the proxy advisor going forward.

Environmental, Social and Governance (‘ESG’) continued

Governance Case Study: Investment managers engaging with Marshalls over succession planning

Our investment managers recently met with the Chair of Marshalls and an independent director to discuss the unexpected resignation of the CEO. The Chair aimed to reassure investors about the robustness of the succession planning process. During the meeting, the Chair provided insights into the selection of the new CEO, who was appointed following a rigorous search process. The new CEO brings extensive experience in the consumer goods and building products sectors, coupled with strong commercial acumen. To ensure stability within the management team, the COO will assume additional responsibilities. The new CEO will continue to implement the existing business strategy, with the outgoing CEO remaining in the role for a year to facilitate a smooth transition.

IPS as a provider of governance services

From its origins over 135 years ago Law Debenture has diversified to become a group providing a range of governance services, further details of which can be found in the Chief Executive Officer’s review found on pages 11 to 19.

Examples of awards and achievements within our governance services include:

- Our whistleblowing business, Safecall, wining UK Business of the Year in the Business Brilliance Awards in January 2025.
- Three of our pension trustees were shortlisted in the Women in Pensions Awards 2024 with Samantha Pitt winning Trustee of the Year.
- Our Corporate Secretarial Services business was shortlisted in the Service Provider of the Year category at the 2024 Chartered Governance Institute UK & Ireland awards.

Law Debenture COO, Trish Houston, and Safecall Managing Director, Jo Lewis, receiving “UK Business of the Year” award at at the BOC Global Events and Training Group International Brilliance Awards 2025.

Law Debenture ESG Committee

The ESG Committee met six times during 2024 and is chaired by the Group ESG Manager who also attends meetings of the Audit and Risk Committee. ESG matters relating to strategy are escalated to the Board for approval.

For 2025, the ESG Committee and Audit and Risk Committee will continue to drive forward the Group’s commitment to the environment, social responsibility, corporate governance and sustainability and take the necessary steps to enhance its disclosures to investors and the wider market.

This report was approved by the Board of Directors on 11 March 2025 and signed on its behalf by:

Law Debenture Corporate Services Limited
Company Secretary

The Board and Executive Leadership

Robert Hingley N R Board Chair, Independent Non-Executive Director

Appointed to the Board on 1 October 2017 and appointed Chair 11 April 2018.

Experience: A corporate financier with over 30 years' experience, Robert was a partner at Ondra LLP until October 2017. From 2010 until 2015, he was a Managing Director, and later Senior Advisor, at Lazard. He was previously Director-General of The Takeover Panel from 2007, on secondment from Lexicon Partners, where he was Vice Chairman. Prior to joining Lexicon Partners in 2005, he was Co-Head of the Global Financial Institutions Group and Head of German Investment Banking at Citigroup Global Capital Markets, which acquired the investment banking business of Schroders in 2000. He joined Schroders in 1985 after having qualified as a solicitor with Clifford Chance in 1984.

Skills and Contribution: Strategy, Corporate Finance, Corporate Governance and Mergers and Acquisition.

External Appointments: Robert is currently the chairman of Phoenix Spree Deutschland Limited, Euroclear UK and International Limited and Marathon Asset Management. He is also a member of the Takeover Panel.

Denis Jackson Chief Executive Officer (CEO)

Appointed to the Board on 1 January 2018.

Experience: Denis joined Law Debenture in July 2017 as Chief Commercial Officer. Previously he was at Capita plc as director of new business enterprise, having been a director at Throgmorton UK Limited (which Capita acquired). Prior to that, Denis was regional general manager – Europe and the United States – for Tibra Trading Europe Limited, a FCA regulated proprietary trading company, which he joined from Citigroup (formerly Salomon Brothers). He spent almost 20 years there in a variety of roles including in Treasury (both in New York and London), as Head of the Finance Desk in Hong Kong, Head of Fixed Income Prime Brokerage in New York and ultimately, Head of EMEA Prime Brokerage Sales.

Skills and Contribution: Strategy, Commerce, Corporate Finance and Governance, Operational and Transactional leadership in regional organisations.

Trish Houston Chief Operating Officer (COO)

Appointed to the Board on 2 September 2020.

Experience: Trish brings 20 years of experience in leadership roles in the financial services industry. Previously, she was a member of the senior management team at JDX Consulting Limited, where she had executive responsibility for HR, IT and facilities and oversaw the merger of three businesses. Prior to that, Trish was a Partner at Ruffer LLP, where she held several roles including global head of HR and global head of risk. Trish was also a member of the investment management team at PricewaterhouseCoopers LLP and worked in their offices in the UK, Australia and Switzerland.

Skills and Contribution: Operational Growth, Risk Management, Strategy and Human Resource Management.

Clare Askem A R N Senior Independent Director, Workforce Engagement and Whistleblowing Champion

Appointed to the Board on 10 June 2021.

Experience: Clare has extensive background in strategic development and in-depth experience in business change and digital transformation. Previously, Clare was managing director of Habitat at Sainsbury plc and was a director on the Sainsbury's Argos operating board. Prior to her role at Habitat, she held a number of executive positions at Home Retail Group plc including director of strategic development, chair of the group's technology committee and director on the operating board for Homebase. Prior to these roles, Clare also held other executive positions at Dixons Carphone plc.

Skills and Contribution: Strategy, Corporate Transactions and Digital Marketing and Distribution.

External Appointments: Clare is a non-executive director of Portmeirion Group PLC and IG Design Group plc.

Key

(A) Audit and Risk Committee (R) Remuneration Committee (N) Nomination Committee ● Committee Chair

Pars Purewal
A R N Independent Non-Executive Director

Appointed to the Board on 16 December 2021.

Experience: After a career spanning more than thirty-five years, Pars retired as a senior partner of PricewaterhouseCoopers (PwC) in June 2019. His experience included being PwC's UK Asset Management leader for ten years and finance partner for both asset and wealth management. He was also chair of the Audit Committee of both Brewin Dolphin Holdings PLC and Federated Hermes International.

Skills and Contribution: In depth knowledge of the Financial Services Sector, Auditing and Accounting, Fund Management, Risk Management and Compliance.

External Appointments: Pars is currently a Fellow of the ICAEW, Chairman of Finsbury Growth & Income Trust PLC and Royal London Asset Management Holdings Limited, and is a non-executive director of Royal London Mutual Insurance Limited.

Maarten Slendebroek
A R Independent Non-Executive Director

Appointed to the Board on 11 January 2024.

Experience: Maarten has over 35 years of investment management experience and extensive knowledge in strategic development having previously worked as distribution and strategy director and later CEO of Jupiter Fund Management plc until November 2019. Before then he was managing director and head of international retail at BlackRock for over 18 years.

Skills and Contribution: In depth knowledge of the Financial Services Sector, Fund and Investment Management, Strategic Development and Governance.

External Appointments: Maarten is currently the chairman of the supervisory board at Robeco (Rotterdam), Mintus Group and Brooks Macdonald Group plc. He also serves on the board of trustees for the Orchestra of the Age of Enlightenment Trust.

Claire Finn
R A N Independent Non-Executive Director and Consumer Duty Champion

Appointed to the Board on 2 September 2019.

Experience: Claire's background is in the UK asset management, pensions and insurance industry, with her most recent executive experience at Blackrock, where she spent almost 13 years, rising to become managing director and head of UK DC, Unit Linked and Platforms, responsible for strategy, innovation and growth.

Skills and Contribution: Investment Management, Distribution to retail and institutional investors, Strategic Innovation and Growth in the UK asset management, pensions and insurance industries and Corporate Governance.

External Appointments: Claire is the chair of UBS Asset Management Life Limited and a non-executive director of Artemis Fund Managers Limited, Sparrows Capital Limited, Octopus Apollo VCT and Baillie Gifford Shin Nippon Public Limited Company.

Executive Leadership

As mentioned earlier in the report, our new CFO and CTO joined the CEO and COO as part of the Executive Leadership team.

Isla Pickering
Chief Financial Officer (CFO)

Spencer Knightsbridge
Chief Technology Officer (CTO)

Charlotte Drake
'He who commands the sea has command of everything' Themistocles
– LawDeb Lens 2022

Directors' Report

The Directors present their Annual Report and the audited financial statements for the year ended 31 December 2024. The Company operates as an investment trust in accordance with sections 1158-1159 of the Corporation Tax Act 2010 as amended ('CTA 2010') and has been approved as such by HM Revenue & Customs. In the opinion of the Directors, the Company has conducted its affairs so as to enable it to continue to be an approved investment trust under the CTA 2010. The Company, which is not a close company, is registered as an investment company as defined in section 833 of the Companies Act 2006 and operates as such. The Directors consider that the Group operates as a going concern.

The Corporate Governance report forms part of the Directors' Report.

Essential contracts

In the view of the Board, the only contract that is essential to the business of the Group is the investment management agreement with Janus Henderson, details of which are set out in the Strategic Report on page 37.

Financial instruments

The Company's financial instruments, financial risk management objectives and policies arising from its financial instruments and its exposure to risk are disclosed in note 19 to the Accounts.

Revenue, dividends and reserves

The Group statutory revenue return attributable to shareholders for the year ended 31 December 2024 was 33.48 pence per share. The Directors recommend a final dividend of 9.5 pence per share, which, together with the three interim dividends of 8.0 pence paid in each of July and October 2024 and January 2025, will produce a total of 33.5 pence per share if approved by shareholders at the AGM (2023: 32.0 pence). The final dividend will be paid on 16 April 2025 to holders on the register on the record date as at 21 March 2025. After deduction of the interim and 2023 final dividends of £43.6m (2023: £41.2m), consolidated revenue reserves increased by £2.3m (2023: increased by £0.1m).

Directors

The Directors at the date of this report are listed on pages 62 and 63. All Directors held office throughout the year, other than Maarten Slendebroek who was appointed on 11 January 2024 and Tim Bond who retired from the Board at the AGM held on 28 March 2024 after serving his nine year term.

All Directors are required to stand for re-election every year (or election at the next AGM following appointment). The list of candidates, which the Board supports, is set out in the Notice of AGM. The particular skills and experience that each Director contributes to the long-term sustainable success of the Company and the Group may be found on pages 62 and 63.

Directors' conflicts of interests

The Directors have a statutory duty to avoid conflicts of interest. The Board has in place appropriate procedures to deal with conflicts and potential conflicts, including an annual review, and can confirm that those procedures are operating effectively. Whether any new conflicts are to be declared is also considered at each Board meeting. Each Director has declared all matters that might give rise to a potential conflict of interest and these have been considered and, where necessary, approved by the Board.

Future developments

Details of future developments are disclosed in the Chairman's statement on page 10 and the Chief Executive Officer's review on page 19 in the Strategic Report.

Regulatory obligations

The Company is subject to continuing obligations applicable to premium listed companies, overseen by the FCA.

Information required to be disclosed in accordance with UK Listing Rule 6.6.4 is included as referenced below:

Rule	Detail	Where
6.6.1 (1)	Interest capitalised	Note 5, page 132
6.6.1 (6)	Allotment of equity securities	Note 17, page 143
6.6.1 (2-5) (7-13)	n/a	n/a

Under the Alternative Investment Fund Managers Directive ('AIFMD') the Company is required to appoint an "Alternative Investment Fund Manager" ('AIFM'), which must be appropriately regulated by the FCA. The Company has elected to be its own AIFM.

The AIFM is required to provide portfolio management, risk management, administration, accounting and company secretarial services to the Company. All of these functions, barring portfolio management which continues to be delegated to Janus Henderson, are undertaken by the Company. The Company has appointed NatWest Trustee and Depositary Services Limited, as depositary under Article 36 of the AIFMD. A fee is payable for this service, being 0.0225% per annum of the calculated monthly NAV. As part of its duties, the depositary is responsible for custody of the Company's Portfolio assets, and has appointed HSBC Bank plc (which has been the Company's custodian for many years) as sub-custodian.

AIFMs are obliged to publish certain information for investors and prospective investors and that information may be found either in this Annual Report or on the Company's website at https://www.lawdebenture.com/investment-trust/corporate-governance#the-alternative-investment-fund-managers-directive-(aifmd).

The AIFMD requires us to report on 'leverage'. This is slightly different from gearing (refer to page 160), leverage being any method of borrowing that increases the Company's exposure, including the

Directors' Report continued

borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its NAV and must be calculated on a 'gross' and a 'commitment' method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other. At 31 December 2024, the leverage calculated under the gross method was 1.16, and under the commitment method was 1.19.

ESG considerations

The Group gives ongoing consideration to ESG factors in both the management of the Portfolio and the IPS business. This is reflected throughout the Strategic Report on pages 8 to 61.

Our energy and carbon emissions are reported in the ESG section on page 54.

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.

Donations

The Company made charitable donations totalling £1,750 (2023: £1,520 to Place2Be) to The National Brain Appeal, London's Air Ambulance Charity, Enthuse and SANE. The Company did not make any political donations (2023: £nil).

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 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.

Workforce engagement

Clare Askem is appointed as our Workforce Engagement Director. Some of her responsibilities include:

- Being available to employees to discuss their views on working conditions and other relevant work-related matters or concerns.
- Understanding and interpreting the views of the workforce.
- Reporting the views of the workforce to the Executive Leadership team and the Board.
- Agreeing an annual calendar of engagement events with the Group Company Secretary.
- Providing feedback on existing workforce engagement mechanisms.

Further details regarding the workforce engagement that was conducted during the year as well as a review of the effectiveness of our workforce engagement mechanisms can be found in the Section 172(1) Statement on page 49.

Disability statement

We have policies in place to ensure that full and fair consideration is given to applications for employment from disabled persons, where they are able to adequately fulfil the role requirement.

Whilst we endeavour to build our workforce from within, we also recognise the benefit of introducing new talent into our organisation and sometimes need to look externally for strong talent. We search for candidates through a number of different avenues, which allows us access to a more diverse candidate pool. One of our key criteria when selecting our recruiting partners is to ensure our values are aligned. We also actively review recruitment procedures on a regular basis to encourage applications from and the employment of, persons with disabilities.

We are committed to promoting equal opportunities for colleagues with disabilities and we continue to review our policies and practices to ensure that persons with a disability do not encounter obstacles or discrimination throughout the application, training, promotion and career development stages. Wherever possible we will retain the services of a colleague who is or becomes disabled, including retraining and/or redeployment where reasonable and practicable. 5.4% of our colleagues have declared a disability.

Shareholder relations

The Board encourages communication with shareholders on matters of mutual interest throughout the year. The Executive Leadership team has primary responsibility for managing regular and effective communications with analysts and institutional investors on various matters such as operational, financial performance and strategy. The Board and Committee Chairs are also available upon request to meet with shareholders and they ensure that the Board/Committee as a whole have a clear understanding of investors' views, taking these into consideration when making decisions, as appropriate.

The Board recognises the value of the AGM as an opportunity to communicate with shareholders and encourages their participation. Separate resolutions are put to the AGM on each issue. The number of votes lodged for and against each resolution and the number of votes withheld are published immediately after the AGM to the London Stock Exchange and on the Company's website.

In March 2024, the Board was pleased to have been able to engage with shareholders in person during and after its AGM. Shareholders engaged with us on the growth prospects of certain portfolio companies, the macroeconomic conditions at the time, potential investment opportunities, the state of the UK market given increasing trends towards the United States, monitoring the current portfolio, the future of the Pensions Trustee business, share price performance, professional indemnity insurance, investment decisions and the potential impact to the business of a change in UK government. We also published a video recording of our AGM, in addition to the PowerPoint presentation, on our website for year-round access.

In line with governance recommendations, if 20% or more of the votes cast were against any Board resolution, the Company would announce the actions it intended to take including consultation with shareholders and a summary on the outcome of those discussions. The Board confirms that none of the resolutions put to shareholders at the AGM in 2024 received more than 20% votes against, of the votes cast.

Shareholders are sent a copy of the Annual Report, which includes our Notice of AGM, at least 21 clear days before the AGM. The Company also provides this service to shareholders in nominee companies where the nominee has made appropriate arrangements. Details of the 2025 AGM are set out at pages 166 to 167.

The Company is within scope of the Consumer Duty regulations. Claire Finn is the Board's Consumer Duty Champion. An Assessment of Value and Consumer Duty report, which assesses whether the Company's shares provide value to its retail shareholders, is presented annually to the Board for approval. This assessment also includes a summary of all shareholder communications and any complaints received during the year, as well as a review of the Company's shareholder engagement policy and target market assessment.

The Company's website has a dedicated shareholder information section, which includes all Regulatory News Service announcements, our monthly factsheets about the Portfolio's performance, a financial calendar, previous annual and half-yearly reports and other important shareholder information are available for download.

Other engagement activities undertaken during 2024 may be found on page 50 and 51 of the Section 172(1) Statement.

Other stakeholder relations

Day-to-day relationships with the Company's key stakeholders are managed by the Executive Leadership team, the Group Company Secretary and IPS Business Heads and where appropriate, their activities are reported to the Board. The Board, directly or through its Committees, engages or oversees engagement.

The Board is given the opportunity to interact with stakeholders at employee, client and investor focused events held throughout the year. Further details may be found in the Section 172(1) Statement found on page 50.

Investment managers – interests held

Laura Foll held 13,650 shares in the Company as at 31 December 2024 (2023: 13,650). James Henderson did not have a beneficial interest as at 31 December 2024 (2023: nil), although persons connected to him had an interest of 134,000 shares (2023: 134,000 shares). In addition, a charity with which James Henderson has non-beneficial connections owns 117,000 shares (2023: 117,000 shares).

The Company holds no shares in the Janus Henderson Group or their products. It has been notified that funds managed by members of the Janus Henderson Group held 50,951 shares in the Company as at 31 December 2024 (2023: 50,951 shares).

Employee participation/issue of shares

Employees are informed of the financial aspects of the Group's performance through regular all staff calls and periodic management meetings. As with all our shareholders, employees are able to view the Annual Report online or can request physical copy. Bi-annual updates, for all staff, on our financial performance are also held. The Company operates a SAYE scheme in which all

Directors' Report continued

UK established or resident employees are eligible to participate after completing a minimum service requirement.

Options outstanding under the SAYE scheme as at 31 December 2024 were:

Date of grant	Number of option holders	Shares under option	Exercise price
15 August 2018	2	5,445	606.00p
14 August 2019	11	17,375	592.00p
26 August 2020	15	40,901	539.00p
1 September 2021	22	32,462	778.00p
8 September 2022	16	19,984	781.00p
11 September 2023	31	37,543	775.00p
11 September 2024	27	22,465	897.00p

Employees are invited to participate in our SAYE scheme annually, where they are given the opportunity to save up to £500 each month for a period of five years. After five years, employees may either withdraw their savings and not buy any of the Company's shares or exercise the right to purchase shares at a price that is fixed at the date they entered into the scheme.

Directors' responsibility for financial reporting

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and other applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss for the Group for that period. The Directors are also required to prepare financial statements in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

In preparing these financial statements, IAS1 requires the Directors:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements;
- state whether they 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, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business; and
- prepare a Directors' Report, a Strategic Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time, the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the financial statements, article 4 of the IAS Regulation.

They are also responsible for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Annual Report and financial statements, taken as a whole are fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Website publication

The Directors are responsible for ensuring the Company's Annual Report and the financial statements are made available on a website. Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report. Directors' and Officers' liability insurance cover is also in place in respect of the Directors. The Company has made qualifying third party indemnity provisions for the benefit of its Directors and directors of its wholly owned subsidiaries, and these remain in force at the date of this report.

Directors' Report continued

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.

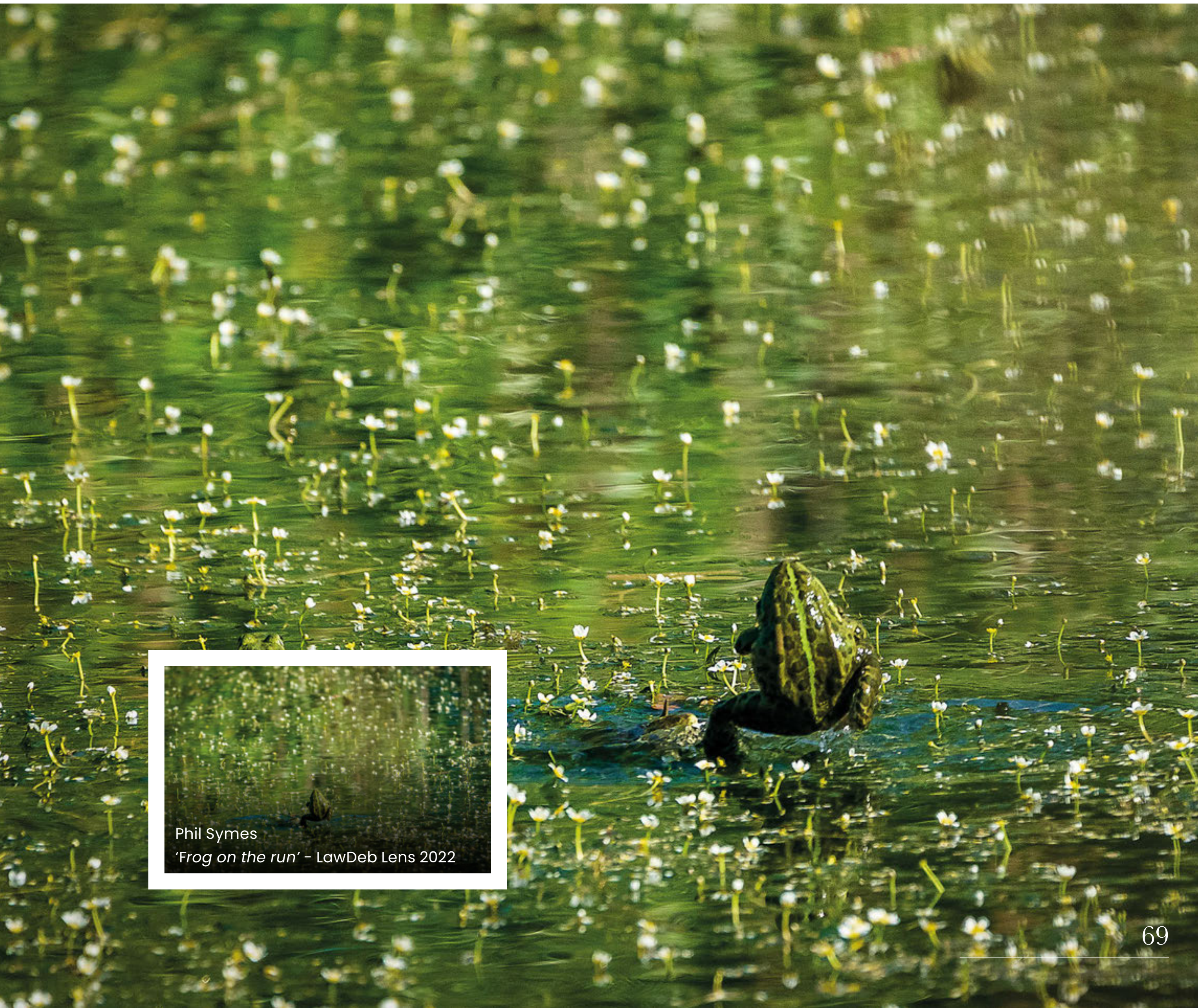
Auditors

In the case of each Director in office at the date the Directors' Report is approved:

- so far as each Director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

This report was approved by the Board of Directors on 11 March 2025 and signed on its behalf by:

Law Debenture Corporate Services Limited
Company Secretary



Phil Symes
'Frog on the run' – LawDeb Lens 2022

Corporate Governance Report

Corporate governance

The Directors are required to report on how the Company has applied the main and supporting principles in the UK Corporate Governance Code ('the Code'), and to confirm that it has complied with the Code's provisions or, where this has not been the case, to provide an explanation. This report relates to the Code as published in July 2018, a copy of which may be obtained by visiting www.frc.org.uk. The Financial Reporting Council ('FRC') has recognised that the Board structure of investment companies, such as Law Debenture, might affect the relevance of some of the provisions of the Code. The Company has therefore considered the provisions of the Code that are applicable to it as a FTSE 250 listed investment company. This corporate governance statement forms part of the Directors' Report and should be read in conjunction with the Strategic Report on page 8 to 61.

The Board has concluded that, as demonstrated by the disclosures made throughout the Strategic and Directors' Reports, the Company has complied with all of the requirements applicable to it under the Code.

In January 2024, the FRC published the 2024 UK Corporate Governance Code ('2024 Code'), which will apply to listed companies with financial years beginning on or after 1 January 2025, save for provision 29 relating to risk management and internal controls, which will apply on or after 1 January 2026. The Company is already compliant with a number of changes in the 2024 Code, and management continue to amend working practices where required to ensure full compliance with the 2024 Code by the given deadlines. Further details about enhanced monitoring and review processes in relation to risk management and internal controls can be found in the Audit and Risk Committee Report on page 79.

The Board – role and modus operandi

The names and biographies of the Directors at the date of this report are on page 62 and 63 of the Annual Report.

The Board is responsible for the overall strategy and management of the Group, setting investment strategy and ensuring that the Company is operating in compliance with statutory and legal obligations. There is a formal schedule of matters specifically reserved for Board decision, published on the Company's website (https://www.lawdebenture.com/investment-trust/corporate-governance#matters-reserved-for-the-board). Matters connected with strategy and management, structure and capital, financial reporting and control, the Portfolio, contracts, stakeholder engagement and shareholder communication, Board membership and other appointments, remuneration and corporate governance are reserved for the Board.

In discharging its responsibilities, the Board takes account of the Group's purpose, values and culture, aiming to promote enhanced value for shareholders in both capital and income terms. The Board sets a cultural tone that encourages openness, diversity and attention to the needs and views of shareholders and those who transact with us through our IPS business. The Board Chair also ensures that the interests of the Company's institutional and retail shareholders are tabled for discussion, to further the Board's understanding of their views and to garner responses, where appropriate.

The Board operates as a collective decision-making forum. Individual Directors are required to scrutinise reports produced by the Executive Leadership team and are encouraged to debate issues in an open and constructive manner. Where appropriate, the Board Chair also holds meetings with the Non-Executive Directors without the Executive Directors present and vice versa.

Procedures are in place to enable independent professional advice to be taken by individual Directors at the Company's expense.

The process for the appointment of Directors is set out in the Nomination Committee report on page 74. The Company may amend its Articles of Association by special resolution at a general meeting of its shareholders, at which at least 75% of the votes cast must be in favour of the resolution.

The Board meets regularly throughout the year. The attendance records of the Directors at scheduled Board and Committee meetings during 2024 are set out in the table below:

	Board	Remuneration Committee	Audit and Risk Committee	Nomination Committee
Number of Meetings	7	6	6	3
Denis Jackson	7	n/a	n/a	n/a
Trish Houston	7	n/a	n/a	n/a
Robert Hingley	7	6	n/a	3
Tim Bond	2 (2)*	2 (2)*	2 (2)*	1 (1)*
Pars Purewal	7	6	6	3
Claire Finn	7	6	6	3
Clare Askem	7	6	6	3
Maarten Slendebroek	6 (7)#	6	6	2 (2)#

** Tim Bond, Independent Non-Executive Director and SID, retired on 28 March 2024.*

 # Maarten Slendebroek was appointed as an Independent Non-Executive Director on 11 January 2024.

Numbers in brackets represent the number of meetings the Director was eligible to attend, where they were not appointed for the full year.

DIVISION OF RESPONSIBILITIES	
Board Chair	The Chair is responsible for the leadership and overall effectiveness of the Board and individual directors. He sets the agenda for each meeting with the support of the Group Company Secretary. The Chair manages the meeting timetable, promotes open and effective discussion and challenge at meetings and creates an environment in which all participants feel comfortable to share their views. He is also responsible for ensuring that shareholders' views are understood by the Board as a whole.
Senior Independent Director ('SID')	The SID provides a sounding board for the Chair and, if necessary, acts as an intermediary for the other Non-Executive Directors. The SID is also available for communication with shareholders where normal lines of communication via the Chair, CEO or COO are not successful or where it is considered more appropriate. The SID also leads the annual appraisal of the Chair and an orderly succession process for the Chair, working closely with the Nomination Committee in both cases.
Executive Directors	The Executive Directors are responsible for the leadership and management of the business within the scope of the authorities delegated by the Board. They must exercise those authorities to achieve the strategic objectives set by the Board, implement Board decisions and ensure that the Group complies with all of its regulatory and legal obligations. The Executive Directors are also responsible for communicating the views of the senior management team on business issues to the Non-Executive Directors of the Board.
Non-Executive Directors	The Non-Executive Directors help to set the strategy for the business, offer specialist advice, constructively challenge the Executive Directors and scrutinise the performance of the Executive Directors in relation to the delivery of that strategy and their personal objectives, the implementation of Board decisions and compliance with the Group's regulatory and legal obligations.

The Board – Independence

At least half of the Board, excluding the Chair, must be independent Non-Executive Directors ('NEDs'). The Board can confirm that, as at the date of this report, excluding the Chair, four of the six other Directors are independent NEDs. In assessing Directors' independence, the Board takes into account their tenure on the Board, whether or not a Director is independent of management and any material business or other relationship that could affect or interfere with the exercise of objective judgement by the Director, or his/her ability to act in the best interests of the Group. The Board is also satisfied that each Director dedicates sufficient time to Law Debenture, and that none of the Directors is 'overboarded' (having five or more listed company roles). When assessing time commitment, the Board takes into account Directors' private company and pro-bono roles. The contribution made by each Director to the Company's and Group's long-term success, is described on pages 62 and 63 of the Annual Report.

The Chair, Robert Hingley, was independent at appointment and continued to be independent throughout the period, in the view of the Board, having no current or previous connections with the Company or any of its subsidiaries.

The Board is satisfied that Robert Hingley's other commitments do not interfere with the discharge of his responsibilities to Law Debenture, and that he dedicates sufficient time to discharge his duties as Chair.

Similarly, the Board is satisfied that Pars Purewal, Claire Finn, Clare Askem and Maarten Slendebroek were independent at their respective dates of appointment and that they have remained independent, having no previous connection with the Company or any of its subsidiaries.

Denis Jackson and Trish Houston, as Executive Directors, are not independent.

During the year, Clare Askem succeeded Tim Bond as the SID following his retirement on 28 March 2024 and will be available to shareholders who have concerns that cannot be addressed through the Chair, CEO or COO.

Directors' Remuneration

Details of the Directors' remuneration appear in the Directors' Remuneration Report on pages 83 to 103.

Board Committees

The Board has established Nomination, Audit and Risk and Remuneration Committees, to each of which it has delegated certain responsibilities. Each Committee has terms of reference, which are reviewed annually and published on the Company's website (www.lawdebenture.com/investment-trust/corporate-governance). Membership of the Committees is also reviewed annually. Taking account of the position of the Company as an investment trust, the Board is deliberately kept small and it believes

Corporate Governance Report continued

this is in the best interests of shareholders. The Board remains satisfied that its composition and size is sufficient to ensure that the requirements of the business can be met.

The membership of the Board and its Committees are fully compliant with Code stipulations. Reports with respect to each of the Committees may be found on pages 74, 78 and 83.

The Board does not operate a Management Engagement Committee; the duties of such a committee are undertaken directly by the Board.

Accountability and audit, fair balanced and understandable reporting and going concern

The statement of Directors' responsibilities in relation to the financial statements appears on page 68. The independent auditors' report appears on pages 105 to 114. The Directors confirm that the Group and Company are a going concern as evidenced by the financial statements, which demonstrate a healthy position, taking into account all known and future anticipated liabilities, and the Group's ability to meet those liabilities. The performance metrics of the Group remain strong. There are no material uncertainties that call into question the Company's ability to continue to be a going concern for at least 12 months from the date of approval of the financial statements. The Directors therefore consider it appropriate to adopt a going concern basis in preparing the financial statements. Refer to the Going Concern Statement on page 122.

The Audit and Risk Committee has concluded, and the Board concurs, that the financial statements present a fair, balanced and understandable assessment of the financial position and prospects of the Company and the Group. The financial statements are reviewed by the Audit and Risk Committee, approved by the Board and signed by the Chair and CEO. In the opinion of the Board, the Annual Report, taken as a whole is fair, balanced and understandable and provides the necessary information for shareholders to assess the Company's and Group's position and performance, business model and strategy.

Internal controls and risk management systems

The framework of internal controls underpins the Company's risk management framework, enabling it to operate within the desired risk appetite. The following paragraphs provide a description of the main features of the internal control and risk management systems in relation to the financial reporting process, which fulfil the obligations of the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting and the Financial Conduct Authority's ('FCA') Disclosure Guidance and Transparency Rules. This section should be read in conjunction with the Strategic Report, which sets out how the Directors manage or mitigate the principal risks relating to the Group's business.

The Board monitors the effectiveness of internal controls on a continuous basis to ensure that internal control and risk mitigation is incorporated into the day-to-day management of the organisation, both directly through main Board general reviews and by the more specific work carried out by the Audit and Risk Committee. The annual internal audit programme and system of compliance checks have both been developed using a risk-based methodology and an evaluation of the existing process controls. Other mechanisms in place to monitor risk include:

- Board review of the Group's matrix of key risks and controls managed by the Group Risk Manager, reporting to an Executive Risk Committee;
- an internal audit function, reporting directly to the Audit and Risk Committee, which involves business departments and business wide processes (including overseas offices) being subject to audit on a regular basis;
- testing of the FCA regulated business' systems and controls;
- testing of the Company's compliance with its AIFMD obligations;
- review of reports by the depositary and the sub-custodian, including any ISAE 3402 auditor reports and bridging letters provided;
- periodic reports to the Board by Legal and the Company Secretary about legal and regulatory changes, and the steps that the Board must take to comply; and
- review of the reports produced by the external auditors on their annual audit work.

The Board considers that the above measures constitute the continuing application of the FRC risk guidance and form an important management tool in the monitoring and control of the Group's operational risks.

An important element of the overall controls remains a continuous review of the quality and effectiveness of internal financial controls of the Group. The Board requires that the Group maintains proper accounting records, so that it can rely on the financial information it receives to make appropriate business decisions and also that the Group's assets are safeguarded. This includes having data that allows the Board to consider country and currency exposure and potential impairment of assets (both financial and non-financial).

Key elements of the systems of internal control continue to be:

- regular qualitative self-assessment of the effectiveness of the individual controls maintained in the overall internal financial control framework; preparation by management of a comprehensive and detailed budget, involving annual Board approval and comparison at Board level of actual results with budgets and forecasts at every meeting;
- systematic reporting to the Board of matters relating to litigation, insurance, pensions, taxation, accounting, counterparty risk and cash management as well as legal, compliance and company secretarial issues;

Corporate Governance Report continued

- review of internal audit reports by the Executive Risk Committee and the Audit and Risk Committee;
- review of the internal controls of those services, such as investment management, which have been delegated to third parties. This review was conducted during the initial contractual negotiations and on a regular basis, including regular discussions with the senior management and compliance staff of Janus Henderson, and the performance of an on-site independent review of operational controls;
- monitoring by the Board of the investment management process, including the establishment and maintenance of investment guidelines, receiving a report from the investment managers on a quarterly basis, the review of all transactions with the investment managers and regular reconciliations of the records of the Group with those of the depositary and sub-custodian; and
- receipt of frequent and detailed reports about the performance of the IPS business, including the overseas subsidiaries.

The systems of internal financial control are designed to provide reasonable assurance against material misstatement or loss.

By means of the procedures set out above, the Directors have established a robust process for identifying, evaluating and monitoring the effectiveness of the internal control systems for the period. This process has been in place throughout 2024 and is reviewed by the Board on a regular basis.

We have a robust whistleblowing procedure which allows people to raise concerns under the Public Interest Disclosure Act 1998 about possible improprieties in matters of financial reporting or other matters. Any concerns which are raised will be subject to proportionate investigation, with appropriate follow up action as per the policy. There is a clearly defined reporting structure with colleagues having the option to raise any concerns with their line manager, the Head of Legal, Risk and Compliance and Head of HR or if those avenues are not appropriate, to the Workforce Engagement Director. If they do not wish to report to any of these persons for any reason, they may report their concerns using our whistleblowing service provided by Safecall, which is available 24 hours a day. Reports using this channel may be made anonymously. Further details on risk management may be found on pages 42 to 45.

Information about share capital

The information that the Company is required to disclose about its share capital can be found in the Directors' Report (significant holders) on page 66 and Notice of AGM (total voting rights) on page 171.

This report was approved by the Board of Directors on 11 March 2025 and signed on its behalf by:

Law Debenture Corporate Services Limited
Company Secretary

Nomination Committee Report

Annual statement by the Chair of the Nomination Committee

I am pleased to present the Company's Nomination Committee report for the year ending 31 December 2024.

Other than me as Chair, the members of the Committee who served during the year were Maarten Slendebroek, Pars Purewal, Claire Finn and Clare Askem. Tim Bond also served on the Committee until his retirement from the Board. Details of Committee meetings and attendance can be found on page 70.

Role and duties

The Committee's role is to keep under review the structure, size and composition of the Board and its Committees, to make recommendations to the Board about adjustments that are deemed necessary and to ensure effective succession planning in accordance with legal and corporate governance requirements.

Key duties

- Identification and nomination of suitable candidates to fill Board vacancies, with particular regard for the need to develop a diverse pipeline to the Board and Executive Leadership levels.
- Succession planning for the Board.
- Making recommendations for the election and re-election of Directors.
- Ensuring that the Board and its Committees are constituted to comply so far as practicable with legal and regulatory requirements and the Code.

The Nomination Committee ensures that the Board has in place arrangements for orderly and transparent appointments to the Board. It is the Board's policy that meetings be chaired by a Director other than the Board Chair, when dealing with the appointment of their successor. There are job descriptions in place for NEDs' roles, and the Board has written terms and conditions for such appointments, which will be made available for inspection at the Company's registered office upon request to the Company Secretary, until the conclusion of the 2025 AGM. Particular care is taken to ensure that NEDs are independent, have sufficient time to commit to the duties expected of them and that diversity factors are taken into consideration. No new NED is appointed without first being interviewed by each existing NED and comfort is obtained in relation to their other commitments to ensure they have sufficient time to devote to the role. The Committee considers using open advertising or the services of external search firms to recruit new Directors. Any external search firms used are expected to be a signatory to the standard voluntary code of conduct for executive search firms.

All new Directors undergo an induction process, including meetings with the CEO, COO, CFO, Legal, each of the Business Heads and the investment manager.

Tim Bond retired from the Board at the conclusion of the 2024 AGM held on 28 March 2024, following almost nine years of service. As disclosed in last year's report, Teneo , a global advisory firm which also provides executive recruitment services, was engaged to assist with the appointment of a new Non-Executive Director. Teneo remains a signatory to the Enhanced Voluntary Code of Conduct for Executive Search Firms. A separate arm of Teneo's business also provides public relations consulting services to the Company. Following a rigorous selection process against an agreed set of criteria and consideration of Board members' and candidates' independence, time commitment, skills, experience, knowledge and multi-diversity factors, Maarten Slendebroek, Non-Executive Director, was appointed on 11 January 2024.

The Board is committed to achieving and maintaining a diverse and inclusive membership to ensure optimal decision-making and to assist in the development and execution of strategy, for the benefit of its shareholders and other key stakeholders. The Board's policies on Diversity and Inclusion and Tenure and Succession Planning both embody this principle, which is considered and applied in the appointment and succession planning processes.

At the date of this report, the Company is compliant with the recommendations under the FTSE Women Leaders and Parker reviews.

Principal activities of the Committee

During the year, the Committee's principal activities included:

- Recommending the appointment of a new Non-Executive Director to the Board for approval.
- Reviewing the Board's policies on Diversity and Inclusion and Tenure and Succession Planning.
- Reviewing the Board's short, medium and long-term succession plans.

Nomination Committee Report continued

- Discussing the actions from the 2024 internal Board and Committee performance evaluation and monitoring progress on the actions from the 2023 external Board evaluation.
- Reviewing each of the Directors' independence and time commitments and introducing an overboarding policy.
- Reviewing the composition and constitution of the Board and its Committees.
- Considering and recommending the re-election of each of the Directors to the Board, who have subsequently recommended all of them for shareholder approval at the forthcoming AGM.

Board evaluation

Under the UK Corporate Governance Code, it is recommended that companies conduct externally facilitated Board and Committee evaluations every three years. The most recent of these was conducted by the Company in 2023 and therefore an internal Board evaluation was conducted during the reporting period by an internal questionnaire and facilitated by a representative of the corporate secretary.

The evaluation focused on the Board and its Committees' composition, knowledge and behaviours, governance processes and support, work undertaken during 2024 and priorities for 2025. For the Board, the questionnaire also focused on: investment, strategic and governance matters, investor and stakeholder engagement and major decisions taken during the year. The anonymity of responses was guaranteed throughout the process, to promote candid feedback. The results were discussed by the Nomination Committee in September 2024 during which the Directors, led by the SID, in the Board Chair's absence, reviewed the Board Chair's performance over the past year. This was followed by a discussion, led by the Board Chair, with the Non-Executive Directors and Executive Directors as separate groups, in the absence of the other, and finally a full Board discussion. Key actions arising from the 2024 internal evaluation were to:

- review Board and Committee meeting papers to reduce them in length; provide more focus on the data required for decision making and to provide more time to focus on strategy;
- review the group of individuals that the Remuneration Committee considered in addition to the Executive Directors; and
- focus on the Board's succession plan.

Actions against each of these recommendations is currently underway. The Board will continue to conduct an externally facilitated performance evaluation every three years and internal evaluations in the intervening years.

As reported last year, the Directors participated in a comprehensive external Board evaluation process in 2023 examining all aspects of its performance, conducted by independent external consultant, Clare Chalmers. Clare Chalmers provides no other services to the Company. Further details of this evaluation can be found in the 2023 Annual Report.

Based on the outcome of the 2024 Board evaluation and on the basis that they continued to make valuable contributions and exercise judgement and express opinions in an independent manner, the Board, on the recommendation of the Nomination Committee, has proposed the re-election of all Directors, as set out in the Notice of AGM on pages 166 to 167.

All Directors are submitted for annual re-election, subject to continued satisfactory performance, which is assessed as previously described.

Diversity and inclusion

The Board is committed to achieving the objectives set out in its Diversity and Inclusion Policy, which may be found on our website at https://www.lawdebenture.com/investment-trust/corporate-governance#board-diversity-and-inclusion-policy. Progress against those objectives is set out below.

We are proud of the progress we have made in becoming a more diverse and inclusive Board and workforce, which has resulted in, among other benefits, more independent and diverse thoughts and solutions, greater debate and challenge on pertinent matters and an integrated approach towards continually achieving long-term capital growth in real terms and steadily increasing income for our shareholders.

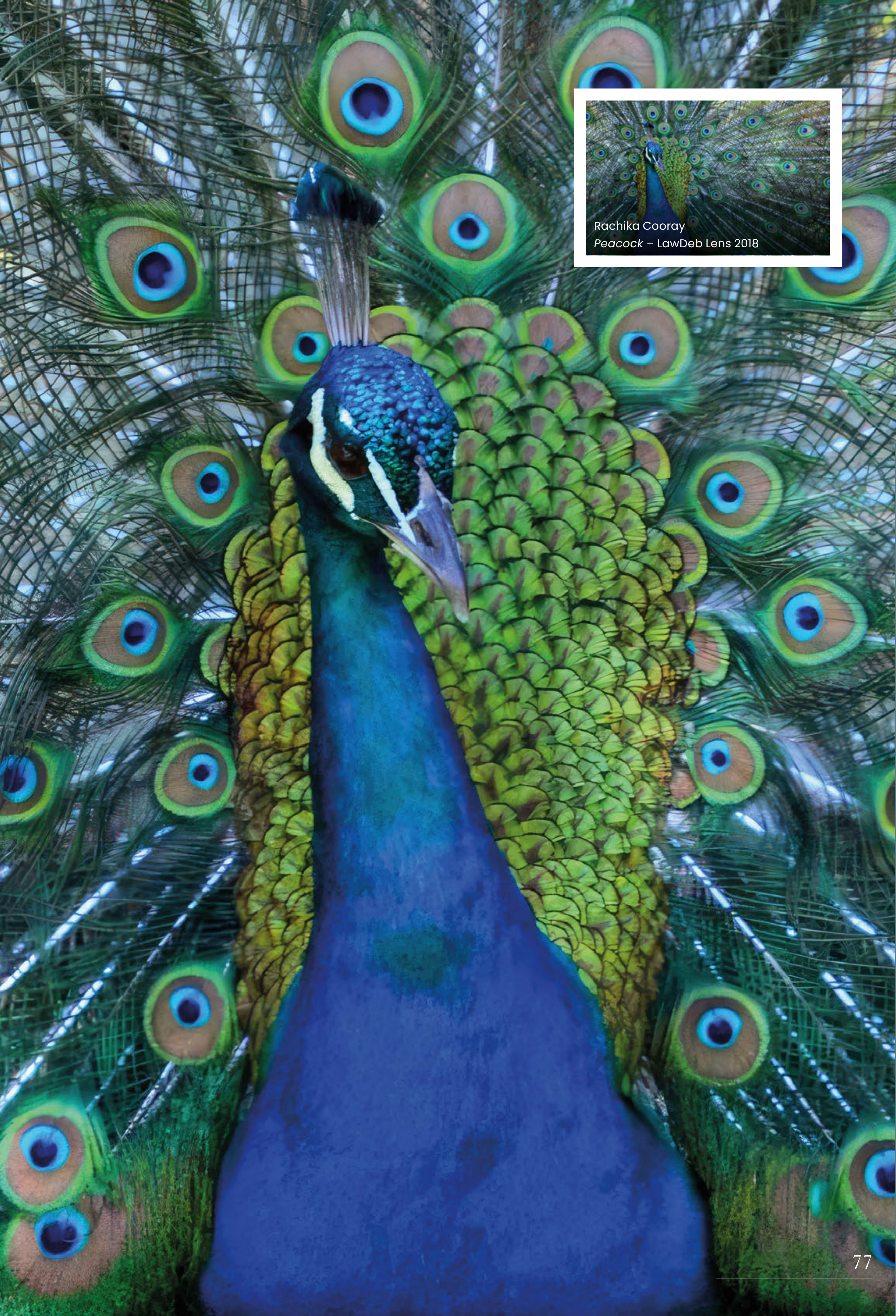
Whilst we have achieved our diversity targets and those set by the FTSE Women Leaders and Parker Reviews, we will continue to regularly evaluate our culture and composition and make enhancements for the benefit of our shareholders, clients, staff and other key stakeholders, as appropriate. We also review our succession plans at least annually to ensure we have the right persons in place to support the Group in achieving its objectives.

Nomination Committee Report continued

OBJECTIVES	PROGRESS
To continue to adopt a formal, rigorous and transparent process, taking into account diversity and inclusion, when considering the appointment of Directors. The Board is committed to using search firms that access talent from wide and diverse pools and whose values and approach in identifying and proposing suitable candidates are aligned with the Policy.	During the year the Board reviewed its Tenure and Succession Planning Policy, to ensure it remained fit for purpose. The policy sets out the procedures for the appointment of new Directors and succession plans for short-term absences in line with governance best practice. The process adopted for the appointment of Maarten Slendebroek, is disclosed on page 74.
To achieve and maintain the recommendations of the FTSE Women Leaders and Parker Reviews, with respect to gender and ethnic diversity at Board and Committee levels, recognising that unexpected changes in Board composition may result in temporary periods when this balance is not achieved.	As at 31 December 2024, the Company satisfied all recommendations of the FTSE Women Leaders and Parker Reviews, namely: • 43% of the Directors on the Board were female and 57% were male (at least 40% female representation on the Board required). • 40% of the members on the Remuneration and Nomination Committees were female and 60% were male. • There is a 50:50 split between male and female representation on the Audit and Risk Committee. • 50% of the Executive Leadership team are female and 50% male. • One Director on the Board is from an ethnically diverse background (at least one individual on the Board should be from a minority ethnic background). • At the Executive Leadership level, CFO and COO functions of the Company are held by women. • At the Board level, both the COO and SID roles are held by women (at least one of the senior positions on the Board should be held by a woman).
To be kept updated on the Executive Directors' progress in ensuring the proportion of direct reporting roles to the Board and the Executive Leadership team, held by women and persons from ethnically diverse backgrounds, are compliant with the FTSE Women Leaders and Parker Review recommendations.	The Executive Directors present on gender and ethnic diversity across the IPS business regularly. In addition analyses of employee positions held by women and gender and ethnicity pay gaps across all levels are regularly reviewed, including analyses of employee positions held by women and gender and ethnicity pay gaps across all levels of the Group at least annually. Further details can be found in the ESG section of the Strategic Report on page 58.
To continue to facilitate a culture of inclusivity among Board and Committee members and to encourage active contributions from all Directors, recognising that a clear tone and example must be set at Board level.	Several suggestions were made to further enhance the existing Board dynamic in the results of the 2023 external Board evaluation. These have been implemented during 2024; for example introducing informal sessions between Executives and Non-Executives between formal Board meetings. The results of the internal 2024 evaluation found that the culture and dynamic of the Board, Directors' individual performances and discussions at meetings continued to be effective.

This report was approved by the Board of Directors on 11 March 2025 and signed on its behalf by:

Robert Hingley
Chair, Nomination Committee



Rachika Cooray
Peacock – LawDeb Lens 2018

Audit and Risk Committee Report

Annual statement by the Chair of the Audit and Risk Committee

As I conclude my third year as Chair of the Audit and Risk Committee ('the Committee'), I reflect on another transformative period at Law Debenture. As the business continues to grow, the Committee has focused on ensuring that this growth is matched by investment in systems, processes and controls that match this growth and minimises risk. This has been a major focus for the Committee.

Last year, we actively oversaw the technology infrastructure project and the design of the target operating model ('TOM'). This year we have closely monitored the TOM's implementation, especially the roadmap to controls assurance. The appointment of our new Chief Technology Officer, Spencer Knightsbridge, has provided a further layer of oversight and control on the technology function which feeds into the TOM. Spencer sits at the Executive Committee level, demonstrating the fundamental importance this role will play in driving forward the Board's strategic vision to enhance the Group's technology capabilities and maintain a robust security environment.

Significant progress has been made with the Professional Services Automation ('PSA') Platform within the TOM. While some workstreams have advanced more than others, managing the pace of change remains crucial. The Committee will continue to oversee this as the Group evolves towards a modern control environment, ensuring compliance with provision 29 (Assurance of Controls) of the FRC's UK Corporate Governance Code by 2026 and supporting future business growth.

The Committee regularly reviews the collection and recoverability of our debtors. We monitored aged debt levels throughout the year, and we have been pleased to see that gross trade receivables at year-end have decreased (see note 14 on page 142). The addition of experienced Credit Control resources and changes to the billing process, supported by the PSA Platform ('Kantata'), will drive improvement in this area. In 2025, there will be a business-wide focus on tightening controls and increasing automation throughout the invoicing process, including in our overseas entities, as well as ensuring appropriate MI is produced to make reporting progress faster and more automated.

As part of our ongoing work around the controls environment, last year the Committee started to consider how the internal audit function should be set up as the Group continues to grow and evolve. Work in this area was accelerated this year following the departure of our Head of Internal Audit in November 2024. As such, we intend to move to an outsourced model, and we are currently identifying and engaging with potential partners. This approach will provide resource benefits, specialist expertise, and peer benchmarking. We value the internal audit work performed by RSM on our IT systems and infrastructure and believe outsourcing will bring necessary skills for complex areas.

We welcomed our new Chief Financial Officer, Isla Pickering, in January 2025. Isla brings extensive knowledge of the professional services sector and strong financial control. I look forward to working with her to drive controlled and sustainable growth.

Last year we said that considerable thought had been given by the Committee to the most appropriate method of the valuation of our IPS business, particularly whether reliance on market comparators remains suitable given the diminishing cohort. The number of market comparators has reduced further this year and, as advised by external professional experts, the Group has adopted an income based approach that follows a Discounted Cash Flow ('DCF') analysis as the primary valuation tool for the 31 December 2024 IPS valuation. The Committee was pleased that, following a cross check on market multiples, the new Methodology does not give a materially different result. Further information regarding the new valuation methodology can be found on page 39.

Areas of accounting judgments are always a key area of focus and the Committee is required to ensure that the Annual Report is fair, balanced and understandable. To this end, the Committee has paid particular focus on the presentation of the underlying results of IPS including a detailed review of goodwill impairments and £1.0m of non-recurring costs. The Committee is fully supportive of the approach on the basis that underlying IPS profit is the recurring profit. Further detail regarding both these can be found in the CEO report on page 11).

A key area of responsibility for the Committee is the recommendation to the Board of the final dividend to shareholders. The Committee continues to try to balance the inflationary pressures that our shareholders have faced whilst looking forward at the forecasted dividend income from the Portfolio and IPS business. In line with previous years, we recommended that each of the first three interim dividends be set at a quarter of the total dividend for the previous year, resulting in growth of 4.9% in the level of each interim dividend. As a Group, we remain committed to providing our shareholders with steadily increasing income and, with these factors in mind, we are recommending the final dividend of 9.5 pence per share, resulting in a total dividend of 33.5 pence.

Composition and Meetings

The Committee members during the year were the independent Non-Executive Directors, including myself as Chair, Maarten Slendebroek, Clare Askem, Claire Finn, and Tim Bond (until his retirement). Robert Hingley, Chair of the Board, is not a Committee member but attends meetings by invitation, along with the Executive Directors. The Committee also invites the Chief Financial Officer, external auditors, and personnel from the financial, legal, risk, and internal audit functions to attend and report on relevant matters. The Committee meets at least four times per year. The attendance of the Committee members is shown on page 70.

The Board reviews the Committee's composition and considers that, collectively, its members have sufficient recent and relevant financial, audit, and sector experience to fully discharge their responsibilities. This year's review of the operation of the Board and its committees was conducted by an internal board evaluation, detailed on page 75 of this report.

As part of the duties of the Committee Chair, regular meetings were held with the audit partner of Deloitte LLP, our external auditors, the Chief Financial Officer, the Head of Risk to discuss significant matters. Additionally, the Committee met privately with the external auditor to provide them an opportunity to raise any issues without management present. Regular meetings were also held with the Head of Internal Audit until her departure.

Role and Responsibility of the Committee

The main function of the Committee is to ensure the integrity of the Company's financial reporting and the appropriateness of the risk management processes and internal controls. The Committee's authority and duties are defined in its term of reference, which were reviewed during the course of the year, and can be found on our company website. The principal activities carried out during the year were:

Financial reporting

- Monitoring the integrity of the financial statements including the annual and half-yearly reports, preliminary announcements and any other formal statements or announcements relating to the Company's financial performance.
- Reviewing and reporting to the Board on significant financial reporting issues (if any) and judgements, which those statements contain.
- Meetings with the external auditor included discussing the 2023 financial statements and, in the fourth quarter, to plan the 2024 audit. The meetings included discussions on fees, auditor independence, key risks and non-audit services.
- Providing review and challenge where necessary over key areas of judgement, including the assumptions in support of the going concern statement and the Company's long-term viability and risks thereto. Last year we reported that we had taken the decision to increase the period of assessment from three to five years. The Committee remains of the view that five years is the most appropriate period over which to assess our viability.

Risk management and Internal control

The approach to risk management adopted by the Group is set out in the Principal Risks and Internal Controls section on page 42. Whilst the Board as a whole is responsible for the effectiveness of internal control mechanisms, it is informed by more specific work carried out by the Committee, which includes the initiation and oversight of any investigations that may be necessary to address control weaknesses or breaches identified. Our work in this area was supported by reporting from the Head of Internal Audit on the results of the programme of internal audits completed and their overall assessment of the internal control environment, with reference to the results of their work.

In addition to this, the Committee continues to review the adequacy and effectiveness of the Group's risk management systems and processes, with the Group Risk team providing reports on risk matters at each meeting of the Committee. Principal activities during the year, included:

- Considering the principal risks and controls and general oversight of the Group's internal control systems and procedures, including in the context of reports by the depositary, the Company's obligations as an AIFM and the heads of business and functions with respect to the IPS business.
- Reviewing the adequacy and effectiveness of the risk management and internal controls framework and roadmap, through engagement with the Executive Leadership team, the Head of Internal Audit and the Group Risk team. The Committee is encouraged by the Executive Leadership team's plans for the TOM and believes that this will support ongoing improvements in our control environment.
- Advising the Board on the Company's overall risk appetite, tolerance and strategy, and the principal and emerging risks the Company is willing to take in order to achieve its long-term strategy and objectives.
- Reviewing the inherent and emerging risks in the business and the system of internal controls necessary to monitor such risks. This included a review of the Company's Fraud Risk policy and the controls in place to mitigate this risk.
- Considering exemptions from audit by parent company guarantee for certain subsidiaries under S479 of the Companies Act 2006. Further details can be found on page 121 of the notes to the financial statements

Audit and Risk Committee Report continued

- Reviewing reports from the Group Risk and Legal teams and other applicable persons on risk and internal control matters and the adequacy and effectiveness of the control functions. As outlined in the Risk Management section on page 42, the Risk, Operations and Controls Committee monitors risk management within the IPS business and reports up to the Committee as required.
- Review of the External Auditor's Management Letter and the monitoring of the programme of work undertaken by Management to address recommendations made by the auditor.

Compliance

- Review of regular reports on compliance matters and keeping under review the adequacy and effectiveness of the Company's and the wider Group's compliance reporting and obligations.
- Review of regular reports from the Money Laundering Reporting Officer and the adequacy and effectiveness of the Company's and the wider Group's anti-money laundering systems and controls.
- Review of the Company's and wider Group's procedures, systems and controls for ethical behaviour and the prevention of fraud, including the Fraud Risk Policy. There have been no reported cases of bribery or breaches to our modern slavery policy.
- Review of the arrangements in place for Group staff, contractors and external parties to raise concerns in confidence about possible improprieties in financial reporting or other matters insofar as they may affect the Group (whistleblowing). The Committee ensures that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action.

Internal audit

As the Group grows and evolves, the Committee has been mindful of the need to ensure that the Internal Audit function keeps pace. Principal activities during the year included:

- Monitoring the effectiveness of the Head of Internal Audit's work and overseeing the implementation of any corrective actions. This has been done through regular meetings to discuss progress and there have been no concerns regarding the effectiveness of the function.
- Approving the internal audit programme in the context of the Company's overall risk management system and ensuring it is aligned to the key risks of the business. Once again, the Committee agreed a thematic risk-based internal audit plan for this year which is directly aligned to the Group's principal risks and looks at the Group as a whole.
- Ensuring internal audit has sufficient access to perform its function effectively and in accordance with relevant standards.
- Review of reports from the Head of Internal Audit, considering any major findings from their work and monitoring management's responsiveness to internal audit's findings and recommendations.

As outlined earlier in my report, we intend to move to an outsourced model for internal audit going forward, and we are currently identifying and engaging with potential partners.

External audit

The Committee recommended to the Board the reappointment of the external auditors.

The Committee also met the external auditors in order to inform considerations regarding their independence and effectiveness and to discuss the 2024 financial statements, including assessing the scope of their work and the key audit matters identified relating to valuation and of existence of quoted investments and IPS revenue, and to ensure their presentation is fairly stated.

The Company is in compliance with the requirements of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 and the UK Corporate Governance Code. Under these requirements a tender for the external audit must be undertaken no later than 2031. The last tender took place in 2021.

External auditors – assessing effectiveness

One of the principal functions of the Committee is to monitor the independence and objectivity of the external auditors, their performance and effectiveness. The Committee achieves this by an annual formal meeting with the external audit partner to plan that year's audit. Part of that process requires the external auditor to give the Committee a written assessment of how the external audit team identifies and manages the threats to its independence, along with the description of the safeguards that it has in place to avoid such threats. This vital part of the external audit process also enables the Committee to examine in detail the scope of the external audit, ensuring that the external auditor's objectives meet the Committee's own expectations, along with key audit and accounting matters to be considered that year. At the conclusion of each external audit, the Committee receives a presentation from the external audit partner on their principal findings.

This provides the opportunity for robust challenge, particularly in areas where management's judgement has been required. The Committee also gives the external auditors an opportunity, without the Executive Leadership team present, to comment on the quality and standard of the Finance function as well as the Executive Leadership team's support of the external audit. Similarly, the Committee seeks the views of the Executive Leadership team on the effectiveness and performance of the external audit team.

Audit and Risk Committee Report continued

Non-audit services

Non-audit services provided by the external auditor are reviewed by the Committee to ensure that independence is maintained. Non-audit fees are shown at note 3 to the accounts. The Committee's policy is that non-audit work should be limited to those matters where the external auditor is most appropriately placed to carry out the work unless there is a conflict of interest. Consequently, fees for non-audit services, which relate to assurance services such as an agreed upon procedures audit, have historically been low and in the year under review were £26,000 (2023: £21,825).

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.

This report was approved by the Board of Directors on 11 March 2025 and signed on its behalf by:

Pars Purewal
Chair, Audit and Risk Committee

David Spreckley
People – LawDeb Lens 2018

Directors' Remuneration Report

PART 1: COMMITTEE CHAIR'S STATEMENT

Dear Shareholder

I am pleased to present the Director's Remuneration Report for 2024 ('the Report').

The Report is in four sections:

- Part 1: Committee Chair's Statement
- Part 2: Remuneration Committee responsibilities
- Part 3: Remuneration Policy Table and implementation in 2024 and 2025
- Part 4: Annual Report on Remuneration for 2024

The content complies with the UK Directors' Remuneration Report Regulations 2013, as amended in 2018 and 2019.

Shareholder support

Remuneration for 2024 continues to be implemented in accordance with our Directors' Remuneration Policy ('the Policy') approved by shareholders at our AGM in 2023 for the 2023-2025 period. The Policy received strong support from shareholders with 95.76% of votes in favour. Our implementation of the Policy in 2023 also received overwhelming support, with 98.02% in favour. The current Policy will remain in place until the end of December 2025.

Alignment with market and performance

The Committee sets the total remuneration package for Executive Directors taking account of their direct management responsibilities for LDC's IPS ('Independent Professional Services') business and their role in overseeing the management of the Investment Trust as a whole. LDC's size, measured in market capitalisation, places it in the mid-range of the FTSE 250 index. However, we set remuneration levels for Directors using appropriate FTSE Small Cap benchmarks. Prior to 2023, the Chief Executive's base salary had fallen substantially behind benchmark levels and appropriate internal differentials. The approved Policy included a phased, three-step correction in his base salary – the first and second of those phased increases were implemented in 2023 and 2024, and the third step will apply in 2025. We shall review base salaries again in preparation for the next triennial Policy vote in 2026.

The annual bonus and long-term incentive plans ('LTIP') for Executive Directors include demanding targets for annual and 3-year growth in the profits of the IPS business. These profit growth targets, and the weights on financial performance in the bonus, were both approved as part of the Policy in 2023. We continue to apply these higher growth targets to bonus for 2024 and for the LTIP grant relating to the 2024-2026 performance period.

Annual performance and bonus outcomes for 2024

The Board Chair's and CEO's statements earlier in the Annual Report explain the achievements and performance outcomes for the business in 2024. It was another year of growth for IPS. Net revenue grew 6.2%, with particularly strong performances in Corporate Trust (revenue up 13%) and Safecall (revenue up 25%). IPS's underlying Profit Before Interest and Tax ('PBIT') grew by 6.4% compared with 2023. The management team also delivered good outcomes in the operational and strategic priority areas set by the Board, with a restructure of the IPS leadership team including some important new appointments, enhancements in the operational capabilities of the business and in branding and marketing. Progress was also made in employee and client net promoter and satisfaction metrics.

Annual bonus for 2024 was based on IPS profit growth (60% weighting) and non-financial objectives (40% weighting), with a maximum award of 125% of base salary as in 2023. The Committee exercised discretion to measure IPS PBT on an underlying basis for 2024 (this is, before impairment of goodwill and other exceptional non-recurring costs associated with the restructuring). Although underlying profit growth of IPS PBIT was relatively strong, underlying profit growth of IPS after interest ('underlying PBT'), grew by 2.4%. As IPS underlying PBT growth was below the threshold level of 5% set by the Committee, the outcome for the financial element of the annual bonus (60% weight) for 2024 was zero.

Achievements in the non-financial key performance areas set by the Committee were generally strong. As set out in the Report, the Committee set four discrete areas of performance for 2024, and assessed the total score for these to be 43.13% of base salary out of a maximum of 50% of base salary for this component of the bonus.

Directors' Remuneration Report continued

Before approving the performance and bonus outcome, the Committee considered whether there were any wider performance factors that might require a downward adjustment. This included considering the relationship between the financial and non-financial performance, revenue growth, underlying PBIT, wider non-financial performance, and risk management and regulatory compliance. The Committee noted that while the financial performance was below the threshold, rewarding the non-financial performance remained appropriate. The Committee concluded that the total bonus award of 43.1% of base salary resulting from the scorecard outcomes, out of a maximum opportunity of 125% of base salary, was appropriate.

Details of the Committee's assessment of performance outcomes relative to each of the annual bonus criteria, are set out in this Report.

Annual bonus for 2025

In 2025, the Committee will continue to assess performance for annual bonus based on IPS financial metrics (60% weight) and non-financial indicators (40% weight), with the same maximum bonus level of 125% of base salary. From 2025, the Committee has decided to use IPS Profit Before Interest and Tax ('PBIT') as the financial metric, rather than PBT. Interest income can fluctuate with changes in internal allocations of cash within the Group; the Committee has therefore concluded that PBIT is likely to be a more reliable measure of underlying profit performance in IPS.

Long-term performance, LTIP outcomes for 2022-2024 and 2024 LTIP grant

The three years to 31 December 2024 have been another successful period for the IPS business. Net revenue has grown to £53.7m in 2024 compared with £41.6m in 2021. The LTIP for the period 2022-2024 was in the form of shares, using a performance metric of IPS PBT growth. Threshold growth was set at 4% CAGR ('Compound Annual Growth Rate') (25% vesting) and a stretch performance level was set at 10% CAGR (100% vesting). There was straight-line interpolation between threshold and stretch. The Committee applied its discretion to use the underlying measure of PBT (before impairment of goodwill and other exceptional non-recurring costs associated with restructuring) in assessing performance. This underlying metric is a good indicator of the fundamental strengths and growth of the IPS business. Over the three years, IPS underlying PBT has grown by a total of 22.3%, giving a CAGR of 6.9%, and producing a vesting level of 61.75% of maximum on the performance scale set for the award.

Before approving the vesting level, the Committee considered whether there were any wider performance factors that should be taken into account, including any 'windfall gains' from unusual share price movements at grant, and any risk management or regulatory compliance matters. Having considered these issues, the Committee determined the vesting outcome was a fair reflection of the overall performance and development of the IPS business over the three years.

The resulting vested shares are subject to a two-year post-vesting holding period, in accordance with the Policy.

LTIP grants of 150% of base salary were made to the Executive Directors in 2024, in line with the approved Policy. The performance condition for vesting is IPS PBT growth over the 3-year period with a range of 4% CAGR at threshold to 14% CAGR at maximum, which is more demanding than the range used for awards prior to 2023. The vesting percentage at threshold performance is 20% of maximum, five percentage points lower than the level for LTIP grants prior to 2023.

Long-term incentive grants in 2025

The Committee intends to grant performance shares to the two Executive Directors in 2025 with a grant value of 150% of base salary, in accordance with the approved Policy. These awards will have a 3-year performance period, followed by a two-year post-vesting holding period. The performance metric for the vesting of awards will be growth in PBIT, with a threshold performance requirement of 4% CAGR (20% vesting) and stretch level of 14% CAGR (100% vesting). As explained in previous Reports, EPS or TSR would not be appropriate metrics for the IPS business as it does not have listed shares of its own. PBIT is considered a better measure of the underlying performance of IPS than PBT, and, whilst this is the same metric as used in the annual bonus, for the LTIP it is measured over a 3-year period.

Base salaries

Base salary increases for 2025 for Company employees averaged 4.1%. Increases were targeted, with typical awards of 3%-6% for employees earning below £55k in London or £40k outside London. Increases were generally in a range of 1.5% to 4% for employees above these salary thresholds. Larger increases were awarded for role changes, promotions and significant market adjustments.

The Committee decided to increase the base salary of Trish Houston (COO) to £305k for 2025, an uplift of 3.9% from her previous salary of £293.5k. This follows a modest increase of only 1.2% awarded to her last year, when the average increase for other Company employees was considerably higher at 5.6%.

As previously communicated in Remuneration Reports, prior to this Policy period the CEO's base salary of £325,000 had fallen far out of line and was not at a fair level, either relative to others in less senior roles in the Company or relative to other CEOs in the market. The situation was not sustainable, was inconsistent with the Company's values and did not support motivation, retention or recruitment of talent. The Committee therefore included in the Policy approved by shareholders a three-stage, phased increase. Taking account of views and preferences from shareholders for a 'back-end loaded' approach, the first increase was modest (3.9% on top of a general employee increase of 5%), followed by larger increases of 12.99% and 12.5%, respectively, in the second and third years. The first and second of these stages were implemented in 2023 and 2024 respectively. The third stage has been applied for 2025, increasing the CEO's base salary to £450k for 2025 from £400k in 2024. This brings the base salary closer into line with benchmarks in the FTSE Small-Cap.

Directors’ Remuneration Report continued

Board Chair fee and NED fees for 2025

The Committee reviewed the Board Chair fee level of £130k. Although the level was last increased for 2024 (from £110k in 2023), the Committee concluded that there was a need for a further increase for 2025. This continues the process of bringing the fee up to a level that properly reflects the role’s responsibilities and the significant time commitment of around 50 days per annum. The role includes not only overseeing the strategy, management and performance of the Trust’s investment portfolio, but also exercising governance oversight of the IPS business within the Company. The Committee decided to increase the fee for 2025 to £140k.

The Board (excluding NEDs) also reviewed the fee levels for Non-Executive Directors. These were last increased two years ago in 2023. The Board decided to increase the base fee level for 2025 to £54k from £50k previously. This base fee increase takes account of market fee levels and the time commitment required in the NED roles of around 30 days per annum. The role includes both overseeing the Trust’s strategy and performance, and governance of the IPS business within the Company.

UK Corporate Governance Code and FCA Remuneration Code

The Board reviews the Committee’s composition and considers that, collectively, its members have sufficient recent experience to fully discharge their responsibilities. This year’s review of the operation of the Board and its committees was conducted by an internal board evaluation, detailed on page 75 of this report.

As part of the duties of the Committee Chair, regular meetings were held with the Remuneration advisers, Alvarez & Marsal.

The Committee oversees the wider workforce remuneration policy and its implementation. This includes approving the base salaries, annual bonus awards and long-term incentive grants for senior management roles and any other Remuneration Code staff. It also includes approving the budgets and principles for base salary increases and annual bonuses for other colleagues in the Company and receiving regular feedback and updates on remuneration across the organisation. The Committee also monitors the Gender Pay Gap, salary levels relative to the Real Living Wage, and the CEO-to-median-employee total pay ratio. The Committee also oversees LDC’s share plans for employees including the all-employee share plan.

One of our Committee members, Clare Askem, is also the NED with responsibility for overseeing Workforce Engagement. Clare conducts meetings with panels covering a cross-section of colleagues. These provide an opportunity for colleagues to raise any issues directly with a Non-Executive Board Director including asking any questions about executive remuneration policy or practice.

The Committee monitors how the remuneration policy and practice meets the requirements of the Corporate Governance Code, including its remuneration principles of clarity, simplicity, predictability, alignment to culture, proportionality and management of risk. The Committee also reviews compliance with the FCA’s Remuneration Code and its proportionality guidance, including identifying Code staff roles and ensuring that remuneration supports prudent management of risk.

Total Shareholder Return

The Company has sustained good levels of return to shareholders. Over the 10 years to 31 December 2024, the Company has achieved a Total Shareholder Return of 147%, meaning that £1,000 invested in the Company at the start of this period would be worth £2,470 at the end of 2024, compared with £1,820 if this £1000 had been invested in the FTSE All-Share index (TSR of 82%) over the same period.

Conclusion

The remuneration outcomes for 2024 reflect continued robust levels of underlying performance. The Committee encourages you to vote in favour of the Directors’ Remuneration Report for 2024, and we welcome any feedback you may have.

By order of the Board

Claire Finn
Chair, Remuneration Committee
On behalf of the Remuneration Committee

11 March 2025

Directors' Remuneration Report continued

PART 2: REMUNERATION COMMITTEE RESPONSIBILITIES

Remuneration Committee

REMUNERATION COMMITTEE MEMBERSHIP AND ACTIVITIES DURING 2024			
Members	The members of the Committee who served during the year were:	Claire Finn (Chair) Robert Hingley Pars Purewal Clare Askem Maarten Slendebroek	Details of Committee meetings and attendance can be found on page 70.
Key activities of the Committee during the year included:	• Implementing the Remuneration Policy; • Preparing the Directors' Remuneration Report for the financial year ending 31 December 2023; • Determining annual bonus outcomes and payments for the Executive Directors and approving outcomes for the Senior Managers relating to the financial year ended 31 December 2023;	• Setting performance objectives, annual bonus measures and targets for the financial year ending 31 December 2024; • Reviewing the operation of the annual bonus process; • Benchmarking pay for the Executive Directors and Board Chair; • Determining the Board Chair's fees; • Determining performance conditions for the grant of LTIP awards in 2024;	• Determining LTIP awards to vest in 2024; • Reviewing the LTIP Rules; • Reviewing the Remuneration Committee Terms of Reference; • Reviewing the Gender and Ethnicity Pay Gap report; and • Reviewing the remuneration consultant's, Alvarez & Marsal's, performance and fees
Support provided to the Committee	Alvarez & Marsal was appointed by the Committee as independent adviser following a formal selection process in 2022. Alvarez & Marsal is a member of the Remuneration Consultants Group and voluntarily operates under its Code of Conduct in its dealings with the Committee. Alvarez & Marsal's fees for the provision of independent advice to the Committee during the year amounted to £49,435. Other than in relation to advice on remuneration, Alvarez & Marsal provides no other support to the Company or wider Group. The Committee is satisfied that Alvarez & Marsal does not have connections with the Group that may impair their objectivity and independence. During the year, the Committee also took advice from the CEO and COO, whose attendance at Committee meetings was by invitation from the Chair, to advise on specific questions raised by the Committee and on matters relating to the performance and remuneration of the Senior Managers and the wider workforce. No Director participated in discussions that related directly to their own remuneration.		
Key responsibilities of the Committee	The Committee's terms of reference is published on the Company's website (https://media.umbraco.io/lawdebenture/d3abbnkk/law-debenture-remuneration-committee-terms-of-reference-approved-dec-2024.pdf). The key responsibilities of the Committee are to: • undertake a triennial review of the Remuneration Policy for the Executive Directors; • determine the Remuneration Policy for Executive Directors and Senior Managers in compliance with legal and governance requirements and in the context of pay conditions across the workforce, engaging with shareholders thereon; • determine the individual remuneration packages for Executive Directors and Senior Managers; • approve the remuneration package of the Board Chair; • consider the design of, determine targets for and review outcomes for the annual bonus plan; • determine the design of, quantum and performance conditions for long-term incentive plans; • review workforce remuneration and related policies across the Company as a whole; • review pension arrangements, service contracts and termination payments for Executive Directors; and • approve the Annual Remuneration Report, ensuring compliance with legal and governance requirements.		

Directors' Remuneration Report continued

PART 3: REMUNERATION POLICY TABLE AND IMPLEMENTATION IN 2024 AND 2025

SALARY AND BENEFITS	
Purpose	To provide an appropriate level of salary and competitive benefits package to attract and retain individuals of the required calibre to successfully deliver the business strategy.
Operation and opportunity	Salary increase percentages for Executive Directors and Senior Managers are determined at the discretion of the Committee but will normally not be higher than those of the wider workforce. Increases may be made above this level in certain circumstances, including (but not limited to): • An increase in scale, scope or responsibilities of the role; • To ensure salaries are market competitive; and • Where individuals have been recruited or promoted with salaries below the targeted policy level initially and have become more established in their role. Benefits may include (but are not limited to) private medical insurance, life insurance cover, disability income plan, season ticket loans and professional subscriptions. Other benefits may be introduced from time to time to ensure the benefits package is competitive and reflects the circumstances of the individual Director, for example relocation allowances. The Committee may award non-pensionable cash payments in lieu of one or more of these benefits. Benefits may vary by role and individual circumstance and are reviewed periodically.
Performance framework	None
Outcomes for 2024	Denis Jackson's annual salary was £400,000. He also opted to participate in the Company's health care plan. Trish Houston's annual salary was £293,500. She also opted to participate in the Company's health care plan.
Implementation in 2025	As approved in the Policy, the CEO's salary is being re-positioned in stages over three years, subject to continued good performance in role: 2023: £354,000 2024: £400,000 2025: £450,000 His benefits are unchanged in 2025. Trish Houston's salary will be increased by 3.9% to £305,000. This increase is below that of the wider workforce. Her benefits are unchanged in 2025.
PENSION	
Purpose	To provide funding for retirement at market competitive levels.
Operation and opportunity	Executive Directors may receive pension contributions to a personal Pension scheme and/or cash allowances in lieu of contributions. Executive Directors (including current incumbents and new Directors) to receive a contribution of 9% of base salary in line with the contribution for the majority of the workforce.
Performance framework	None
Outcomes for 2024	Denis Jackson received the cash allowance in lieu of contributions equivalent of 9% of salary. Trish Houston received a cash allowance in lieu of part of her pension contributions, the remainder was received in pension contributions.
Implementation in 2025	Denis Jackson's pension contribution is unchanged in 2025. Trish Houston's pension contribution is unchanged in 2025.

Directors' Remuneration Report continued

ANNUAL BONUS	
Purpose	To incentivise and reward the achievement of annual business objectives to enable successful implementation of the Group strategy, and to align the interests of Executive Directors with shareholders and support retention.
Operation and opportunity	Financial and non-financial objectives, targets and metrics are set at the start of the year. Maximum individual annual bonus opportunity is 125% of base salary. 60% of maximum (equivalent to 75% of salary) is payable for financial performance. 40% of maximum (equivalent to 50% of salary) is payable for non-financial performance. Half of any bonus earned above £100,000 will be deferred in shares for three years. Dividend equivalents may accrue on deferred bonus awards and be paid on those shares which vest. The Plan contains malus and clawback provisions (see below for details). The total aggregate annual bonus payment for Executive Directors is capped at 25% of the general bonus pool for employees.
Performance framework	Performance versus financial and non-financial objectives is assessed at the end of each year to determine the award. The financial component of the bonus is calculated on a formulaic basis. Threshold and stretch financial performance levels of 5% to 12% annual growth in profits are applied, with a pay-out of 20% of maximum at minimum threshold performance rising to 100% of maximum at stretch performance, calculated on a straight-line basis. The Committee assesses performance against strategic objectives and associated targets and metrics to determine the non-financial component of the bonus to be awarded. The Committee has discretion to set suitable metrics and targets, and to adjust the formulaic bonus outcome to reflect underlying Company performance. Any adjustments or discretion applied by the Committee will be fully explained in the following year's Remuneration Report.
Outcomes for 2024	Denis Jackson has been awarded a 43.1% of base salary bonus, out of a maximum 125% of base salary. The basis for award is explained on pages 95 to 96. Trish Houston has been awarded a 43.1% of base salary bonus, out of a maximum 125% of base salary. The basis for award is explained on pages 95 to 96.
Implementation in 2025	The maximum individual annual bonus opportunity continues to be 125% of base salary for Denis Jackson. The maximum individual annual bonus opportunity continues to be 125% of base salary for Trish Houston.
LTIP	
Purpose	To drive sustained long-term performance that supports the creation of shareholder value, and to encourage and facilitate substantial long-term share ownership.
Operation and opportunity	An award of conditional shares or nil cost-options may be granted annually. Awards vest after three years, subject to performance and continued employment. Following vesting, an additional two-year holding period will apply (net of tax), such that shares are not released until five years from grant. Award levels and performance conditions are reviewed in advance of each grant to ensure they remain appropriate. At the Committee's discretion, an amount in shares or cash equal in value to the dividends payable may accrue on shares which have vested from the date of vesting until the end of the holding period.
Performance framework	The award is currently based on financial measures, normally profit-based measures linked to the IPS business. The Committee has the discretion to set suitable metrics and targets for each grant. The higher maximum award size in this Policy of 150% from 2023, was accompanied by a reduction in the vesting percentage at threshold performance to 20%, and by more demanding performance requirements.

LTIP continued	
Performance framework continued	The Committee has discretion to adjust the formulaic vesting outcome to reflect underlying Company performance. Any adjustments or discretion applied by the Committee will be fully explained in the following year's Remuneration Report.
Outcomes for 2024	The Committee uses growth in IPS PBT for existing LTIP awards as the metric for determining the level of vesting over the relevant performance period. In the event that an acquisition is made for IPS, an appropriate adjustment to starting PBT will be made so as to ensure a like-for-like comparison. Denis Jackson was awarded an LTIP in 2022 which will vest in March 2025. The Committee exercised discretion to measure PBT on an underlying basis in 2024 (that is, before impairment of goodwill and other exceptional non-recurring costs associated with restructuring). Using underlying[1] IPS PBT for 2024, CAGR over the 3 year period was 6.9%, relative to threshold to stretch performance range of 4% to 10% CAGR, so he will receive 61.8% of the maximum of award. Trish Houston was awarded an LTIP in 2022 which will vest in March 2025. Using underlying[1] IPS PBT for 2024, CAGR over the 3 year period was 6.9%, relative to threshold to stretch performance range of 4% to 10% CAGR, so Trish Houston will receive 61.8% of the maximum of award. The Executive Directors were each granted LTIP awards in 2023 and 2024 of 150% of base salary, and will be granted 2025 awards, also of this percentage of base salary. The annual growth percentages at threshold and stretch for the 2023 and 2024 grants are 4% and 14% respectively and the percentage vesting at threshold performance was reduced to 20% with effect from the 2023 grants (previously 25%).
Implementation in 2025	The annual growth percentages at threshold and stretch for the 2025 grant are 4% and 14% respectively, with 20% vesting at threshold, based on profit before interest and tax. Denis Jackson will be awarded an LTIP of up to 150%, subject to meeting the performance conditions. Trish Houston will be awarded an LTIP of up to 150%, subject to meeting the performance conditions.
Note	*1 See alternative performance measures on page 161 for reconciliation to statutory PBT and details of non underlying items.*

ALL EMPLOYEE PLANS	
Purpose	To encourage share ownership throughout the workforce.
Operation and opportunity	The Executive Directors are eligible to participate in an HMRC-approved Save As You Earn Share Save Plan ('SAYE') and/or Share Incentive Plan ('SIP') on the same basis as all other eligible UK employees. The Committee intends to maintain and operate these schemes in accordance with scheme rules and HMRC Regulations. The prevailing HMRC approved limits apply.
Performance framework	None

SHAREHOLDING REQUIREMENTS	
Purpose	To provide alignment between the interests of the Executive Directors and our other shareholders.
Operation and opportunity	The Executive Directors are required to build and maintain a minimum shareholding of two times base salary. Executive Directors are required to retain 50% of the post-tax number of vested shares from the Company incentive plans until the minimum shareholding requirement is met and maintained. On cessation of employment, Executive Directors are required to retain their minimum shareholding requirement immediately prior to departure for two years. Where their actual shareholding at departure is below the minimum shareholding requirement, the Executive Directors' actual shareholding is required to be retained on the same terms and for the same periods. The Company has established a process for monitoring and enforcement of in-role and post-cessation shareholding requirements.
Performance framework	None.

Directors' Remuneration Report continued

SHAREHOLDING REQUIREMENTS continued	
Outcomes for 2024	Denis Jackson held 270% of base salary in shares through his own account, deferred bonus (net of expected PAYE), LTIP vested awards (net of expected PAYE), SAYE and the SIP against a target of 200% of base salary as at 31 December 2024. Trish Houston held 128% of base salary in shares through her own account, deferred bonus (net of expected PAYE), LTIP vested awards (net of expected PAYE), SAYE and the SIP against a target of 200% of base salary as at 31 December 2024. This figure also includes 1,474 shares held by persons closely associated ('PCA').
Implementation in 2025	No changes to the policy.

Consideration of shareholder views

The Remuneration Committee is committed to shareholder dialogue and engages with shareholders as appropriate to address any remuneration issues that arise in relation to the Executive Directors. Shareholders are given the opportunity to engage with decisions in relation to Executive Director pay at the AGM. The Chair of the Remuneration Committee welcomes the opportunity to hold individual meetings with shareholders, if requested, as outlined in the Directors' Report on page 67.

Any feedback provided is taken into account when developing Executive remuneration arrangements, in addition to guidelines of investor bodies. The Committee monitors trends and developments in corporate governance and market practice to ensure the structure of Executive remuneration remains appropriate and will undertake a shareholder consultation in advance of any material changes to the Remuneration Policy, as we did for the Policy approved at the 2023 AGM. The Remuneration Policy will next be put to shareholders at the 2026 AGM.

Minor amendments

The Committee may make minor amendments to the Policy set out above (for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without obtaining shareholder approval for that amendment.

Differences in remuneration policy for Executive Directors compared with other employees

In determining the remuneration arrangements for Executive Directors, the Committee considers pay and conditions of other employees across the business and aims to ensure a consistent approach. To facilitate this, the Committee receives information on wider workforce remuneration, ensuring a good understanding of the structure and application of the reward policies throughout the Group.

One of the Non-Executive Directors, Clare Askem, has responsibility for leading engagement with the workforce, including on remuneration matters. Various methods of communication (including presentations, email correspondence and availability for face-to-face meetings) may be utilised for this engagement.

The Company's approach to annual salary reviews is consistent across the Group, with consideration given to the level of experience, responsibility, individual performance and salary levels in comparable companies. Pension and principal benefits are also provided to all employees. All employees are eligible to participate in an annual bonus scheme with business area-specific metrics and individual performance taken into account where appropriate.

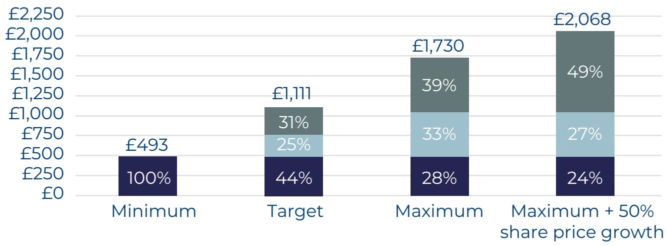
Senior Managers may be eligible to participate in the LTIP with annual awards up to 100% of base salary. Performance conditions are consistent for all participants, while award sizes vary by individual. Specific cash incentives are also in place to motivate, reward and retain staff below Board level.

When determining incentive outcomes, the Remuneration Committee takes account of the Executive Directors' oversight of the Portfolio, as well as the performance of the IPS business. For all other employees, performance is primarily based on the IPS business. All UK employees are eligible to participate in the Company's SAYE and SIP schemes on the same terms.

Illustration of total remuneration opportunity for 2025

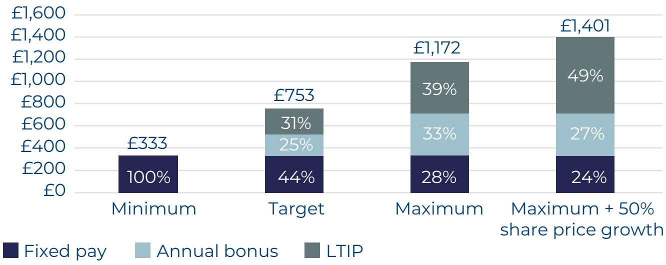
Denis Jackson (CEO)

Remuneration (£000s)



Trish Houston (COO)

Remuneration (£000s)



Directors' Remuneration Report continued

ELEMENT	ASSUMPTIONS
Total fixed pay	**Base salary:** CEO £450,000. COO £305,000.
	Pension: 9% of salary or cash equivalent.
	Benefits: As disclosed in single figure table on page 98.
Annual bonus	Minimum: No payout. On-target: 50% of maximum. Maximum: 100% of maximum (125% of salary).
LTIP	Minimum: No vesting. On-target: 50% of maximum. Maximum: 100% of maximum (150% of salary).
Share price growth	Calculated based on the impact of 50% share price appreciation on LTIP.

Policy for Board Chair and Non-Executive Directors

The Non-Executive Directors, including the Board Chair, do not have service contracts and are appointed for an indefinite term. Non-Executive Directors are not entitled to compensation on termination of their Directorship, no matter what the reason for termination. The Directors are subject to annual re-election at the AGM. Non-Executive Directors' letters of appointment are available to view at the Company's registered office.

Non-Executive Directors are not eligible to join the Company's pension scheme or participate in any bonus scheme or share incentive plans. Any reasonable expenses that they incur in the furtherance of their duties are reimbursed by the Company (including any tax liability thereon).

PURPOSE AND LINK TO STRATEGY	OPERATION	FEE LEVELS
To attract and retain Non-Executive Directors of the required calibre by offering market competitive fees.	The Board Chair is paid a single annual all-inclusive fee for all Board responsibilities. Non-Executive Directors receive a base annual Board fee. Additional fees may be payable for additional Board responsibilities such as Chairship of a sub-committee of the Board, the role of Senior Independent Director, or the role of 'Employee Engagement Designated NED'. The Board Chair's fee is determined by the Committee (excluding the Board Chair), and fees for Non-Executive Directors are determined by the Board (excluding the respective Non-Executive Directors). Fees are reviewed periodically, considering time commitment, scope and responsibilities, and appropriate market data. Expenses incurred in the performance of non-executive duties for the Company may be reimbursed or paid for directly by the Company, including any tax due thereon.	Fee levels are disclosed in the Directors' Remuneration Report and reviewed periodically. Any fee increases may take into account, material misalignment with the market or a change in the complexity, responsibility or time commitment required to fulfil the role. The Board may make appropriate adjustments to fee levels to ensure they remain market competitive and fair to the Director. The Board may, in exceptional circumstances, award additional fees to recognise significant additional responsibilities or time commitment required of individuals. The maximum annual aggregate fee for all Non-Executive Directors will be within any limits set out in the Company's Articles of Association.

Directors' Remuneration Report continued

How do we safeguard against payments for failure?

SAFEGUARDING REQUIREMENTS	
Performance based pay	A significant portion of remuneration varies with performance – where performance targets are not achieved, lower or no payments will be made under the plans.
Discretion	The Committee will operate all incentive plans according to the rules and discretions contained therein to ensure that the implementation of the Remuneration Policy is fair, both to the individual Director and to the shareholders. The discretions cover aspects such as (but not limited to): • selection of participants; • timing of grant and vesting of awards; • size of awards (subject to the Policy limits); • choice of measures, weightings and targets; • determining level of payout or vesting based on an assessment of performance; • settlement of awards in cash or shares; • treatment of awards on termination of employment and change of control; • adjustment of awards in certain circumstances, e.g. changes in capital structure, demerger, special dividend, distribution or any other corporate event which may affect the current or future value of an award; • adjustments to take account of windfall gains on LTIP awards; • adjustment of performance conditions in exceptional circumstances provided the new targets are fair and reasonable and neither materially more or less challenging, in the context of exceptional circumstances, than the original targets; and • application of malus and/or clawback. Any such use of discretion will be fully disclosed in the subsequent annual report and may, as appropriate, be the subject of consultation with the Company's shareholders.
Malus and Clawback	Malus is the adjustment of deferred annual bonus awards or unvested LTIP awards, because of the occurrence of one or more unforeseen circumstances. The adjustment may result in the value being reduced to nil. Clawback is the recovery of cash payments made under the annual bonus, deferred annual bonus award or vested LTIP awards as a result of the occurrence of one or more circumstances listed. Clawback may apply to all or part of a participant's payment or award and may be effected, among other means, by requiring the transfer of shares, payment of cash or reduction of awards or bonuses. The circumstances in which malus and clawback could apply are as follows: • gross misconduct; • misstatement of the financial results; • error in reporting or calculation; • serious reputational damage; or • corporate failure. Malus applies to deferred annual bonus awards and unvested LTIP awards up to the date of vesting. Clawback applies to cash annual bonus payments and vested LTIP awards for up to two years from payment or vesting. Annual bonus payments and LTIP awards are subject to malus and clawback for up to two years from payment of the bonus or vesting of shares.
Payments for loss of office	There were no payments to former Directors for loss of office.
Payments to past Directors	There were no payments to past Directors during the year.

Directors' Remuneration Report continued

Recruitment policy

When determining the remuneration arrangements of a new appointment to the Board, the Committee will seek to apply the following principles:

- Although we operate in a competitive market for talent, we are mindful to pay no more than is necessary to attract and retain high-quality talent;
- The Committee will appoint new Executive Directors with a package that is in line with the Remuneration Policy in place at the time, as indicated in the table below. In particular, the maximum level of variable remuneration will be in line with the limits set out in the Policy table.

External appointments

It is the Board's policy to allow the Executive Directors to take up one non-executive position on the board of another company, subject to the prior approval of the Board. Any fee earned in relation to outside appointments is retained by the Executive Director. During 2024, there were no external appointments held by the Executive Directors.

Approach on recruitment

ELEMENT	ASSUMPTIONS
Salary	• The base salaries of new appointees will be determined by reference to the individual's role and responsibilities, experience and skills, relevant market data and pay and conditions elsewhere in the Company. • Base salary may be higher or lower than the previous incumbent. Salaries may be set at a lower level initially with the intention of increasing salaries at a higher than usual rate as the executive gains experience in the role.
Pension	• New appointees will be eligible to receive pension contributions (or cash in lieu) in line with the Policy.
Benefits	• New appointees will be eligible to receive benefits in line with the Policy, including relocation benefits if the Committee deems it appropriate.
Annual bonus	• The structure described in the Policy table will normally apply to new appointees with the relevant maximum being pro-rated to reflect the proportion of the year served. The Committee retains the flexibility to determine that for the first year of appointment any annual incentive award will be subject to such terms as it may determine.
LTIP	• New appointees will be eligible for awards under the LTIP which will normally be on the same terms as other executives, as described in the Policy table.

'Buy-out' awards

To facilitate recruitment, it may be necessary to 'buy-out' remuneration arrangements forfeited on leaving a previous employer. This will be considered on a case-by-case basis and may comprise cash or performance and non-performance related share awards and would be in such form as the Committee considers appropriate considering all relevant factors such as the form, performance conditions, expected value, anticipated vesting and timing of the forfeited remuneration. The Committee's intention is that the value awarded would be no more than the commercial value of the awards forfeited.

For internal promotions, the approach will be consistent with the policy for external appointees. Where an individual has contractual commitments made prior to their promotion to Executive Director level, the Company will continue to honour these arrangements.

Service contracts

Executive Director service contracts can be terminated by not less than six months' notice given in writing by either party to the contract, with no contractual provisions for compensation payable on early termination of the contract. The Directors are subject to annual re-election at the AGM. Directors' contracts are available to view at the Company's registered office.

Directors' Remuneration Report continued

Termination Payments

Executive Directors may receive base salary, pension and benefits during the notice period, which may be paid during a period of 'garden leave' or 'payment in lieu of notice' (PILON) for all or part of any period of notice. Payments will normally be made in equal monthly instalments until the end of the notice period at the discretion of the Company and Executive Directors will be expected to mitigate their loss. Individuals will be eligible for annual bonus only in respect of periods worked (i.e. excluding any periods of garden leave or PILON) subject to the normal performance conditions. Further detail on the treatment of annual bonus and LTIP for leavers is provided in the table below.

The Committee will seek to ensure that there are no unjustified payments for failure. There are no entitlements to payments of any sort in the event that for cause an Executive Director's employment is summarily terminated. In the event that an Executive Director is given notice of termination of employment within twelve months of any change in control of the Company, he/she will be given not less than twelve month's written notice and the same arrangements for receiving salary and benefits during this period will apply as described above.

The Committee may authorise payments for statutory entitlements in the event of termination, reasonable settlement of potential legal claims, and payment of reasonable reimbursement of professional fees in connection with such agreements.

PLAN	GOOD LEAVERS[1]	ALL OTHER LEAVERS	CHANGE OF CONTROL
Annual bonus	• Typically paid at the same time as continuing employees, to the extent that the performance conditions are achieved with pro-rating for the proportion of the financial year worked, unless the Committee determines otherwise. • Deferred bonus awards will continue until the normal vesting date or may vest earlier at the discretion of the Committee.	• No bonus payable. • Unvested deferred bonus awards lapse.	• Normally paid immediately on the effective date of change of control, subject to the extent of achievement of the performance conditions and pro-rated for the proportion of the year served to the date of change of control, unless the Committee determines otherwise. • Deferred bonus awards normally vest immediately in full on the effective date of change of control.
LTIP	• Unvested LTIP awards will typically vest on the normal vesting date, to the extent that the performance conditions are achieved with pro-rating for the proportion of the performance period served, unless the Committee determines otherwise. • Vested awards will remain subject to any post-vesting holding period.	• Unvested awards lapse. • Vested awards will remain subject to any holding period.	• Unvested LTIP awards will typically vest immediately in full on the effective date of change of control, subject to the Committee's assessment of the achievement of the performance conditions and pro-rated for the proportion of the performance period served to the date of change of control, unless the Committee determines otherwise. • The post-vesting holding period applicable to any awards will end at the time of change in control. • Alternatively, awards may be exchanged for new equivalent awards in the acquiring company.

1 The Committee has discretion to determine that an Executive Director is a good leaver. It is the Committee's intention to only use this discretion in circumstances where there is an appropriate business case which will be explained in full to shareholders. A good leaver is typically defined as an employee who ceases to hold employment by reason of: death, injury, ill-health or disability; retirement with the agreement of the Group; redundancy; the participant's employing Company being transferred to an entity which is not a Group member; transfer of undertaking; or any other reason at the Committee's discretion.

Directors' Remuneration Report continued

PART 4: ANNUAL REPORT ON REMUNERATION FOR 2024

Performance measures selection for the annual bonus

Performance measures for the annual bonus are selected annually to reflect the Company's main short and long-term objectives and reflect both financial and non-financial priorities. For Executive Directors, performance measures in incentives focus predominantly on the profitability of the IPS business which is central to Law Debenture's business model and is the area of the business fully within their control. The performance targets are set to be stretching but achievable, taking into account a range of internal and external reference points and having regard to the particular strategic priorities and economic environment.

By their nature, some objectives require a more subjective assessment than others and this is done by the Committee following the input from the wider Board as appropriate.

STRATEGIC OBJECTIVES	Description	Weighting
IPS financial performance	The Committee reviews financial metrics when assessing the Executive Directors' delivery against financial performance targets. The metric used for 2024 was underlying PBT. The Executive Directors' awards are based on the performance against agreed thresholds, which can be found in the table below.	60%
IPS non-financial performance	The success of the IPS business is dependent on the effective leadership and implementation of the right strategy to ensure our people can provide excellent service to our clients regardless of the external challenges the business may face. This includes a robust operational infrastructure, a well embedded risk management framework and high calibre people. Engagement with investors, potential investors, market analysts, clients and the media is considered to be beneficial to our shareholders as it raises awareness of the unique investment proposition which is offered by Law Debenture and supports the future growth of the IPS business. The Remuneration Committee believe that the efforts made by the Executive Directors to further enhance the areas outlined above should be rewarded.	40%

MEASURE

For 2024 the maximum bonus opportunity for the Executive Directors was 125% of salary. Performance conditions were based 60% on financial metrics and 40% on strategic metrics. Details of the specific measures, weightings and outcome achieved are set out below:

Measure	Weighting	Threshold (20% of max.)	Maximum (100% of max.)	Actual	Outcome (% of salary)
IPS financial performance – underlying PBT	60%	5%	12%	2.4%	–
IPS non-financial performance	40%	Further details set out below			43.13
Total	**100%**				**43.13**

Directors' Remuneration Report continued

Remuneration Outcomes for 2024

2024 PERFORMANCE AND PAY OUTCOMES
Performance against Financial Objectives for 2024
Total Annual Bonus for 2024: 43.13% of a potential maximum of 125% of base salary. The IPS business delivered underlying PBT growth of 2.38%, below the threshold target of 5% growth, and therefore did not result in a bonus payment on the financial component of the bonus award (total opportunity was 60% weighting equivalent to 75% of base salary of the maximum total bonus of 125% of base salary).

Performance against Non-Financial Objectives for 2024

Key Performance Area	Max bonus (eligible % of base salary)	Score (out of 5)	Bonus awarded (% of base salary)	Commentary on objectives set and achievements
Operational Excellence	25%	4.5	22.5%	Following the strategic review of the IPS business that took place in 2023, the Remuneration Committee asked the Executive Directors to execute on their ambitious Target Operating Model plans and to invest in the business to build operational excellence. Good progress has been made throughout the year and the change programme is broadly on track. The multi-year timeline of the change programme will lead to this objective carrying forward to 2025. Nevertheless, the Committee recognises the efforts of the Executive Directors in leading this change and is pleased with progress.
CSS BAU	12.5%	3.5	8.75%	The Committee set several targets in relation to CSS which encompassed financial and operational excellence and workforce engagement. This has required continuing investment and restructuring. However, the Committee now considers that the underlying business has stabilised and therefore the Executive Directors' 2025 objectives for this business are focussed on revenue and profit generation.
Customer and Colleague Satisfaction	6.25%	4.5	5.63%	The Committee considered good progress was made on developing customer satisfaction metrics which have been beneficial to the business and will continue to be refined. Employee satisfaction metrics are now widely used across the business and provide valuable insights for the Board, ExCo and wider IPS Management Team. The Committee is pleased with progress on this front.
Brand and Marketing	6.25%	5	6.25%	The Executive Directors were tasked with implementing a communication strategy designed to deliver appropriate and consistent messaging for IPS customers and current and potential shareholders. A dedicated marketing function has now been established and the Committee considered that excellent progress was made on brand and marketing in 2024 and is now well embedded into the organisation. The Board will continue to monitor progress in this important area.
Total (of a maximum of 50% of base salary)			43.13%	

Directors' Remuneration Report continued

Long Term Incentive Plan

The Committee adopted growth in IPS PBT as the metric for determining the level of vesting over the relevant performance period. The Committee exercised discretion to measure PBT for 2024 on an underlying basis, as explained in the Committee Chair's introduction.

The LTIP award granted to both the CEO and COO in 2022 reached the end of its performance period on 31 December 2024. The outcome was CAGR of 6.9% (compared with a threshold to maximum range of 4% to 10% CAGR), resulting in a vesting of 61.8% of the maximum award.

In 2024, both the CEO and the COO were granted LTIP awards at the level of 150% of salary. The award will vest after three years based on IPS PBT performance, and any vested shares (net of tax) will be subject to a further two-year holding period. The performance targets are as follows. Grants in 2025 will also be at the level of 150% of base salary. Growth in profit before interest and tax will be the metric for determining vesting, with the CAGR ranges shown below:

	% vesting (of maximum)	IPS 3-year PBIT CAGR[1]
Below threshold	0	less than 4%
Threshold	20	4%
Stretch	100	14%

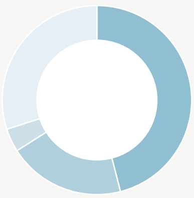
1 See alternative performance measures on page 161 for reconciliation to statutory PBT and details of non underlying items.

2024 PERFORMANCE AND PAY OUTCOMES

Total remuneration 2024

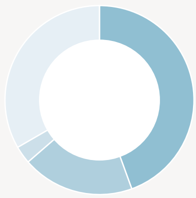
Denis Jackson
Chief Executive Officer

- Salary and benefits 46%
- Annual bonus 20%
- Pension 4%
- LTIP 30%



Trish Houston
Chief Operating Officer

- Salary and benefits 44%
- Annual bonus 19%
- Pension 3%
- LTIP 33%

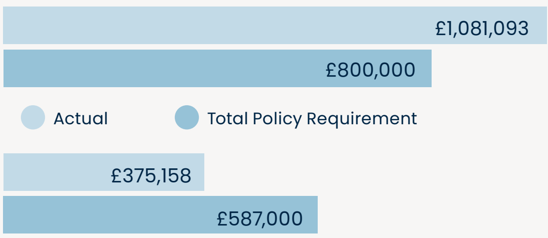


Share ownership

Shareholding is a key means by which the interests of Executive Directors are aligned with those of shareholders.

Denis Jackson
Chief Executive Officer

Trish Houston
Chief Operating Officer



Current holdings (net): 121,063 shares[1]
Two times salary: 89,586 shares
Total target value: £800,000

Current holdings (net): 42,011 shares[1,2]
Two times salary: 65,733 shares
Total target value: £587,000

1 Shares owned outright have been included, plus unvested deferred bonus shares (net of expected PAYE), vested but unexercised LTIP shares (net of expected PAYE) and SAYE.
The value of the holding has been adjusted to reflect expected tax and NI payable.
2 Trish Houston's holding includes 1,474 shares held by persons closely associated ('PCA').

The value of the shareholdings disclosed have been calculated using the close price as at 31 December 2024. For these purposes, shares held in the deferred bonus scheme (on a net of tax/NIC basis), the SIP and SAYE as at 31 December 2024 have been included as there are no performance conditions to be met. The unvested LTIP awards have not been factored in. Vested but unexercised LTIP awards have been included on a net of PAYE basis.

Directors' Remuneration Report continued

Single total figure of remuneration (audited)

	Year ended	Salary[1] £000	Benefits[2] £000	Bonus £000	LTIP[3] £000	Pension[4] £000	Total £000	Total Fixed £000	Total Variable £000
Denis Jackson	**2024**	**389**	**2**	**173**	**257**	**30**	**851**	**421**	**431**
	2023	347	2	335	365	26	1,075	375	700
Trish Houston	**2024**	**293**	**1**	**127**	**218**	**23**	**662**	**317**	**345**
	2023	286	33	274	258	22	873	341	532

1 Changes to salary are effective from 1 April.
2 Benefits shown are available to all eligible employees. Both Denis Jackson and Trish Houston receive healthcare insurance. In 2023, Trish Houston also received benefits relating to her return to work from maternity leave in line with our wider policy.
3 Includes dividend reinvestment and dividend equivalent. Value for 2024 is based on average share price for the period of 1 October 2024 to 31 December 2024 of 886.6 pence and also includes the final dividend of 9.5 pence per share. The share price at the time of the grant of the 2022 LTIP was 777.4 pence per share compared to the average share price of 886.6 pence for the 3-month period to 31 December 2024. 12% of the 2024 value is a result of share price growth. The share price at the time of the grant of the 2021 LTIP was 712.8 pence per share. The award that vested in 2024 did so at a share price of 800.0 pence per share. The 2023 award has been updated to reflect the share price at point of vesting and the 2024 award will be updated in the same way in the next Annual Report. 11% of the 2023 value is a result of share price growth.
4 The pension values relate to the cash allowances paid in lieu of pension contribution. The amount shown is the value of the allowance received, which reflects a reduction for the cost of employer's NIC.

Executive Directors' shareholdings (audited)

The table below shows the interests of the Executive Directors and connected persons in shares (owned outright or vested) as at 31 December 2024. Since 31 December 2024, Denis Jackson's shareholding has increased by 623 shares pursuant to an automatic dividend reinvestment. Trish Houston's shareholding has increased by 248 shares pursuant to an automatic dividend reinvestment. There have been no other changes in the Executive Directors' interests in the period between 31 December 2024 and 11 March 2025.

		Outstanding scheme interests							
	Shares owned outright	Unvested shares not subject to performance[1]	Unvested options not subject to performance[2]	Unvested share options subject to performance[3]	Vested but unexercised share options	Total interests[4]	Shareholding guideline (% of salary)	Current shareholding (% of salary)[5]	Guideline met
Denis Jackson	38,819	37,168	5,565	184,432	107,510	189,062	200%	270%	Yes
Trish Houston	7,271[6]	26,003	3,856	145,734	32,271	69,401	200%	128%	No

1 Includes deferred bonus awards granted under the Deferred Share Plan.
2 Includes options awarded under Save As You Earn Share Save Plan.
3 Includes options awarded under the LTIP.
4 Total scheme interests excludes the shares subject to performance conditions.
5 Based on a share price on 31 December 2024 of 893 pence. Shares owned outright have been included, plus unvested deferred bonus shares (net of expected PAYE), vested but unexercised LTIP shares (net of expected PAYE) and SAYE.
6 Includes person closely associated ('PCA') holdings of 1,474 shares.

Directors' Remuneration Report continued

Executive Directors' interests in shares and option plans (audited)

Denis Jackson

Scheme	Interests held at 1 January 2024	Granted in the year	Date of grant	Market price at grant	Dividend equivalent shares in the year	Vested in the year	Lapsed/ forfeited in the year	Vested but unexercised	Exercised in the year	Exercise price*	Market price at date of exercise	**Interests held at 31 December 2024**	Vesting/ first exercise date
[1]DSP 2021	13,810	—	12.03.21	704.7	135	13,945	—	—	—	n/a	n/a	**n/a**	12.03.24
[1]DSP 2022	11,822	—	14.03.22	799.1	475	—	—	—	—	n/a	n/a	**12,297**	12.03.25
[1]DSP 2023	9,194	—	15.03.23	841.5	370	—	—	—	—	n/a	n/a	**9,564**	16.03.26
[1]DSP 2024	—	15,028	14.03.24	782.0	279	—	—	—	—	n/a	n/a	**15,307**	15.03.27
[2]LTIP 2020	58,625	—	07.04.20	462.9	3,283	—	—	58,625	—	n/a	n/a	**61,908**	07.04.23
[2]LTIP 2021	45,595	—	01.03.21	712.8	4,566	41,036	4,559	—	—	n/a	n/a	**45,602**	01.03.24
[2]LTIP 2022	41,806	—	28.02.22	799.1	—	—	—	—	—	n/a	n/a	**41,806**	12.03.25
[2]LTIP 2023	66,792	—	04.04.23	795.0	—	—	—	—	—	n/a	n/a	**66,792**	04.04.26
[2]LTIP 2024	n/a	75,834	02.04.24	791.2	—	—	—	—	—	n/a	n/a	**75,834**	02.04.27
[3]SAYE 2020	5,565	—	26.08.20	539.0	—	—	—	—	—	539	n/a	**5,565**	26.08.25

1 Deferred Share Plan (share grant price is based on the market close on the date of the grant). Includes dividend reinvestment.
2 Long Term Incentive Plan (price at grant is calculated based on a 5 day average close price up to and including the day before the date of grant). Details of performance conditions and targets can be found on page 97. 90% of Denis Jackson's 2021 LTIP award vested on 1 March 2024. The remaining number of shares lapsed accordingly. The vested awards are subject to a two year holding period.
3 Save As You Earn Save Plan (share grant price is based on market close on the date of the grant).

** Exercise price is based on market price at grant.*

Trish Houston

Scheme	Interests held at 1 January 2024	Granted in the year	Date of grant	Market price at grant	Dividend equivalent shares in the year	Vested in the year	Lapsed/ forfeited in the year	Vested but unexercised	Exercised in the year	Exercise price*	Market price at date of exercise	**Interests held at 31 December 2024**	Vesting/ first exercise date
[1]DSP 2022	7,260	—	13.03.22	799.1	292	—	—	—	—	n/a	n/a	**7,552**	12.03.25
[1]DSP 2023	6,815	—	15.03.23	841.5	274	—	—	—	—	n/a	n/a	**7,089**	16.03.26
[1]DSP 2024	—	11,155	14.03.24	782.0	207	—	—	—	—	n/a	n/a	**11,362**	15.03.27
[2]LTIP 2021	32,267	—	01.03.21	712.8	3,231	29,040	3,227	—	—	n/a	n/a	**32,271**	01.03.24
[2]LTIP 2022	35,374	—	28.02.22	799.1	—	—	—	—	—	n/a	n/a	**35,374**	12.03.25
[2]LTIP 2023	54,717	—	04.04.23	795.0	—	—	—	—	—	n/a	n/a	**54,717**	04.04.26
[2]LTIP 2024	—	55,643	02.04.24	791.2	—	—	—	—	—	n/a	n/a	**55,643**	02.04.27
[3]SAYE 2021	3,856	—	01.09.21	778.0	—	—	—	—	—	778.0	n/a	**3,856**	01.09.26

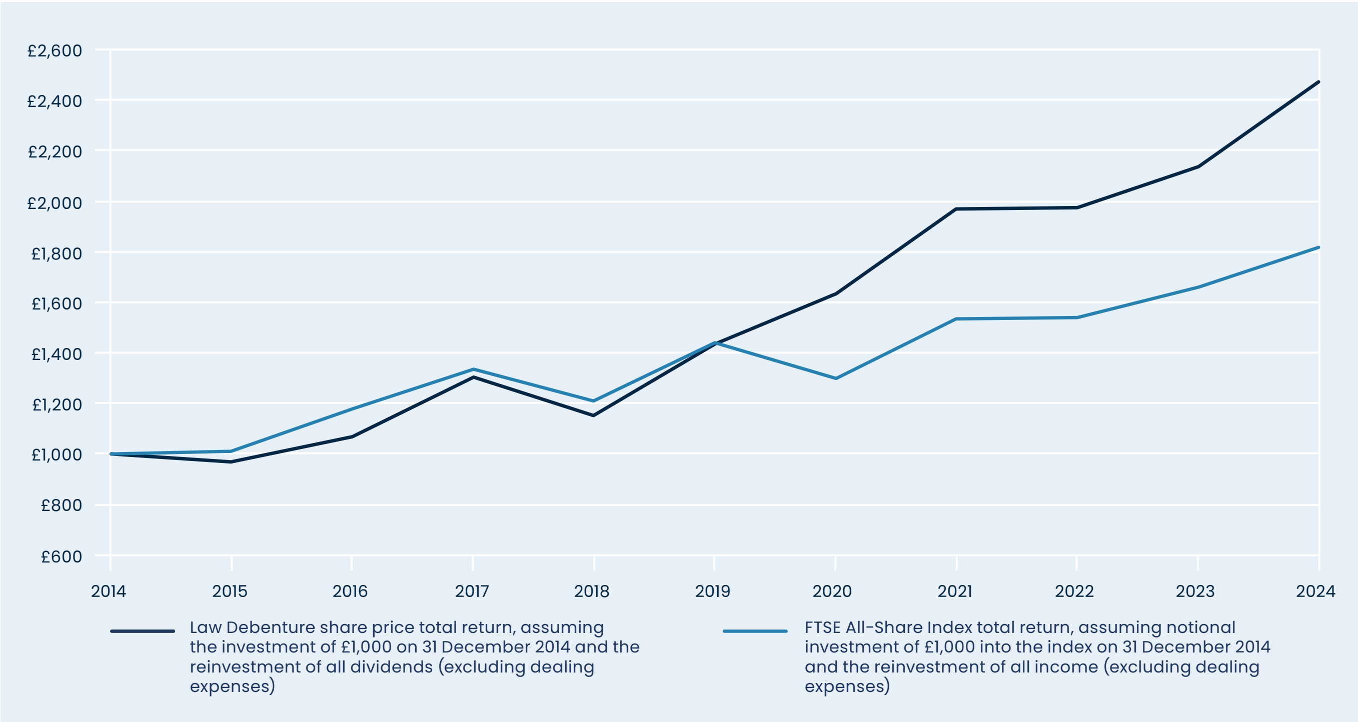
1 Deferred Share Plan (share grant price is based on the market close on the date of the grant). Includes dividend reinvestment.
2 Long Term Incentive Plan (price at grant is calculated based on a 5 day average close price up to and including the day before the date of grant). Details of performance conditions and targets can be found on page 97. 90% of Trish Houston's 2021 LTIP award vested on 1 March 2024. The remaining number of shares lapsed accordingly. The vested awards are subject to a two year holding period.
3 Save As You Earn Save Plan (share grant price is based on market close on the date of the grant).

**Exercise price is based on market price at grant.*

Directors' Remuneration Report continued

Total Shareholder Return (TSR) chart and historical remuneration

The graph below compares the value of £1,000 invested in Law Debenture's shares, including reinvested dividends, with the FTSE All-Share Total Return Index over the last ten years. This index was selected because it is the index adopted as Law Debenture's benchmark.



Notes

1 The graph shows the total shareholder return of a nominal holding of £1,000 of Law Debenture's shares measured against the total shareholder return of a nominal holding of £1,000 invested in the FTSE All-Share Index over a 10 year period.

2 Dividends have been reinvested.

3 FTSE All-Share Index is chosen as the comparator in this table because that is the index against which, historically, the Company has reported the performance of the Portfolio.

Historical remuneration and TSR chart

	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Incumbent	*C. Banszky*	*M. Adams*[1] *C. Banszky*	*T. Fullwood*[2] *M. Adams*	*D. Jackson*[3]	*D. Jackson*[3]	*D. Jackson*[3]	*D. Jackson*[3]	*D. Jackson*[3]	*D. Jackson*[3]	*D. Jackson*[3]
CEO single figure of total remuneration (£000)	677.5	180.5 757.8	142.2 344.1	611.2	643.4	643.0	643.2	1,084[4]	1,075[5]	**851[6]**
Annual bonus and deferred bonus awarded (against maximum %)	100.0%	65.1% 0.0%	100.0% 0.0%	100.0%	90.9%	85.0%	85.0%	76.8%	75.7%	**34.5%**
LTIP award due to vest (against maximum %)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	74%	90.0%	**61.8%**

1 C. Banszky stepped down as CEO on 31 August 2016 and was succeeded by M. Adams on the same date following his appointment to the Board on 4 August 2016.

2 T. Fullwood was appointed interim Chief Executive Officer from 22 October 2017 for a fixed term until retirement at 1 January 2018.

3 D. Jackson was appointed as CEO on 1 January 2018.

4 Includes dividend reinvestment and dividend equivalent. Total number of shares which vested was 58,006 at a share price of 809 pence per share.

5 Includes dividend reinvestment and dividend equivalent. Total number of shares which vested was 45,602 at a share price of 800.0 pence per share.

6 Includes dividend reinvestment and dividend equivalent. Total number of shares due to vest is 28,740 at an average share price of 886.6 pence per share for the 3-month period to 31 December 2024.

Directors' Remuneration Report continued

CEO pay ratio

UK regulations require companies with more than 250 UK employees to publish ratios to show CEO Total pay versus that of its UK employees. In line with these regulations, we have provided ratios based on Method B as prescribed by the regulations, under which a single total figure of remuneration is derived for each employee identified using the Gender Pay Gap data and the quartiles analysed. The employee pay figures were calculated by reference to and as at the year ended 31 December 2024 using full-time equivalent data for relevant employees in service as at 31 December 2024. The Committee is satisfied that the median pay ratio is consistent with the pay, reward and progression policies for our UK employees.

CEO pay ratios can be volatile due to the variable nature of the CEO remuneration outcomes based on performance.

Financial year	Methodology	25th percentile ratio	50th percentile ratio	75th percentile ratio
2024	**B**	**22:1**	**14:1**	**6:1**
2023	B	32.1	19.1	10.1

	CEO £	25th percentile £	50th percentile £	75th percentile £
Total pay	£851,000	£38,341	£59,031	£154,218
Base salary	£388,500	£33,000	£49,023	£113,030

Percentage change in Director remuneration

The table below shows the percentage change in Director remuneration, comprising salary, taxable benefits and annual bonus, and comparable data for the average of all UK employees within the Company. As the figures are for calendar year earnings, the percentages may differ from percentage increases awarded 1 April.

	Salary/ fees 2024	**Taxable Benefits 2024**	**Annual Bonus 2024**	Salary/ fees 2023	Taxable Benefits 2023	Annual Bonus 2023	Salary/ fees 2022	Taxable Benefits 2022	Annual Bonus 2022	Salary/ fees 2021	Taxable Benefits 2021	Annual Bonus 2021	Salary/ fees 2020	Taxable Benefits 2020	Annual Bonus 2020
Denis Jackson (CEO)	**12%**	**0%**	**-48%**	7%	0%	34%	0%	-50%	-9%	0%	0%	0%	3%	0%	-4%
Trish Houston (COO)	**2%**	**-97%[1]**	**-54%**	31%[1]	>100%[1]	30%	-11%[1]	0%	1%	>100%[2]	0%	>100%[2]	n/a	n/a	n/a
Robert Hingley (NED)	**18.5%**	**n/a**	**n/a**	16.1%	n/a	n/a	3.8%	n/a	n/a	0.0%	n/a	n/a	3.0%	n/a	n/a
Tim Bond (NED)[3]	**n/a**	**n/a**	**n/a**	5.0%	n/a	n/a	3.8%	n/a	n/a	0.0%	n/a	n/a	3.0%	n/a	n/a
Claire Finn (NED)[4]	**2.8%**	**n/a**	**n/a**	10.4%	n/a	n/a	6.8%	n/a	n/a	7.2%	n/a	n/a	>100%	n/a	n/a
Clare Askem (NED)[5]	**6.3%**	**n/a**	**n/a**	8.4%	n/a	n/a	>100%[5]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pars Purewal (NED)[6]	**2.8%**	**n/a**	**n/a**	13.9%	n/a	n/a	>100%[6]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Maarten Slendebroek (NED)[7]	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
All other Employees (excluding directors)[8]	**4%**	**n/a**	**-3%**	6%	n/a	0%	6%	n/a	0%	5%	0%	30%	3%	0%	11%

1 The discrepancies in salary/fees for Trish Houston in 2022 and 2023 relate to her period of maternity leave. The benefits for 2023 reflect the benefits Trish received relating to her return to work from maternity leave in line with our wider policy.
2 Trish Houston joined the Board during 2020 and therefore there are no meaningful comparative figures available for the previous year.
3 Tim Bond retired from the Board in March 2024.
4 Claire Finn joined the Board during 2019 and therefore there are no meaningful comparative figures available until her first full year (2020).
5 Clare Askem joined the Board during 2021 and therefore there are no meaningful comparative figures available until her first full year (2022).
6 Pars Purewal joined the Board during 2021 and therefore there are no meaningful comparative figures available until his first full year (2022).
7 Maarten Slendebroek was appointed to the Board on 11 January 2024.
8 For the purposes of this table, all other employees excluding directors have been taken to mean employees of LDC Trust Management Limited and Safecall Limited.

Directors' Remuneration Report continued

Non-Executive Directors' shareholdings (audited)

The table below shows the interests of the Non-Executive Directors and connected persons in shares (owned outright or vested) as at 31 December 2024. Since 31 December 2024, Pars Purewal's shareholding has increased by 278 shares pursuant to an automatic dividend reinvestment. There have been no other changes in Directors' interests in the period between 31 December 2024 and 11 March 2025.

Non-Executive Directors	Number of shares held as at 31 December 2023	Number of shares held as at 31 December 2024	Number of shares held as at 11 March 2025
Robert Hingley	4,870	**4,870**	**4,870**
Tim Bond[1]	–	–	–
Pars Purewal[2]	13,954	**31,323**	**31,601[3]**
Claire Finn	2,576	**2,576**	**2,576**
Clare Askem	–	–	–
Maarten Slendebroek	–	–	–

1 Resigned on 28 March 2024.
2 Shares are held jointly with a connected person.
3 Share increase pursuant to automatic dividend reinvestment.

Single total figure of remuneration for Non-Executive Directors (audited)

The table below sets out the single figure for the total remuneration received by each Non-Executive Director for the year ended 31 December 2024 and the prior period:

Non-Executive Directors	Salary/fees 2024	Total 2024	Salary/fees 2023	Total 2023
Robert Hingley	**£125,000**	**£125,000**	£105,500	£105,500
Tim Bond[1]	**£12,500**	**£12,500**	£49,400	£49,400
Pars Purewal	**£60,000**	**£60,000**	£58,387	£58,387
Claire Finn	**£60,000**	**£60,000**	£58,387	£58,387
Clare Askem	**£59,063**	**£59,063**	£55,575	£55,575
Maarten Slendebroek[2]	**£48,718**	**£48,718**	n/a	n/a

1 Tim Bond resigned from the Board on 28 March 2024.
2 Maarten Slendebroek was appointed to the Board on 11 January 2024 and therefore did not receive fees during 2023.

Non-Executive Director fees

For 2025, the fees for the Chair and the Non-executive director base fee have increased as shown below, and explained in the Committee Chair's introductory statement. A fee for the role of SID was introduced in 2024.

Fee	Fees effective 1 April 2025	Fees effective 1 April 2024	% change
Chair fee	**£140,000**	**£130,000**	**8%**
Non-Executive Director base fee	**£54,000**	**£50,000**	**8%**
Additional fee for Chair of Audit Committee	**£10,000**	**£10,000**	**0%**
Additional fee for Chair of Remuneration Committee	**£10,000**	**£10,000**	**0%**
Additional fee for oversight of workforce engagement	**£6,250**	**£6,250**	**0%**
Additional fee for Senior Independent Director	**£3,750**	**£3,750**	**0%**

The aggregate base fees of the NEDs are within the limit set in the Company's Articles of Association.

Directors’ Remuneration Report continued

Relative importance of spend on pay

The table below shows the Company’s actual expenditure on shareholder distributions (including dividends and share buybacks) and total employee pay expenditure for the financial years ended 31 December 2023 and 31 December 2024.

	2024 £000	2023 £000	**% change**
Total employee pay expenditure[1]	**28,599**	26,960	**6.0%**
Total distributed to shareholders[2]	**44,236**	41,928	**5.5%**

1 Total remuneration includes bonuses, employers’ NI and pension costs and is the figure reported at note 3 of the accounts.
2 Amounts distributed to shareholders are the totals of the final and interim dividends in respect of that year. There were no other distributions.

The average number of employees has increased from 288 in 2023 to 298 in 2024, which has led to an increase in employee pay expenditure. The increase also includes the effect of the annual review of base salaries. Distribution to shareholders has been subject to an increase for the current year as explained in the Chairman’s statement on page 9.

Statement of shareholder voting at the Company’s AGM

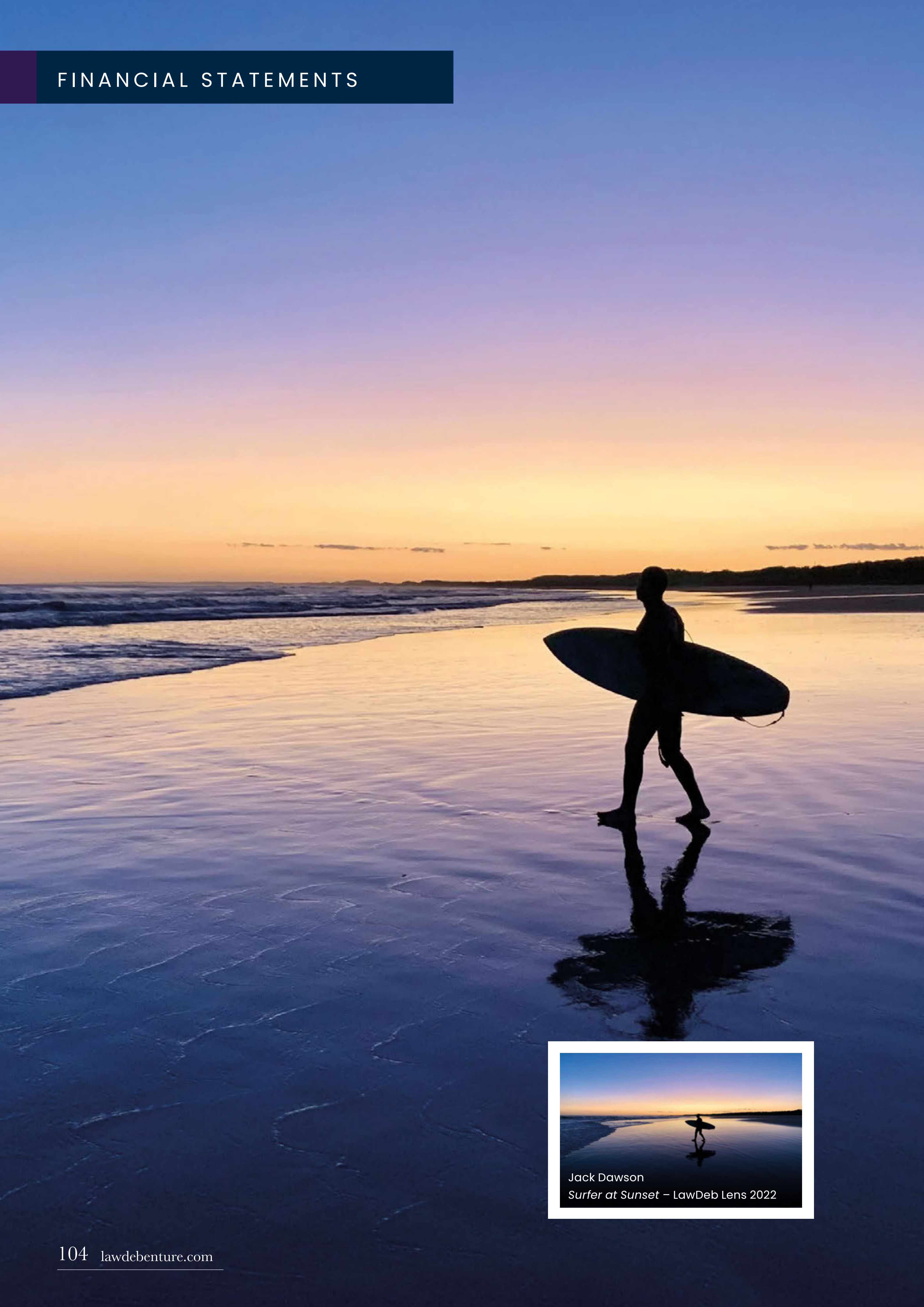
The table below sets out the results of the most recent shareholder votes on the Directors’ Remuneration Policy at the AGM on 30 March 2023 and the Directors' Remuneration Report at the AGM on 28 March 2024. The full policy is contained in the Company’s annual report and accounts for the year ended 31 December 2022, which may be found at https://www.lawdebenture.com/investment-trust/shareholder-information/annual-reports-and-half-yearly-reports.

	Percentage of votes cast		Number of votes cast		
	For	Against	For	Against	Withheld[1]
2023 Directors’ Remuneration Report	98.02%	1.98%	27,701,860	559,917	446,359
Directors’ Remuneration Policy 2023 - 2025	95.76%	4.24%	26,326,896	1,165,584	340,470

1 A vote withheld is not a vote in law and is not counted in the calculation of the proportion of votes cast for and against a resolution.

This report was approved by the Board of Directors on 11 March 2025 and signed on its behalf by:

Claire Finn
Chair, Remuneration Committee



Jack Dawson
Surfer at Sunset – LawDeb Lens 2022

Independent Auditor's Report

to the Members of The Law Debenture Corporation p.l.c.

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of The Law Debenture Corporation p.l.c. (the 'Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB');
- the Company financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by IASB and, as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of profit and loss;
- the consolidated statement of comprehensive income;
- the consolidated and parent company statement of financial position;
- the consolidated statement of changes in equity;
- the parent company statement of changes in equity;
- the consolidated and parent company cash flow statement;
- the related notes 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by IASB and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

2. Basis for opinion

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

We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and Company for the year are disclosed in note 3 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report continued

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • valuation and existence of quoted investments; and • occurrence of independent professional services fees. Within this report, key audit matters are identified as follows: Newly identified Increased level of risk Similar level of risk Decreased level of risk
Materiality	The materiality that we used for the Group financial statements was £9.3m which was determined on the basis of 1% of net assets.
Scoping	We focused our Group audit scope primarily on the audit work at the Company and six of the largest subsidiary companies in the Group. These seven entities represent the principal operating companies and account for 99% of the Group's total assets and 93% of the Group's revenue. Audit work to respond to the risks of material misstatement identified was performed directly by the Group audit engagement team.
Significant changes in our approach	There were no significant changes in our approach.

4. Conclusions relating to going concern

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

Our evaluation of the directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- assessing the directors considerations regarding whether they consider it appropriate to adopt the going concern basis of accounting;
- assessing the compliance with covenants attached to long-term borrowing including the headroom associated with the covenants;
- assessing the liquidity of the assets of the Group and whether there is sufficient liquidity for the Group to continue to operate and meet its financial obligation.
- evaluating Directors' plans for future actions in relation to their going concern assessment; and
- assessing the appropriateness of the going concern disclosures in the financial statements.

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

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Valuation and existence of quoted investments

Key audit matter description	The investments of the Group of £1,042.1m (2023: £965.2m) are key to its performance and account for the majority of the total assets, 92.6% at 31 December 2024 (2023: 96.4%). Quoted investments amounts to 99.5% of the total investments and are valued at their fair value, which is represented by the market bid price. These are listed on recognised exchanges are valued at the closing bid price at the year end. Please see the accounting policy in note 1 and note 13. There is a risk that quoted investments within the portfolio may not be actively traded and the prices quoted may not be reflective of fair value. Additionally, there is a risk that the quoted investments recorded may not represent property of the Group and the Company. There is a risk that the investment valuation and investment existence be manipulated by applying an incorrect share price and number of shares. This could result in material misstatement of the net asset value of the Group.
How the scope of our audit responded to the key audit matter	We have performed the following procedures to test the valuation and existence of quoted investments at 31 December 2024: • Obtained an understanding of the relevant controls over valuation and existence of quoted investments; • Agreed 100% of the Company's investment portfolio at the year-end to confirmations received directly from the custodian; • Independently agreed 100% of the bid prices of quoted investments on the investment ledger at year end to closing bid prices published by an independent pricing source; • Assessed the liquidity of samples of the quoted holdings at year-end by comparing the holding size to the shares traded after the year end to determine if the valuation is reflective of quoted prices in an active market; • Evaluated the completeness and appropriateness of disclosures in relation to fair value measurements and liquidity risk; and • Tested the accuracy of samples of purchases and sales of quoted investments by comparing its amount to the bank statements.
Key observations	Based on the work performed we concluded that the valuation and existence of quoted investments is appropriate.

Independent Auditor's Report continued

5.2. Occurrence of independent professional services fees

Key audit matter description	Independent professional services ('IPS') revenue consists of fees receivable from the provision of services, and is recognised based on the delivery of performance obligations and an assessment of when control is transferred to the customer. The basis of fees vary across the various divisions of IPS, increasing the relative risk of misstatement. The accounting policy for revenue recognition is detailed in Note 1 and Note 6 to the financial statements. Fees of £61.7m were recorded for the year-ended 31 December 2024 (2023: £58.5m). The fees require the implementation of appropriately authorised client contracts for services performed by the Group, as well as appropriate accounting treatment in line with IFRS 15 "Revenue from contracts with customers". Revenue is a balance of key importance to stakeholders and impacts long-term incentives. Additionally, recording revenue which did not occur could have a significant impact on the Group's earnings per share. Given the manual processes involved in accounting for this revenue, we consider it to be a key audit matter.
How the scope of our audit responded to the key audit matter	We have performed the following procedures to test the occurrence of independent professional services fees for the year: • We obtained an understanding of the relevant controls over the occurrence of IPS fees. • We independently agreed a sample of fees to signed client agreements, sales invoices and bank receipts as evidence that the transaction occurred. Where amendments were made to client agreements, we assessed whether these had been recorded accurately and timely. • Finally, we evaluated whether revenue recorded is in compliance with IFRS 15 for revenue recognition criteria.
Key observations	Based on our work, independent professional service fees are appropriately recorded.

6. Our application of materiality

6.1. Materiality

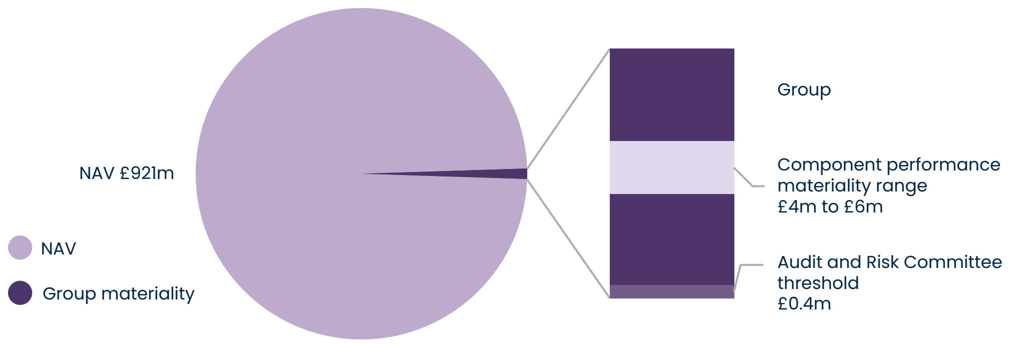
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Materiality	£9.3m (2023: £8.5m)	£8.4m (2023: £7.7m)
Basis for determining materiality	1% (2023: 1%) of net assets as at the year end.	Company materiality equates to 0.9% (2023: 0.9%) of net assets, which is capped at 90% of Group materiality.
Rationale for the benchmark applied	Net assets has been chosen as a benchmark as it is considered the most relevant benchmark for investors and is a key driver of shareholder value.	Company materiality has been capped at 90% Group materiality to ensure errors identified in the parent entity that may present an aggregate risk of material misstatement to the Group financial statements are detected.

6. Our application of materiality continued

6.1. Materiality continued



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Company financial statements
Performance materiality	70% (2023: 70%) of Group materiality	70% (2023: 70%) of Company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: • our understanding of the entity, its environment and the investment company sector; • the quality of the entity's internal controls over financial reporting; • significant control deficiencies identified in previous audits; • the nature, volume and size of misstatements (corrected and uncorrected) in the previous audit; and • management's willingness to correct misstatements identified.	

6.3. Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £0.4m (2023: £0.4m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

The organisation is headquartered and operates principally out of the UK, but also operates subsidiaries in United Kingdom, Ireland, Hong Kong, Cayman Islands, Channel Islands and the United States.

In determining the scope of work to be performed on specific components of the Group, we considered risk associated with account balances and classes of transactions scoped for the Group audit to reduce to an acceptably low level, the risk of material misstatements in account balances and the classes of transactions.

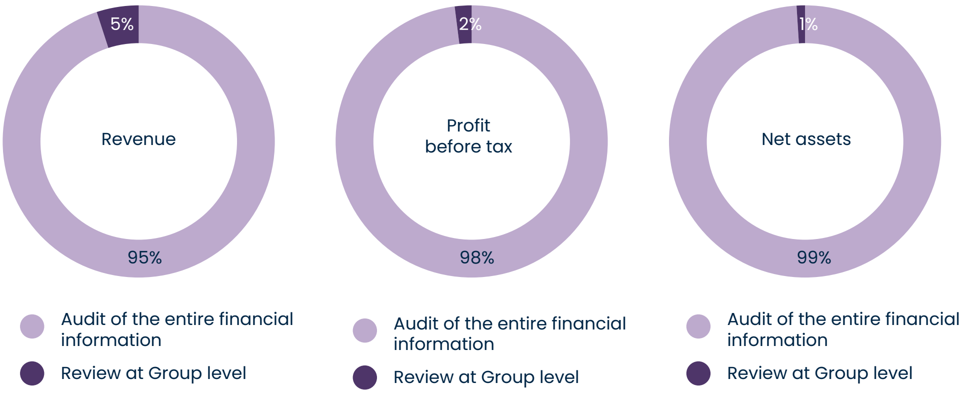
Based on that assessment, we focused our Group audit scope primarily on the audit work at the Company and six of the largest subsidiary companies in the Group, which were subject to an audit of specified account balances where the extent of our testing was based on our assessment of the risks of material misstatement and of the materiality of the Group's operations in each of those entities. All other subsidiaries were subject to Group-wide analytical review procedures.

Independent Auditor's Report continued

7.1. Identification and scoping of components continued

These seven entities represent the principal operating companies and account for 99% of the Group's total assets, 99% of the Group's net assets, 95% of the Group's revenue and 98% of the Group's profit before tax. They were also selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified above. Our audit work at the six subsidiaries was executed at levels of component performance materiality which were lower than Group materiality and were capped at £3.9 million for all components. Company materiality is set out at section 6 above.

Audit work to respond to the risks of material misstatement identified was performed directly by the Group audit engagement team.



7.2. Our consideration of the control environment

We identified that the following key IT systems were relevant to the audit:

- Sage Intacct, which is the finance software used across all components of the Group and is used to record underlying transactions within the Group;
- Kantata, which is used for recording key customer data and billing in respect of IPS revenue; and
- Investment Net asset value (NAV), an in-house tool which is used in recording the net asset value of the investment portfolio.

Furthermore, as noted by the Audit and Risk Committee on page 78, the Group's finance operations (including its control environment) is undergoing a Target Operating Model ('TOM') programme that involves the improvement in the overall control environment. Therefore, considering the on-going changes to the overall control environment, we concluded that a fully substantive approach was appropriate in all aspects of the audit for the year ended 31 December 2024.

7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements.

The Group continues to develop its assessment of the potential impacts of environmental, social and governance ('ESG') related risks, including climate change, as outlined on pages 53-61. As a part of our audit, we have obtained Group management's climate-related risk assessment documentation and held discussions with the Group ESG Manager to understand the process of identifying climate-related risks, the determination of mitigating actions and the impact on the Group's financial statements. We also reviewed the financial statement disclosures on the impact of climate-related risks (as disclosed on page 121) and evaluated whether the disclosure was appropriate.

We performed our own qualitative risk assessment of the potential impact of climate change on the Group's account balances and classes of transactions, including an assessment of how the potential impacts of climate change affect the financial statements, in particular judgements and estimates made in the recognition and measurement of assets and liabilities and related disclosures. These risk assessment procedures did not identify any additional risks of material misstatement.

In addition, we considered whether the TCFD disclosures provided were consistent with knowledge of the Group obtained during the audit.

8. Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

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

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

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, the directors and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;

Independent Auditor's Report continued

11.1. Identifying and assessing potential risks related to irregularities continued

- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists including tax, valuations, IT and pensions specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- valuation and existence of quoted investments; and
- occurrence of independent professional service fees.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Listing Rules, pensions legislation, tax legislation and matters regulated by the Financial Conduct Authority ('FCA') (the Group's lead regulator).

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Group's operating licence and regulatory solvency requirements.

11.2. Audit response to risks identified

As a result of performing the above, we identified (i) valuation and existence of quoted investments and (ii) occurrence of independent professional services fees as key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- enquiring of management and the Audit and Risk Committee regarding their identification and assessment of risks of irregularities, including those that are specific to the entity's business sector;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC, FCA and other regulators globally; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Independent Auditor’s Report continued

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors’ remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

- the information given in the Strategic Report and the Directors’ Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors’ Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors’ Report.

13. Corporate Governance Statement

The UK Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group’s compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors’ statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 72;
- the directors’ explanation as to its assessment of the Group’s prospects, the period this assessment covers and why the period is appropriate set out on page 72;
- the directors' statement on fair, balanced and understandable set out on page 72;
- the board’s confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 44-45;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set set out on pages 42-45; and
- the section describing the work of the Audit and Risk Committee set out on page 78-81.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Independent Auditor's Report continued

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were appointed by the Audit and Risk Committee on 1 October 2021 to audit the financial statements for the year ending 31 December 2021 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is four years, covering the years ending 31 December 2021 to 31 December 2024.

15.2. Consistency of the audit report with the additional report to the Audit and Risk Committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority ('FCA') Disclosure Guidance and Transparency Rule ('DTR') 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Andrew Partridge (Senior statutory auditor)
For and on behalf of Deloitte LLP

Statutory Auditor
Glasgow, United Kingdom

11 March 2025

Simon Lee
'All in the round' - LawDeb Lens 2022

Consolidated Statement of Profit or Loss

For the year ended 31 December 2024

	Notes	2024 Revenue £000	2024 Capital £000	2024 Total £000	2023 Revenue £000	2023 Capital £000	2023 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

GROUP	2024 Revenue £000	2024 Capital* £000	2024 Total £000	2023 Revenue £000	2023 Capital £000	2023 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 income/(loss) for the year	**2,020**	**(4,541)**	**(2,521)**	(2,002)	—	(2,002)
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	
Assets	Notes	**2024 £000**	2023 £000	**2024 £000**	2023 £000
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) and the 2024 £17,037k impairment of CSS (see CEO Statement on page 11).

Please refer to note 8 for details of dividends paid.

Statement of Changes in Equity

As at 31 December 2024

COMPANY	Share capital £000	Share premium £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 31 December 2024	**6,626**	**119,449**	**8**	**810,265**	**34,283**	**970,631**

COMPANY	Share capital £000	Share premium £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).

Please refer to note 8 for details of dividends paid.

Cash Flow Statement

For the year ended 31 December 2024

		GROUP		COMPANY	
	Notes	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 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.*

Notes to the Accounts

For the year end 31 December 2024

1. Summary of significant accounting policies

General information

The Law Debenture Corporation p.l.c. ('the Company') is a public company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The Law Debenture Corporation p.l.c. is the ultimate parent entity. The operations and principal activities of the Company and its subsidiaries (the Group) are as an investment trust and the provider of independent professional services.

These financial statements are presented in sterling £000, which is the currency of the primary economic environment in which the Group operates and are rounded to the nearest thousand. Foreign operations are included. The address of the registered office is given on page 164.

Guarantees issued to subsidiaries

For the year ending 31 December 2024 the following subsidiaries of the Company were entitled to exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies. The Company has given a statement of guarantee under s479C of the Companies Act 2006, whereby the Company guarantees all outstanding liabilities to which the respective subsidiary companies are subject to as at 31 December 2024:

	Country of incorporation	Registered number
Law Debenture Corporation (Deutschland) Limited	UK	04019781
Law Debenture Governance Services Limited	UK	07466833
LDC (NCS) Limited	UK	07384180
Law Debenture Intermediary Corporation p.l.c.	UK	01525148
Law Debenture Trustees Limited	UK	00625705
Safecall Limited	UK	03769031
L.D.C. Trust Management Limited	UK	01234879
Pegasus Pensions p.l.c.	UK	11429849
Law Debenture Corporate Services Limited	UK	03388362

In addition to this, the Company has provided a Letter of Support to the Directors of certain subsidiaries to confirm its continued commitment to the subsidiaries for a period of not less than 12 months.

Basis of preparation

The financial statements of The Law Debenture Corporation p.l.c. and the Group have been prepared in accordance with United Kingdom adopted international accounting standards and with International Financial Reporting Standards as issued by the IASB.

The accounts have been prepared under the historical cost basis of accounting, modified to include the revaluation of investment at fair value at the end of each reporting period as explained in the accounting policies below.

The assets, liabilities and contingent liabilities of subsidiaries and businesses are measured at their fair values at the date of acquisition. Any excess consideration over the fair values of the identifiable net assets acquired is recognised as goodwill.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. The financial statements of subsidiaries are adjusted, where necessary, to ensure the accounting policies used are consistent with those adopted by the Group.

Climate risks have been considered in the preparation of these financial statements. Following a review of the potential impact of climate risk on the Company's financial statements, the Directors are satisfied there is no adjustment required to the carrying value of assets and liabilities.

Where presentational guidance set out in the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts (issued July 2022) ('SORP') is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

The principal accounting policies adopted are set out below.

1. Summary of significant accounting policies continued

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.

Adoption of new and revised IFRS Standards

The following revised IFRS Accounting Standards have been implemented by the Group during the year:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) – effective 1 January 2024; and
- Non-current Liabilities with Covenants (Amendments to IAS 1) – effective 1 January 2024.

These have not had a material impact on the Group's Financial Statements.

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

- Amendment to IAS 21 The Effect of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments to IAS 21) – effective 1 January 2025;
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 6) – effective 1 January 2026;
- Annual Improvements to IFRS Accounting Standards – Volume 11 – effective 1 January 2026;
- Presentation and Disclosure in Financial Statements (IFRS 18) – effective 1 January 2027; and
- Subsidiaries without Public Accountability (IFRS 19) – effective 1 January 2027.

The standards, amendments or interpretations listed above are not expected to have a material impact on the Group.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

Presentation of income statement and statement of comprehensive income

In order to better reflect the activities of an investment trust company and in accordance with the SORP, supplementary information which analyses the income statement and statement of comprehensive income between items of a revenue and capital nature has been presented. Additionally, the net revenue is the measure the Directors believe appropriate in assessing the Group's compliance with certain requirements set out in Sections 1158-1159 of the Corporation Tax Act 2010.

The allocation of investment trust finance costs and investment management fees between the revenue and the capital columns in the income statement reflects the expected split of future returns between income and capital. The proportional split is:

- Revenue 25% (2023: 25%)
- Capital 75% (2023: 75%).

1. Summary of significant accounting policies continued

Segment reporting

Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the Directors in deciding how to allocate resources and in assessing performance. The Executive Leadership team, comprising the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Chief Technology Officer are together the Chief Operating Decision Makers of the Group and determine the appropriate operating segments to monitor financial performance. They have determined that the Group comprises two reportable operating segments; the Portfolio and independent professional services ('IPS') business, determined by the management information reviewed by the Board. We believe these are distinctive in nature due to their inherent characteristics.

The IPS business derives its revenue from providing services to clients. On the contrary, the Portfolio derives dividend income from investments held. Additionally, it aims to create value for investors through long-term capital growth. It is these characteristics that distinguishes the group into two clear segments.

The Board evaluates segmental performance based on revenue, profit before tax, along with segment assets and liabilities and APMs of the investment trust detailed on pages 159 to 162.

Foreign currencies

Transactions recorded in foreign currencies are translated into sterling at the exchange rate ruling on the date of the transaction.

Assets and liabilities denominated in foreign currencies at the reporting date are translated into sterling at the exchange rate ruling at that date. Gains and losses on translation are included in profit or loss for the period, however exchange gains or losses on investments held at fair value through profit or loss are included as part of their fair value gain or loss.

The assets and liabilities of overseas subsidiaries are translated at exchange rates prevailing on the reporting date. Income and expenses of overseas subsidiaries are translated at the average exchange rates for the period. Exchange differences arising from the translation of net investment in foreign subsidiaries are recognised in the statement of comprehensive income and transferred to the Group's translation reserve.

Revenue recognition

The Group generates revenue from the investment trust and the IPS business. Revenues are largely generated in the form of dividend income from the Portfolio of the investment trust, and also from delivering professional services to clients from the individual IPS business comprising, Company Secretarial Services, Corporate Trust, Pensions and Pegasus, Safecall and Service of Process.

Investment Trust

Dividend Income

Dividend income from investments is recognised when the Company's right to receive payment have been established, typically on the ex-dividend date in accordance with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts (issued July 2022) ('SORP'). Dividend income is recognised as revenue, except where, in the opinion of the Directors, its nature indicates it should be recognised as capital.

Dividend income is accounted for on the basis of income actually receivable, without adjustment for any tax credit attaching to the dividends.

Where the Company has elected to receive its dividends in the form of additional shares rather than in cash (scrip dividends), the amount of the cash dividend foregone is recognised as income.

Any excess in the value of the shares received over the amount of the cash dividend foregone is recognised in capital.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Independent Professional Services

The Group recognises revenue in accordance with IFRS 15 Revenue from Contracts with Customers. Revenue is recognised in any period based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue excludes value added tax and includes recoverable expenses incurred which are recoverable from customers. Recoverable expenses include disbursements expected to be recovered from customers.

There are lots of different types of services offered within each business, however, performance obligations tend to be consistent for each type of fee charged.

The transaction price is the total amount of consideration to which the Group expects to be entitled to in exchange for transferring goods or services to a customer. The amount of consideration the Group receives can vary depending on the nature of the service and customer.

1. Summary of significant accounting policies continued

Revenue recognition continued

The transaction price can be based on one or more principal pricing mechanisms:

- Time at a contracted charge out rate and recoverable expenses
- Annual fixed fees
- Acceptance and appointment fees
- Special fees/out of scope fee.

Revenue is recognised when the Group has satisfied performance obligations by transferring control of services to customers. Progress is measured in satisfying the performance obligations as follows:

- For time-based arrangements, the output method is used to measure progress and the practical expedient within IFRS 15 is utilised, allowing revenue to be recognised at the amount which the Group has the right to invoice its customers, since that amount corresponds directly with the value to the customer of the Group's performance completed to date.
- Annual fees – For the majority of contracts, the performance obligations are satisfied throughout the period as the services are provided, the output method is used to measure progress here based on time-elapsed and revenue is recognised on a straight-line basis. For other certain contracts, the substance of the performance obligations is to "stand-ready" to serve the customer and is satisfied over time where value is transferred to the customer over time.
- Acceptance and appointment fees – There are contracts where separate performance obligations relating to acceptance fees have been identified where these are capable of being distinct and the pattern of delivery differs to the remainder of the performance obligation(s) within the contract. Revenue is recognised at a point in time, for example, upon creation of the Trust or Structure, which accurately reflects the benefits received by the customer.
- Special fees / out of scope fees – typically relate to additional services provided outside of the scope of the annual contractual agreements. These services are capable of being distinct and are considered a separate performance obligation. Revenue is recognised at a point in time, i.e., once the service has been delivered to the client, reflecting the incremental benefits transferred to the customer.

The Group typically invoice on a monthly, quarterly, or annual basis and payment terms can vary depending on the nature of the services provided. Where revenue is invoiced in advance of fulfilling the performance obligation, it is deferred, and a contract liability is recognised. Only when the performance obligations have been satisfied is the revenue released and recognised in the Income Statement.

Where performance obligations have been satisfied but the Group's right to consideration is conditional upon something other than the passage of time, such as the final billing amount being agreed with the customer prior to the amounts being billed, a contract asset is recognised. These are subsequently classified as trade receivables when the customer has been invoiced in accordance with the contractual terms.

For certain contracts with customers, there is a provision for annual transaction price increases, generally in line with local inflation. These increases do not change the performance obligations, and the increased prices are applied prospectively when revenue is recognised.

The Group has determined that no significant financing component exists in respect of its professional services as the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

The Group has no material exposure to returns or refunds, nor does it have warranties or other related obligations.

Property, plant and equipment and right-of-use assets

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the item. Depreciation is calculated using the straight-line method to allocate the cost over the assets' estimated useful lives.

Right-of-use assets are measured at cost less accumulated depreciation. The carrying amount is adjusted for any re-measurement of the lease liability.

1. Summary of significant accounting policies continued

Property, plant and equipment and right-of-use assets continued

Office improvements	over the remaining lease period – rental terms are for fixed periods of between 1 to 10 years
Furniture and equipment	3-10 years
Right-of-use assets	over the remaining lease period – rental terms are for fixed periods of between 1 to 10 years

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The consideration transferred in the acquisition is measured at the aggregate of fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Goodwill is not amortised but is reviewed for impairment annually (refer to Goodwill section below). Any gain on a bargain purchase is recognised in profit or loss immediately. Acquisition-related costs are recognised in profit or loss as incurred. Where applicable, any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (which is subject to a maximum of one year). Changes in the fair value of contingent consideration classified as equity are not recognised.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS3 'Business Combinations' are recognised at their fair value at the acquisition date, except where a different treatment is mandated by another standard.

Intangible assets

Computer software
Computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight-line basis over their estimated useful lives of between three and five years.

IT project costs
IT project costs have been capitalised that relate to the development of new internal software. It is amortised on a straight-line basis from the commencement of its use, over the useful economic life of three years.

Goodwill
Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of subsidiaries and businesses at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit ('CGU') exceeds its recoverable amount. Any impairment would be recognised in profit or loss and is not subsequently reversed.

Intangible assets acquired in a business combination
Intangible assets acquired in a business combination and recognised separately to goodwill are initially recognised at their fair value at the acquisition date and have finite useful lives. Following initial recognition, intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses (where applicable). The Group does not have intangible assets with indefinite useful lives.

Customer relationships can arise on the acquisition of subsidiaries and businesses and represent the incremental value expected to be gained as a result of the existing contracts transferred as part of the acquired business. These assets are amortised over the length of the average length of the related contracts.

Amortisation is recognised in the income statement on a straight-line basis over their estimated useful lives. The estimated useful lives for Customer Relationships is eight years.

For the newly acquired intangibles relating to business combinations, please see note 12.

Impairment of assets

The Group reviews the carrying amounts of its tangible and intangible assets (including goodwill) on a regular basis, and at a minimum at each reporting date, to assess whether there is any indication of impairment loss, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceed its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit and loss, with goodwill impairment recorded within the capital reserve.

For details on goodwill impairment and how the recoverable amount is determined see note 10.

1. Summary of significant accounting policies continued

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Initial recognition

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

Classification and subsequent measurement

Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Investments

Listed and unlisted investments which comprise the Portfolio, have been classified at fair value through profit or loss. Purchases and sales of listed and unlisted investments are recognised on the date on which the Group commits to purchase or sell the investment. Investments are initially recognised at fair value and transaction costs are expensed as incurred. Gains and losses arising from listed and unlisted investments, as assets at fair value through profit or loss, are included in the income statement in the period in which they arise. The Group has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. Transaction costs are expensed immediately.

The fair value of listed investments is based on quoted market prices at the reporting date. The quoted market price used is the bid price. The fair value of unlisted investments is determined by the Directors with reference to the International Private Equity and Venture Capital Valuation ('IPEV') guidelines (December 2022).

Gains and losses on investments and direct transaction costs are analysed within the income statement as capital. All other costs of the investment trust are treated as revenue items.

Trade receivables

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

Contract assets

Contract assets represent revenue recognised in satisfying performance obligations, where the Group's right to consideration is conditional upon something other than the passage of time, such as the final billing amount being agreed with the customer prior to the amounts being billed. These are subsequently classified as trade receivables when the customer has been invoiced in accordance with the contractual terms.

Intercompany

The Company has a master netting agreement in relation to intercompany payables and receivables. The Company periodically settles the net intercompany amounts with counterparties. The Company and each of its subsidiaries has a legally enforceable right to offset all assets and liabilities due to/from other group companies and intends to settle all amounts net. Due to the nature of the asset, the Group has assessed that no loss allowance is required to be recognised for expected credit losses on amounts due from Group undertakings.

Impairment of financial assets

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 ageing.

The expected loss rates are based on 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.

1. Summary of significant accounting policies continued

Financial instruments continued

Write off policy
Outstanding trade receivables are reviewed by management on a regular basis to assess their recoverability and ability to pay. The Group writes off a financial asset when there is no reasonable expectation of recovery. Any recoveries made are recognised in profit or loss.

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

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

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

Financial liabilities
Long-term borrowings are recognised initially at fair value, which are generally the proceeds net of transaction costs incurred. The difference between the proceeds net of transaction costs and the redemption value will continue to be recognised in the income statement over the term of the borrowings using the effective interest rate method.
All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Amortised cost and effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the 'interest receivable and similar income' line item (note 5).

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

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

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

1. Summary of significant accounting policies continued

Financial instruments continued

Share capital
Ordinary shares are classified as equity. The ordinary shares of the Company which have been purchased by the Employee Share Ownership Trust (ESOT) to provide share based payments to employees are valued at cost and deducted from equity.

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each year end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to recover the asset.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is expected to be settled or the asset is expected to be realised based on tax rates that have been enacted or substantively enacted at the year end date.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to do so and presented as a net number on the face of the balance sheet.

Investment in subsidiaries
Investments in subsidiaries are carried at cost less provision for impairment.

Employee benefits

Pension costs
The Group operates a defined benefit pension plan, which was closed to future accrual on 31 December 2016. The cost of providing benefits under the plan is determined using the projected unit credit method, with independent actuarial calculations being carried out at each year end date. Actuarial gains and losses are recognised in full in the period in which they occur through other comprehensive income.

The asset recognised in the statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the year end date less the fair value of the plan assets.

In addition the Group operates defined contribution plans, where the cost recognised is the contributions paid in respect of the year.

Profit share schemes
The Group recognises provisions in respect of its profit share schemes when contractually obliged or when there is a past practice that has created a constructive obligation.

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

Share based plans
The Group issues equity-settled share-based payments to certain employees. whereby the shares are deferred for a three-year period. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effects of non-market-based vesting conditions.

The Group also awards share options to executives. The Group operated a long-term performance incentive plan ('LTIP') to executives in addition to annual bonus following the completion of a required service period and is dependent on the achievement of corporate performance and individual targets. Options are normally exercisable between 3 to 5 years from the date of grant for nil consideration. Full details of this plan can be found in the Directors' remuneration report.

1. Summary of significant accounting policies continued

Reserves

A description of each of the reserves follows:

Share premium
This reserve represents the difference between the issue price of shares and the nominal value of shares at the date of issue, net of related issue costs.

Capital redemption
This reserve was created on the cancellation and repayment of the Company's share capital.

Own shares
This represents the cost of shares purchased by the ESOT.

Capital reserves
The following are dealt with through this reserve:

- gains and losses on realisation of investments; and
- changes in fair value investments which are readily convertible to cash.

Retained earnings
Net revenue profits and losses of the Company and its subsidiaries and the fair value costs of share based payments which are revenue in nature are dealt with in this reserve.

Translation reserve
This reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Leases

The Group determines at contract inception whether an arrangement contains a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group leases various office properties. Rental contracts are typically made for fixed periods of 1 to 10 years and lease terms are negotiated on an individual basis.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets (under £5,000); and
- Leases with a duration of 12 months or less.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group's incremental borrowing rate is used. Generally, the Group uses its incremental borrowing rate as the Group's borrowing rate which was updated following the issuance of a further two debentures, lowering the rate to 3.966% (previously 4.589%). Where there has been a lease modification and/or a new lease arrangement entered into, this rate has been applied.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change to future lease payments arising from a change in an index rate, a change in the estimate of the amount expected to be payable under the residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

Further detail on leases is provided in note 22 of the accounts.

1. Summary of significant accounting policies continued

Dividend distribution

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when paid. In the case of final dividends, this is when approved by the shareholders.

Critical accounting judgments and key sources of estimation uncertainty

The preparation of the financial statements requires the exercise of judgement both in application of accounting policies which are set out below and in the selection of assumptions used in the calculation of estimates. These estimates and judgements are reviewed on an ongoing basis and are continually evaluated based on historical experience and other factors. However, actual results may differ from these estimates.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have the most significant effect on the amounts recognised in the consolidated financial statements are discussed below.

Critical accounting judgements

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of The Law Debenture Corporation p.l.c. and entities controlled by the Company (its subsidiaries and businesses) made up to the end of the financial period. Management has not applied the IFRS 10, 'Consolidated Financial Statements' investment entity exemption available and therefore the financial statements of the Law Debenture Corporation p.l.c. and its subsidiaries continue to be consolidated.

The subsidiaries of the Group comprise the IPS trading companies and the IPS business has historically, and continues to be, managed, and operated as an integrated business within the Group. In addition to the investment trust, The Law Debenture Corporation p.l.c Board plays an active role in the oversight of the IPS business.

A judgement has been made by Management that the Company does not meet the criteria for the investment entity exemption, on the basis that the IPS business is viewed by management and the Board as a distinct trading group, rather than as a portfolio investment for the Company. This view is consistent with that held in previous reporting periods and there have been no material changes to the Group or its operations during the current reporting period.

The company controls an investment if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Key sources of estimation uncertainty

Impairment of goodwill

At each reporting period an assessment is performed in order to determine whether there are any goodwill impairment indicators. This assessment considers the performance of the IPS business and any significant changes to the markets in which we operate and involves an estimation of the expected value in use of the assets (or cash generating units ('CGU') to which the asset relates).

The value in use calculation involves an estimation of future cash flows and the selection of appropriate discount rates, both of which involve considerable judgement. The future cash flows are derived from the proceeding financial year, with the key assumptions being revenue growth rates, gross margins and operating costs (including management's estimation of costs borne by other group companies for overheads and central costs recharged to the CGU), as well as terminal growth and discount rates. No additional specific adjustments have been made to the cash flows used in assessing the value in use of assets. Discount rates applied are consistent with those used to value IPS (see below).

During the year, the CSS CGU was fully impaired. There continues to be headroom across all remaining CGUs and as detailed in note 10, sufficient headroom remains even when reasonable changes to discount and growth rates are applied. However, a high degree of judgement remains in estimating future cash flows.

IPS Valuation

The valuation of the IPS business is an area which requires judgment and estimation. This is discussed in depth on page 39. PwC are engaged to provide external advice relating to the valuation of the business using a discounted cash flow analysis to derive a range from which the Board select a value. The valuation was cross-checked by management through an assessment of the implied multiple and comparability with previous valuations.

2. Net capital gain/(loss) on investments

	2024 £000	2023 £000
Realised gains/(losses) based on historical cost	**31,010**	(18,797)
Amounts recognised as unrealised in previous years	**(1,868)**	12,119
Realised gains/(losses) based on carrying value at previous year end date	**29,142**	(6,678)
Unrealised gains on investments	**47,159**	44,057
Net capital gain on investments	**76,301**	37,379

3. Administrative expenses

	2024 £000	2023 £000
Administrative expenses include:		
Salaries and Directors' fees	**24,508**	22,938
Social security costs	**2,401**	2,286
Other pension costs	**1,690**	1,736
	28,599	26,960
Investment management fee[1]	**634**	584
Depreciation – property, plant and equipment	**566**	403
Depreciation – right-of-use assets	**719**	891
Amortisation – intangible assets	**1,046**	892
Interest on lease liabilities	**254**	267
Net foreign exchange loss	**248**	365
Auditors' remuneration	**859**	746
Other property costs	**1,027**	1,032
IT infrastructure	**1,628**	1,380
Non-recurring expenses (see APMs on pages 159-162)	**1,036**	–
Business development	**759**	338
Professional fees	**1,785**	2,171
Other expenses	**3,525**	3,679
Administrative expenses	**42,685**	39,708

1 25% of the management fee is charged to revenue, and 75% to capital reserves, to better reflect the expected split of future returns between income and capital. Further details are given in note 1 on page 122.

During the year, the Group employed an average of 298 staff (2023: 288). All staff are engaged in the provision of independent professional services. The Company has no employees.

Details of the terms of the investment management agreement are provided on page 37 of the Strategic Report.

Administrative expenses charged to capital are transaction costs and foreign exchange differences on the purchase of investments held at fair value through profit or loss.

3. Administrative expenses continued

A more detailed analysis of the auditors' remuneration on a worldwide basis is provided below:

	2024 £000	2023 £000
Audit services		
– fees payable to the Group's auditors for the audit of its financial statements	**389**	314
– fees payable for the audit of the accounts for subsidiaries of the Company	**438**	407
– audit related regulatory	**32**	25
	859[1]	746

1 Includes £271k overruns in relation to 2023 audits.

A description of the work of the Audit and Risk Committee is set out in the Audit and Risk Committee report on pages 78 to 81 and includes an explanation of how auditor objectivity and independence is safeguarded when non-audit services are provided by the auditors.

4. Remuneration of Directors (key management personnel)

The remuneration of the Directors, who are the key management personnel of the Group, comprises the following:

	2024 £000	2023 £000
Short-term benefits including fees in respect of Directors	**1,350**	1,541
Deferred share bonus scheme	**209**	131
	1,559	1,672

Details for each individual Director are shown in the remuneration report on pages 98 and 102.

5. Interest

	2024 £000	2023 £000
Interest Income		
Interest on bank deposits	**73**	126
Returns on money market funds	**495**	1,071
Other	**171**	–
Total Group interest	**739**	1,197
Interest Payable		
Interest on long-term debt – revenue	**(1,640)**	(1,635)
Interest on long-term debt – capital	**(4,908)**	(4,908)
Total	**(6,548)**	(6,543)
Net interest payable	**(5,809)**	(5,346)

6. 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):

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 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 on page 116. 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.

6. Segment analysis continued

	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

7. Taxation

	2024 £000	2023 £000
a) Analysis of the tax charge for the period ended 31 December 2024		
UK Corporation tax at 25% (2023: 23.5%)	**1,821**	1,013
Foreign tax charge	**311**	169
Adjustments in respect of prior periods	**634**	–
Total current tax charge	**2,766**	1,182
Deferred tax charge	**(869)**	444
Charge for the year	**1,897**	1,626

b) Factors affecting tax charge for the period ended 31 December 2024

The tax assessed for the period ended 31 December 2024 is lower than the Company's applicable rate of corporation tax for that year of 25%. The factors affecting the tax charge for the period are as follows:

	2024 £000	2023 £000
Profit for the period before tax	**98,848**	76,779
Net return before taxation multiplied by applicable rate 25% (2023: 23.5%)	**24,712**	18,043
Effects of:		
Permanent tax adjustments	**–**	(52)
Higher rates of tax on foreign income	**(113)**	(275)
Non-taxable capital (gains)	**(18,848)**	(9,106)
Income not subject to taxation	**(9,033)**	(7,873)
Limit on Group relief for UK interest expense	**778**	295
Expenses not deductible for tax purposes	**4,636**	–
Prior year under provision in respect of current tax	**634**	150
Other timing differences	**(869)**	–
Total tax for the year	**1,897**	1,182

7. Taxation continued

	2024 £000	2023 £000
c) Deferred taxation		
Provision at start of period	**(1,788)**	(1,344)
Credit/(charge) to income	**869**	(444)
(Charge) to other comprehensive income	**(499)**	–
Provision at end of period	**(1,418)**	(1,788)

The following are the major deferred tax liabilities and assets recognised by the Group:

	2024 £000	2023 £000
Retirement benefit obligations	**(2,619)**	(2,120)
Accelerated tax depreciation	**332**	332
Other timing differences	**869**	–
	(1,418)	(1,788)

8. Dividends on ordinary shares

	2024 £000	2023 £000
Dividends on ordinary shares comprise the following:		
2024 Interims[†] 24p (2023: 22.875p)	**31,640**	29,957
2023 9.125p (2022: 8.75p)	**11,971**	11,276
Total	**43,611**	41,233

[†] *2024 interim dividends were paid in July 2024, October 2024 and January 2025.*

Proposed final dividend for the year ended 31 December 2024

The proposed dividend is payable to all shareholders on the Register of Members on 21 March 2025. The total estimated dividend to be paid is 9.5 pence per share.

Set out below is the total dividend payable in respect of the financial year, which is the basis on which the requirements of Sections 1158-1159 of the Corporation Tax Act 2010 are considered.

	2024 £000	2023 £000
2024 Interims[†] 24p (2023: 22.875p)	**31,640**	29,957
2024 Final 9.5p (2023: 9.125p)	**12,596**	11,971
Total	**44,236**	41,928

[†] *2024 interim dividends were paid in July 2024, October 2024 and January 2025.*

On this basis, The Law Debenture Corporation p.l.c. satisfies the requirements of Sections 1158-1159 of the Corporation Tax Act 2010, as an approved investment trust company.

9. Net asset value/return per share

NAV per share is calculated based on 131,888,540 (2023: 130,602,252) shares, being the total number of shares in issue of 132,594,209 (2023: 131,191,892), less 705,669 (2023: 589,640) shares, acquired by the ESOT in the open Market. The net asset value of £1,150,512,000 (2023: £1,048,304,000) comprises the NAV per the balance sheet of £920,764,000 (2023: £854,229,000) plus the fair value adjustment to for the IPS business of £187,395,000 (2023: £160,836,000) less the fair value adjustment for the debt of £42,353,000 (2023: £33,239,000).

Revenue return per share is based on profits attributable of £43,869,000 (2023: £43,388,000).

Capital gain per share is based on capital gain for the year of £53,082,000 (2023: gain £31,764,000).

Total return per share is based on gain for the year of £96,951,000 (2023: gain £75,153,000).

The calculations of returns per share are based on 131,022,927 (2023: 129,785,836) shares, being the weighted average number of shares in issue during the year after adjusting for shares owned by the ESOT. In 2024, total revenue and capital diluted returns per share were calculated using 131,045,193 shares (2023: 129,811,509 shares), being the diluted weighted average number of shares in issue assuming exercise of options at less than fair value. There were 22,465 (2023: nil) antidilutive shares.

10. Goodwill

GROUP	**2024 £000**	2023 £000
Cost		
At 1 January	**19,457**	19,509
Additions	**—**	—
Foreign exchange	**15**	(52)
At 31 December	**19,472**	19,457
Accumulated impairment losses		
At 1 January	**451**	473
Impairment	**17,037**	—
Foreign exchange	**8**	(22)
At 31 December	**17,496**	451
Net book value		
Net book value at 31 December	**1,976**	19,006

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's cash-generating units ('CGU'), being its operating business units. That is not the same as our reportable segments disclosed under note 6, with the identified CGU for goodwill being one level below that of a reportable operating segment. Cash flows at the business unit level are independent from the other cash flows and this is the lowest level at which goodwill is monitored by the Board. The aggregate carrying amounts of goodwill allocated to each CGU are as follows:

GROUP	Balance at 1 January 2024 £000	Movements in exchange rates £000	Impairment £000	Balance at 31 December 2024 £000
CGU Safecall	**1,419**	**—**	**—**	**1,419**
CGU Delaware Corporate Services (DCS)	**550**	**7**	**—**	**557**
CGU CSS	**17,037**	**—**	**(17,037)**	**—**
Total	**19,006**	**7**	**(17,037)**	**1,976**

10. Goodwill continued

GROUP	Balance at 1 January 2023 £000	Movements in exchange rates £000	Impairment £000	Balance at 31 December 2023 £000
CGU Safecall	1,419	–	–	1,419
CGU Delaware Corporate Services ('DCS')	580	(30)	–	550
CGU CSS	17,037	–	–	17,037
Total	19,036	(30)	–	19,006

At 31 December 2024 the goodwill in relation to each CGU was reviewed and tested for impairment. The review assessed whether the carrying value of the goodwill exceeded its recoverable amount. The recoverable amount of a CGU is the greater of its value in use and its fair value less costs to sell. The basis of the recoverable amount used in the impairment tests for the CGUs is the value in use. In assessing value in use, the net present value of future cash flows were computed based on management's financial budgets and forecasts that do not extend beyond five years. The key assumptions in preparing these forecasts are net revenue growth rates, operating costs, terminal growth and discount rates. The methodology applied is consistent with the tests performed in the prior period.

For the Safecall and DCS CGUs, the recoverable amount valuations indicated sufficient headroom such that a reasonably possible change to key assumptions is unlikely to result in an impairment of the related goodwill.

The key quantifiable assumptions applied in the impairment review of the remaining CGUs are set out below:

GROUP	**Discount Rate 2024 %**	Discount Rate 2023 %	**Short-term growth rates 2024 %**	Short-term growth rates 2023 %	**Terminal growth rates 2024 %**	Terminal growth rates 2023 %
CGU Safecall	**12.8**	10.5	**8.0**	8.0	**2.0**	5.0
CGU DCS	**12.8**	10.5	**8.0**	8.0	**2.0**	5.0

Discount rate

A discount rate of 12.8% applied to projected cash flows is consistent with the rate determined by the independent expert in the valuation of the IPS business. Following the change in valuation approach for the IPS business for 31 December 2024 (see Company Overview page 39), the Board determined a discount rate should be applied consistently across the group. The rate was previously derived from the Group's pre-tax weighted average cost of capital.

Terminal growth rates

The calculations include a terminal value based on the projections for the fifth year of the forecasted cash flows, with a growth rate assumption applied which extrapolates the business into perpetuity. Consistent with the approach in selecting the discount rate mentioned above, the Board also aligned the terminal growth rate used from the valuation of IPS. In 2023, the rate was aligned with management's expectation of future long-term average growth rate.

Short-term growth rates

The annual impairment test was performed subsequent to year end based on the 2024 trading performance of the CGUs assuming a short-term growth rate of 8% consistent with the prior year. The revenue and margin growth rates are based on past performance with consideration given to market trends and strategic decisions in respect of the CGU. Operating costs are based on the Group's current structure and adjusted for inflationary measures.

CSS

The CSS CGU base scenario indicated full impairment of the goodwill was appropriate. The base scenario assumed a discount rate of 12.8%, terminal growth rate of 2.0% and short-term revenue and cost growth rate of 9.0% and 6.5% respectively. The goodwill arose on the acquisition of the company secretarial services business of Konexo, a division of Eversheds Sutherland LLP, in 2021. Successfully addressing the underinvestment, prior to our purchase of the business, in areas of people, training, technology and infrastructure is taking longer and costing more than originally expected. Consequently trading performance in 2024 was lower than anticipated and a more conservative view taken on financial forecasts included in the base scenario. See CEO Review, page 11 for further details. The impairment is sensitive to changes in assumptions. A 1% increase in net revenue would decrease the impairment by £2.6m. A 1% decrease in costs would decrease the impairment by £2.7m.

11. Property, plant and equipment

GROUP	Office improvements £000	Furniture and equipment £000	Total £000	Office improvements £000	Furniture and equipment £000	Total £000
			2024			2023
Cost						
At 1 January	99	3,325	3,424	114	2,498	2,612
Additions at cost	—	268	268	3	871	874
Disposals at cost	—	(68)	(68)	(18)	(37)	(55)
Foreign exchange	—	(2)	(2)	—	(7)	(7)
At 31 December	99	3,523	3,622	99	3,325	3,424
Accumulated depreciation						
At 1 January	49	1,108	1,157	75	741	816
Charge	26	540	566	27	376	403
Disposals at cost	—	(68)	(68)	(53)	(2)	(55)
Foreign exchange	—	9	9	—	(7)	(7)
At 31 December	75	1,589	1,664	49	1,108	1,157
Net book value						
Net book value at 31 December	24	1,934	1,958	50	2,217	2,267

The Company holds no property, plant and equipment.

12. Other intangible assets

GROUP	Computer software £000	IT project costs £000	Customer relationships £000	Intangible total £000	Computer software £000	IT project costs £000	Customer relationships £000	Intangible total £000
				2024				2023
Cost								
At 1 January	1,220	2,001	2,979	6,200	1,166	1,546	2,979	5,691
Additions at cost	275	369	—	644	54	455	—	509
Disposals at cost	(1,071)	—	—	(1,071)	—	—	—	—
At 31 December	424	2,370	2,979	5,773	1,220	2,001	2,979	6,200
Accumulated amortisation								
At 1 January	1,152	934	1,080	3,166	1,151	413	710	2,274
Charge for the year	87	589	370	1,046	1	521	370	892
Disposals at cost	(1,070)	—	—	(1,070)	—	—	—	—
At 31 December	169	1,523	1,450	3,142	1,152	934	1,080	3,166
Net book value								
Net book value at 31 December	255	847	1,529	2,631	68	1,067	1,899	3,034

13. Investments

Investments held at fair value through profit or loss

GROUP	Listed £000 (2024)	Unlisted £000 (2024)	Total £000 (2024)	Listed £000 (2023)	Unlisted £000 (2023)	Total £000 (2023)
Opening cost at 1 January	**899,027**	**9,711**	**908,738**	880,982	9,711	890,693
Gains at 1 January	**60,060**	**(3,572)**	**56,488**	3,112	(2,800)	312
Opening fair value at 1 January	**959,087**	**6,139**	**965,226**	884,094	6,911	891,005
Purchases at cost	**194,185**	**–**	**194,185**	99,250	–	99,250
Cost of acquisition	**(791)**	**–**	**(791)**	(316)	–	(316)
Sales – proceeds	**(192,881)**	**–**	**(192,881)**	(62,093)	–	(62,093)
– realised gains/(losses) on sales	**31,010**	**–**	**31,010**	(18,796)	–	(18,796)
Gains/(losses) in the income statement	**46,562**	**(1,272)**	**45,290**	56,948	(772)	56,176
Closing fair value at 31 December	**1,037,172**	**4,867**	**1,042,039**	959,087	6,139	965,226
Closing cost at 31 December	**930,550**	**9,711**	**940,261**	899,027	9,711	908,738
Gains/(losses)	**106,622**	**(4,844)**	**101,778**	60,060	(3,572)	56,488
Closing fair value at 31 December	**1,037,172**	**4,867**	**1,042,039**	959,087	6,139	965,226

Investments held at fair value through profit or loss

COMPANY	Listed £000 (2024)	Unlisted £000 (2024)	Total £000 (2024)	Listed £000 (2023)	Unlisted £000 (2023)	Total £000 (2023)
Opening cost at 1 January	**899,027**	**9,611**	**908,638**	880,982	9,611	890,593
Gains at 1 January	**60,060**	**(3,572)**	**56,488**	3,112	(2,800)	312
Opening fair value at 1 January	**959,087**	**6,039**	**965,126**	884,094	6,811	890,905
Purchases at cost	**194,185**	**–**	**194,185**	99,250	–	99,250
Cost of acquisition	**(791)**	**–**	**(791)**	(316)	–	(316)
Sales – proceeds	**(192,881)**	**–**	**(192,881)**	(62,093)	–	(62,093)
– realised gains/(losses) on sales	**31,010**	**–**	**31,010**	(18,796)	–	(18,796)
Gains/(losses) in the income statement	**46,562**	**(1,273)**	**45,289**	56,948	(772)	56,176
Closing fair value at 31 December	**1,037,172**	**4,766**	**1,041,938**	959,087	6,039	965,126
Closing cost at 31 December	**930,550**	**9,611**	**940,161**	899,027	9,611	908,638
Gains/(losses)	**106,622**	**(4,845)**	**101,777**	60,060	(3,572)	56,488
Closing fair value at 31 December	**1,037,172**	**4,766**	**1,041,938**	959,087	6,039	965,126

Listed investments are all traded on active markets and as defined by IFRS 13 are Level 1 financial instruments. As such they are valued at unadjusted quoted bid prices. Unlisted investments are Level 3 financial instruments. They are valued by the Directors using unobservable inputs including the underlying net assets of the investments. Investments have been revalued over time and until they were sold, any unrealised gains/losses were included in the fair value of the investments.

The Group's direct interests in unconsolidated structured entities comprise investments in special purpose vehicles, including both Limited Companies and Public Limited Companies. The investments include both those entities managed by third parties and those managed by the Group on behalf of its' members where the Group acts as share Trustee under a Trust Deed Arrangement.

Given the nature of these investments, the Group's maximum exposure to loss is equal to the carrying value of the investment.

During the year the Group has not provided any non-contractual financial or other support to these entities and has no current intention of providing any financial or other support. There were no transfers from/to these unconsolidated collective investment vehicles and limited companies.

The Group earns fees from the provision of corporate services or corporate trust services, details of these are included and reported in note 6.

13. Investments continued

Investments in subsidiary undertakings – Company

	2024 £000	2023 £000
Cost		
At 1 January	**61,368**	61,368
Transfers within the Group	**(192)**	–
At 31 December	**61,176**	61,368

Investments in subsidiaries are measured at cost less impairment. No impairment has been recognised in relation to the subsidiaries to date. The financial statements consolidate the results and financial position of the Group, including all subsidiary undertakings, which are listed in this note under section "subsidiaries and related undertakings".

The cost of subsidiary undertakings includes capital contributions and as a consequence is not comparable to the fair value of the IPS business.

Fair valuation of the IPS

The fair value of the IPS business relates to all of the wholly owned subsidiaries of the Company, with the exception of Law Debenture Finance p.l.c. The Directors have chosen to provide a fair valuation of the IPS business, which is not included within the financial statements, to assist the users of the Annual Report. The fair valuation is used in preparing performance data for the Group. The fair value is determined using unobservable inputs (including the Group's own data), which represent Level 3 inputs. The Directors' estimate of fair value uses the guidelines and methodologies on valuation published by the International Private Equity and Venture Capital Association.

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. As a cross check, the implied multiple for 31 December 2024 was calculated by dividing the DCF IPS valuation by the underlying EBITDA (see APM on page 162). See page 39 for further detail on the IPS valuation.

Fair valuation of IPS	2024 £000	2023 £000
Fair valuation of IPS business	**194,505**	185,063
Surplus net assets	**18,811**	25,729
Total	**213,316**	210,792

The adjustment to NAV to reflect the IPS fair value is an increase of 142.09 pence per share (2023: 123.15 pence).

Subsidiaries and related undertakings

The following is a list of all of the subsidiaries within the Law Debenture Group. Each of them is 100% owned within the Group and has been consolidated in the Group accounts. Subsidiaries held directly by the Company are in bold. Unless indicated, all subsidiaries are incorporated and have their registered office in the United Kingdom. The addresses of overseas registered companies appear at page 165. All shares issued by Group subsidiaries are ordinary shares. The Company and the Group do not have any significant holdings in any qualifying undertakings other than the subsidiary undertakings listed below.

L.D. Pension Plan Trustee Limited
L.D.C. Trust Management Limited
Law Debenture Investment Management Limited
Beagle Nominees Limited
The Law Debenture Trust Corporation p.l.c.
The Law Debenture Pension Trust Corporation p.l.c.
Pegasus Pensions plc
Law Debenture Corporate Services Limited
Law Debenture Trustees Limited
The Law Debenture Intermediary Corporation p.l.c.
Law Debenture Overseas No. 1 Limited
Law Debenture Finance p.l.c.
Law Debenture Securitisation Services Limited
LDPTC Nominees Limited
Law Debenture Governance Services Limited
Safecall Limited
The Whistleblowing Company Limited
The Law Debenture Corporation (Deutschland) Limited

13. Investments continued

L.D.C. Latvia Limited

Law Debenture Trustee for Charities

Law Debenture (No. 1 Scheme) Trust Corporation

Law Debenture (No. 3 Scheme) Pension Trust Corporation

The Law Debenture (No. 5) Trust Corporation

The Law Debenture (1996) Pension Trust Corporation

The Law Debenture (BAA) Pension Trust Corporation

The Law Debenture (BIS Management) Pension Trust Corporation

The Law Debenture (BIS Retirement) Pension Trust Corporation

The Law Debenture (Intel Old Plan) Pension Trust Corporation

The Law Debenture (SAPP) Pension Trust Corporation

The Law Debenture (JGRP) Pension Trust Corporation

The Law Debenture (JGSPS) Pension Trust Corporation

The Law Debenture (JIC) Pension Trust Corporation

The Law Debenture (KBPP) Pension Trust Corporation

The Law Debenture (KGPP) Pension Trust Corporation

The Law Debenture (Swiss Re GB) Trust Corporation

The Law Debenture (JGDBS) Pension Trust Corporation

ICI Pensions Trustee Limited

AstraZeneca Pensions Trustee Limited

ICI Specialty Chemicals Pensions Trustee Limited

RTL Shareholder SVC Limited

DLC SVC Limited

LDC (NCS) Limited

Terrier Services Limited

L.D.C. Securitisation Director No. 1 Limited

L.D.C. Securitisation Director No. 2 Limited

L.D.C. Securitisation Director No. 3 Limited

L.D.C. Securitisation Director No. 4 Limited

L.D.C. Corporate Director No. 1 Limited

L.D.C. Corporate Director No. 2 Limited

L.D.C. Corporate Director No. 3 Limited

L.D.C. Corporate Director No. 4 Limited

CD Corporate Director No. 1 Limited

LDC Nominee Secretary Limited

Westminster Aviation Holdings Limited

LDC (DANTC) Limited

Syngenta Pensions Trustee Limited

The Law Debenture Corporation (HK) Limited
(incorporated/registered office in Hong Kong)

Law Debenture Trust (Asia) Limited
(incorporated/registered office in Hong Kong)

The Law Debenture Trust Corporation (Channel Islands) Limited
(incorporated/registered office in Jersey)

The Law Debenture Trust Corporation (Cayman) Limited
(incorporated/registered office in the Cayman Islands)

Law Debenture Corporate Services Inc.
(incorporated/registered office in the USA)

Law Debenture Holdings Inc.
(incorporated/registered office in the USA)

Delaware Corporate Services Inc.
(incorporated/registered office in the USA)

Law Debenture (Ireland) Limited
(incorporated/registered office in the Republic of Ireland)

Law Debenture Ireland (Trustees) Limited
(incorporated/registered office in the Republic of Ireland)

Law Debenture Holdings (Ireland) Limited
(incorporated/registered office in the Republic of Ireland)

LDI (OCS) Limited
(incorporated/registered office in the Republic of Ireland)

Registered Shareholder Services No.1 Limited
(incorporated/registered office in the Republic of Ireland)

Registered Shareholder Services No.2 Limited
(incorporated/registered office in the Republic of Ireland)

Registered Shareholder Services No.3 Limited
(incorporated/registered office in the Republic of Ireland)

Law Debenture Master Trust Trustees (Ireland) DAC
(incorporated/registered office in the Republic of Ireland)

Trimcomlee Limited

LDCS Process Agent Limited

Unlisted investments

The Group holds unlisted investments.

Investment trust

The majority of the Portfolio is invested in listed investments. A small minority of investments (approximately 0.5% of the Portfolio) are unlisted comprising a small fund investment and a number of other immaterial unquoted investments.

Quarterly valuations for the small fund investment are received. The Investment Valuation Committee updates the valuation of this immaterial investment on a six monthly basis. The minutes of the meeting are shared with the auditors on a bi-annual basis.

Other unquoted investment holdings are reviewed on a bi-annual basis to market value and agreed by the Committee members at the same Investment Valuation Committee meeting.

13. Investments continued

Independent professional services

As part of the services offered by the Independent Professional Services business, the Group acts as the registered holder of an immaterial amount of unlisted shares in structured finance companies which are held on trust for discretionary charitable purposes. The Group has no beneficial interest in those shares or the results of the companies whose shares are held.

The holdings are reviewed on a bi-annual basis at the Investment Valuation Committee meeting but are not revalued as there is no market rate and the Group has no beneficial or economic interest in those shares.

14. Contract assets, trade and other receivables

The Directors consider that the carrying value approximates to the fair value.

The average credit period on sales of goods is 90 days. No interest is charged on outstanding trade receivables.

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

An expected credit loss ('ECL') is recognised against contract assets only when it is considered to be material and there is evidence that the credit worthiness of a counterparty may render balances irrecoverable. Refer to note 19 for further details on IFRS 9 expected credit losses.

Contract assets arise from the Group's IPS business which enters into contracts that can take more than one year to complete.

	GROUP		COMPANY	
Contract assets: Current	**2024 £000**	2023 £000	**2024 £000**	2023 £000
Amounts included in contract assets that were recognised as revenue	**6,659**	8,604	**4**	–

Trade and other receivables: Current	**2024 £000**	2023 £000	**2024 £000**	2023 £000
Trade receivables	**13,730**	15,700	**46**	21
Other receivables	**286**	353	**332**	359
Portfolio dividends receivables	**2,210**	4,120	**2,210**	2,634
Prepayments	**1,532**	1,323	**112**	–
	17,758	21,496	**2,700**	3,014

15. Cash and cash equivalents

	GROUP		COMPANY	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Cash at bank	**37,573**	12,023	**26,453**	2,376
Short-term deposits	**781**	19,416	**–**	10,006
	38,354	31,439	**26,453**	12,382

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments and deposits with a maturity of three months or less from the date of acquisition.

16. Contract liabilities, trade and other payables

	GROUP		COMPANY	
Contract liabilities: Current	**2024 £000**	2023 £000	**2024 £000**	2023 £000
Deferred Income	**8,996**	8,000	**10**	8

Contract liabilities: Non-current	**2024 £000**	2023 £000	**2024 £000**	2023 £000
Deferred Income	**1,866**	2,403	**–**	–

Contract liabilities comprise of deferred income, representing fees billed in advance in respect of services under contract with customers.

During the year, £8.0m (2023: £5.2m) of the Group's prior year recorded deferred income was recognised as income.

The allocation of deferred income between current and non current is presented on the basis that the current portion will unwind and released to revenue within the next twelve months. There were no material items in the current portion of deferred income in 2023 which did not unwind during the year.

	GROUP		COMPANY	
Trade and other payables: Current	**2024 £000**	2023 £000	**2024 £000**	2023 £000
Trade payables	**680**	2,365	**3**	50
Dividend payable	**10,607**	10,003	**10,607**	10,003
Other payables and accruals	**7,702**	10,185	**1,179**	970
	18,989	22,553	**11,789**	11,023

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days.

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

17. Share capital

Allotted, issued and fully paid share capital – GROUP AND COMPANY	**2024 £000**	2023 £000
Value (Ordinary shares at 5p each)		
At 1 January	**6,557**	6,407
Issued in year	**69**	150
At 31 December	**6,626**	6,557

Shares (Ordinary shares at 5p each)	**Number**	Number
At 1 January	**131,191,892**	128,172,019
Issued in year	**1,402,317**	3,019,873
At 31 December	**132,594,209**	131,191,892

All shares rank pari passu amongst each other and have equal voting rights. The share capital authorised for issue is uncapped.

During the year to 31 December 2024, 17,317 shares (2023: 29,873 shares) were allotted under the SAYE scheme for a total consideration of £102,863 (2023: £180,633) which includes a premium of £101,997 (2023: £179,139). Total issued shares as at 31 December 2024 is 132,594,209 (2023: 131,191,892).

During the year, 22,465 options were granted under the Company's SAYE scheme. At 31 December 2024, options under the SAYE scheme exercisable from 2024 to 2028 at prices ranging from 539.00 pence to 897.00 pence per share were outstanding in respect of 153,355 ordinary shares (2023: 170,828 ordinary shares). During 2024, 22,621 options lapsed or were cancelled (2023: 16,873) and 17,317 (2023: 29,873) were exercised.

17. Share capital continued

Further details of options outstanding are given in the Directors' Report on page 66.

Own shares held – GROUP	**2024 £000**	2023 £000
At 1 January	**3,926**	3,128
Purchase of shares	**1,230**	798
At 31 December	**5,156**	3,926

The own shares held represent the cost of 705,669 (2023: 589,640) ordinary shares of 5p each in the Company, acquired by the ESOT in the open market. The shares have been acquired to meet the requirements of the Deferred Share Plan. The voting rights relating to the shares have been waived while the relevant shares remain in trust, in accordance with the Plan rules. The market value of the shares at 31 December 2024 was £6,301,624 (2023: £4,674,219).

18. Capital reserves

			2024			2023
GROUP	**Unrealised appreciation £000**	**Realised reserves £000**	**Total £000**	Unrealised appreciation £000	Realised reserves £000	Total £000
At 1 January	**44,200**	**650,076**	**694,276**	(11,652)	674,164	662,512
Transfer on disposal of investments	**(1,868)**	**1,868**	**–**	12,119	(12,119)	–
Net gains/(losses) on investments	**47,159**	**29,142**	**76,301**	44,057	(6,677)	37,380
Cost of acquisition	**(791)**	**–**	**(791)**	(316)	–	(316)
Deconsolidation of liquidated entities	**–**	**(4,538)**	**(4,538)**	–	–	–
Foreign exchange	**(16)**	**–**	**(16)**	(8)	–	(8)
Transfers to revenue	**–**	**(470)**	**(470)**	–	(384)	(384)
Goodwill impairment	**–**	**(17,037)**	**(17,037)**	–	–	–
Other capital movements	**–**	**(4,908)**	**(4,908)**	–	(4,908)	(4,908)
At 31 December	**88,684**	**654,133**	**742,817**	44,200	650,076	694,276

			2024			2023
COMPANY	**Unrealised appreciation £000**	**Realised reserves £000**	**Total £000**	Unrealised appreciation £000	Realised reserves £000	Total £000
At 1 January	**37,481**	**702,665**	**740,146**	(18,371)	726,753	708,382
Transfer on disposal of investments	**(1,868)**	**1,868**	**–**	12,119	(12,119)	–
Net gains on investments	**47,159**	**29,142**	**76,301**	44,057	(6,677)	37,380
Cost of acquisition	**(791)**	**–**	**(791)**	(316)	–	(316)
Foreign exchange	**(13)**	**–**	**(13)**	(8)	–	(8)
Transfers to revenue	**–**	**(470)**	**(470)**	–	(384)	(384)
Other capital movements	**–**	**(4,908)**	**(4,908)**	–	(4,908)	(4,908)
At 31 December	**81,968**	**728,297**	**810,265**	37,481	702,665	740,146

19. Financial instruments

The Group's investment objective is to achieve long-term capital growth through investing in a diverse portfolio of investments. In pursuit of this objective, the Group has the power to deploy the following financial instruments:

- Quoted equities, unlisted equities and fixed interest securities
- Cash and short-term investments and deposits

19. Financial instruments continued

- Debentures, term loans and bank overdrafts to allow the Group to raise finance
- Derivative transactions to manage any of the risks arising from the use of the above instruments
- Derivative transactions to hedge the net investment in overseas subsidiaries

It remains the Group's policy that no trading in derivatives is undertaken. Information in respect of the Portfolio is included on pages 21 to 33. Additionally, there are no net investment hedges in place in 2023 or 2024.

Capital management

The Company is not allowed to retain more than 15% of its income from shares and securities each year and has a policy to increase dividends. However revenue profits are calculated after all expenses. Distributions will not be made if they inhibit the investment strategy. This policy on dividends is expected to continue going forwards. The investment strategy of the Company is disclosed on page 34 and includes a ceiling on effective gearing of 50%, with a typical range of 10% net cash to 20% gearing. At 31 December 2024 gearing was 11% (2023: 13%). Gearing is calculated in line with net gearing guidelines from the AIC, refer to page 160 for calculation.

Capital is represented by the Group's net assets. The Group and Company held the following categories of financial assets and liabilities at 31 December 2024:

GROUP	2024 £000	2023 £000
Assets		
Financial assets held at fair value through profit or loss:		
Equity investments	**1,042,039**	965,226
Financial assets held at amortised cost		
Trade and other receivables	**17,758**	17,369
Cash and cash equivalents	**38,354**	31,439
	56,112	48,808
Total financial assets	**1,098,151**	1,014,034
Liabilities		
Financial liabilities measured at amortised cost		
Trade and other payables	**18,989**	22,553
Long-term borrowings	**163,868**	163,889
Lease liabilities	**5,208**	4,716
Total financial liabilities	**188,065**	191,158

COMPANY	2024 £000	2023 £000
Assets		
Financial assets held at fair value through profit or loss:		
Equity investments	**1,041,938**	965,126
Financial assets held at amortised cost		
Trade and other receivables	**2,704**	380
Cash and cash equivalents	**26,453**	12,382
	29,157	12,762
Total financial assets	**1,071,095**	977,888
Liabilities		
Financial liabilities measured at amortised cost		
Amounts owed to subsidiary undertakings	**25,537**	18,558
Trade and other payables	**11,789**	11,023
Long-term borrowings	**124,295**	124,343
Total financial liabilities	**161,621**	153,924

19. Financial instruments continued

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 £000**	**Net monetary assets £000**	**Total currency exposure £000**	Investments £000	Net monetary (liabilities) £000	Total currency exposure £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

19. Financial instruments continued

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.

19. Financial instruments continued

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. 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 for details of financial covenants attached to the loan notes.

The tables below illustrates the contractual commitments to pay this interest over the time periods outlined as follows:

				2024				2023
GROUP **Instrument**	**Interest payable < 1 year £000**	**Interest payable 1 - 5 years £000**	**Interest payable 5 - 10 years £000**	**Interest payable > 10 years £000**	Interest payable < 1 year £000	Interest payable 1 - 5 years £000	Interest payable 5 - 10 years £000	Interest payable > 10 years £000
6.125% guaranteed secured bonds 2034	**2,450**	**9,800**	**12,250**	**—**	2,450	9,800	12,250	4,900
3.77% secured senior notes 2045	**2,828**	**11,310**	**14,138**	**31,103**	2,828	11,310	14,138	36,758
2.54% secured senior notes 2041	**508**	**2,032**	**2,540**	**3,556**	508	2,032	2,540	4,572
2.53% secured senior notes 2050	**759**	**3,036**	**3,795**	**12,144**	759	3,036	3,795	13,662
Lease liabilities: undiscounted cash flows	**1,242**	**4,033**	**771**	**—**	1,163	3,674	1,647	—
Total Group	**7,787**	**30,211**	**33,494**	**46,803**	7,708	29,852	34,370	59,892

				2024				2023
COMPANY **Instrument**	**Interest payable < 1 year £000**	**Interest payable 1 - 5 years £000**	**Interest payable 5 - 10 years £000**	**Interest payable > 10 years £000**	Interest payable < 1 year £000	Interest payable 1 - 5 years £000	Interest payable 5 - 10 years £000	Interest payable > 10 years £000
3.77% secured senior notes 2045	**2,828**	**11,310**	**14,138**	**31,103**	2,828	11,310	14,138	36,758
2.54% secured senior notes 2041	**508**	**2,032**	**2,540**	**3,556**	508	2,032	2,540	4,572
2.53% secured senior notes 2050	**759**	**3,036**	**3,795**	**12,144**	759	3,036	3,795	13,662
Total Company	**4,095**	**16,378**	**20,473**	**46,803**	4,095	16,378	20,473	54,992

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 on page 149.

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 summary, the Group only transacts with counterparties that it considers to be credit worthy.

19. Financial instruments continued

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

19. Financial instruments continued

Trade and other payables	GROUP 2024 £000	GROUP 2023 £000	COMPANY 2024 £000	COMPANY 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). 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).

Derecognition – financial assets

The Group enters into stock lending transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised.

20. Long-term borrowings

In more than five years

Long-term borrowings are repayable as follows:

Secured	GROUP 2024 £000	GROUP 2023 £000	COMPANY 2024 £000	COMPANY 2023 £000
6.125% guaranteed secured bonds 2034	**39,573**	39,546	**—**	—
3.77% secured senior notes 2045	**74,420**	74,427	**74,420**	74,427
2.54% secured senior notes 2041	**19,904**	19,936	**19,904**	19,936
2.53% secured senior notes 2050	**29,971**	29,980	**29,971**	29,980
Total	**163,868**	163,889	**124,295**	124,343

The 6.125% bonds were issued by Law Debenture Finance p.l.c. and guaranteed by the Company. The £40m nominal tranche, which produced proceeds of £39.1m, is constituted by a trust deed dated 12 October 1999 and the Company's guarantee is secured by a floating charge on the undertaking and assets of the Company. The bonds are redeemable at nominal amount on 12 October 2034. Interest (see note 5) is payable semi-annually in equal instalments on 12 April and 12 October in each year.

The 3.77% notes were issued by the Company. The £75m nominal tranche, which produced proceeds of £74.5m, is constituted by a note purchase agreement and the notes are secured by a floating charge which ranked pari passu with the charge given as part of the 6.125% bond issue. The notes are redeemable at nominal amount on 25 September 2045. Interest (see note 5) is payable semi-annually in equal instalments on 25 March and 25 September in each year.

20. Long-term borrowings continued

The 2.54% Series A notes were issued by the Company. The £20m nominal tranche, which produced proceeds of £20m, is constituted by a note purchase agreement dated 2 November 2021 and the notes are secured by a floating charge which ranked pari passu with the charge given as part of the 6.125% bond issue and with the charge given as part of the 3.77% note issue. The notes are redeemable at nominal amount on 2 November 2041. Interest is payable semi-annually in equal instalments on 2 May and 2 November in each year. The first interest payment was made on 2 May 2022.

The 2.53% Series B notes were issued by the Company. The £30m nominal tranche, which produced proceeds of £30m, is constituted by a note purchase agreement dated 2 November 2021 and the notes are secured by a floating charge which ranked pari passu with the charge given as part of the 6.125% bond issue and with the charge given as part of the 3.77% note issue. The notes are redeemable at nominal amount on 2 November 2050. Interest is payable semi-annually in equal instalments on 2 May and 2 November in each year. The first interest payment was made on 2 May 2022.

The long-term borrowings are stated in the statement of financial position at amortised cost. Including them at a fair value of £121.5m at 31 December 2024 (2023: £130.7m) would have the effect of increasing the year end NAV by 32.11p (2023: increase of 25.45p). The estimated fair value is based on the redemption yield of reference gilts plus a margin derived from the spread of A rated UK corporated bond yields over UK gilt yields (2023: A).

There are financial covenants attached to three of the long-term borrowing, being the 3.77%, 2.54% Series A and 2.53% Series B loan notes issued by the Company. The principal financial covenants are consistent across the notes, with a minimum net asset value to equal or exceed £300m and a restriction on total indebtedness whereby total net borrowings shall not exceed 33% of the Net Asset Value. In the event of a covenant breach, the principal and interest on the notes become immediately repayable. The financial covenants are monitored closely and reported to the Noteholders monthly.

There continues to be significant headroom across all financial covenants and no breaches were triggered in the year.

21. Contingent liabilities

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

The Company has provided a guarantee to a subsidiary undertaking in respect of the ongoing liabilities of the Group defined benefit pension scheme (see note 23). The Company has provided surety for the lease of the Group's main property which is held by a subsidiary undertaking. The annual rental is currently £871,000 and its full term ends in 2030. The Company guarantees the servicing of the debt payments required on the 6.125% guaranteed secured bonds 2034 issued by Law Debenture Finance p.l.c. This is accounted for via the intercompany account between the Company and its subsidiary.

The Company provides letters of support to its subsidiaries when necessary. The Company does not reasonably expect a liability to arise in relation to these.

22. Leases

Management estimate that the fair value of the Group's lease obligations approximates their carrying amount.

There are no material future cash flows relating to leases in place as at 31 December 2024 that are not reflected in the minimum lease payments disclosed below and the Group does not have any leases to which it is contracted but which are not yet reflected in the minimum lease payments. There are no restrictions nor covenants imposed by any leases to which the Group has entered into. The Group does not have any leases where payments are variable.

No lease liability is recognised in respect of leases which have a lease term of less than twelve months in duration at the point of entering into the lease, or where the purchase price of the underlying right-of-use asset is less than £5,000. Where relevant, the total value of these is immaterial.

The total cash outflow for leases in the year was £1,295,000 (2023: £1,272,000), this is presented in the Consolidated Cash Flow Statement relating to the principal element of the lease liability payments.

22. Leases continued

Right-of-use assets

Additional information on the right-of-use assets is as follows:

	GROUP			
	Office building leases		Total right-of-use assets	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Net book value				
At 1 January	**4,131**	5,040	**4,131**	5,040
Lease extension	**389**	39	**389**	39
Depreciation	**(719)**	(891)	**(719)**	(891)
Foreign exchange difference	**21**	(57)	**21**	(57)
Net book value				
At 31 December	**3,822**	4,131	**3,822**	4,131

	2024 £000	2023 £000
Amounts recognised in profit and loss		
Depreciation expense on right-of-use assets	**719**	891
Interest expense on lease liabilities	**254**	267
	973	1,158

Lease liabilities

Lease liabilities are presented in the statement of financial position as follows:

	2024 £000	2023 £000
Current	**1,018**	1,025
Non-current	**4,190**	4,716
Total lease liability	**5,208**	5,741

	GROUP	
	Minimum lease payments	
Amounts payable under leases	**2024 £000**	2023 £000
Within one year	**1,242**	1,168
Between one and five years	**4,033**	3,756
After five years	**771**	1,642
	6,046	6,566
Less: future finance charges	**(838)**	(825)
Present value of lease obligations	**5,208**	5,741
Less: amounts due for settlement within one year (shown within current liabilities)	**(1,018)**	(1,025)
Amounts due for settlement after one year (shown within non current liabilities)	**4,190**	4,716

Leases signed in the year
No new lease agreement was entered into in 2024.

23. Pension commitments

For some employees, the Group operates a funded pension plan providing benefits for its employees based on final pensionable emoluments. The assets of the plan are held in a separate trustee administered fund. The Company has appointed an independent sole trustee to oversee the governance of the fund. The plan closed to future accrual of benefits on 31 December 2016 and benefits now increase broadly in line with inflation.

Under the defined benefit pension plan, each member's pension at retirement is related to their pensionable service and final pensionable emoluments. The weighted average duration of the expected benefit payments from the plan is around 20 years. The defined benefit scheme is operated from a trust, which has assets which are held separately from the Group and is overseen by an independent sole trustee who ensures the plan's rules are strictly followed.

These figures were prepared by an independent qualified actuary in accordance with IAS19 (revised), and are based on membership data as at 31 December 2024. The funding target is for the plan to hold assets equal in value to the accrued benefits based on projected pensionable emoluments. If there is a shortfall against this target, then the Group and the trustee will agree deficit contributions to meet this deficit over a period.

There is a risk to the Group that adverse experience could lead to a requirement for the Group to make additional contributions to reduce any deficit that arises.

Contributions are set based upon funding valuations carried out every three years; the next valuation is due to be carried out as at 31 December 2026. The amount of total employer contributions expected to be paid to the Plan during 2025 is £nil (2024 actual: £nil).

Actuarial gains and losses are recognised immediately through other comprehensive income.

The major assumptions in the 31 December 2024 disclosure under IAS19 (revised) are shown below and are applied to membership data supplied at that date. This shows the net pension assets and liabilities.

Significant actuarial assumptions:	**2024**	2023
Retail Price Inflation	**3.2%**	3.0%
Consumer Price Inflation*	**RPI at 1.0% p.a. to 2030. RPI reduce to low levels p.a. thereafter**	RPI less 1.0% p.a. prior to 2030. RPI less 0.1% p.a. thereafter
CPI single equivalent rate	**2.7%**	2.5%
Discount rate	**5.4%**	4.6%
National Average Earnings ('NAE') increase rate	**4.4%**	4.2%
Pension increases in payment:		
RPI, max 2.5% p.a.	**2.1%**	2.0%
RPI, max 5.0% p.a.	**3.1%**	2.9%
CPI, max 3.0% p.a.	**2.2%**	2.0%

** Relates to dividends unclaimed over 12 years old.*

	2024 years	2023 years
Life expectancy of male/female aged 65 in 2024	**87.5/90.0**	87.9/90.1
Life expectancy of male/female aged 45 in 2024	**88.7/91.3**	89.4/91.5

The amounts recognised in the income statement are as follows:	**2024 £000**	2023 £000
Interest cost	**1,716**	1,800
Interest income	**(2,053)**	(2,100)
Total (income) recognised in the income statement	**(337)**	(300)

23. Pension commitments continued

Analysis of the amount charged to other comprehensive income	2024 £000	2023 £000
Actual return less interest income	**(1,006)**	(800)
Actuarial gains/(losses) – change in financial assumptions	**3,259**	(800)
Actuarial gains – change in demographic assumptions	**790**	400
Actuarial (losses) – experience	**(305)**	(200)
Total amount charged to other comprehensive income/(loss)	**2,738**	(1,400)

	2024		2023	
The current allocation of plan assets is as follows:	**Allocation %**	**£000**	Allocation %	£000
Equities	**17**	**7,834**	15	7,000
Corporate bonds	**31**	**14,013**	30	14,000
LDI	**19**	**8,340**	23	10,700
Pensioner annuities	**1**	**465**	1	500
Infrastructure	**16**	**7,220**	15	6,700
Liquidity funds	**15**	**6,690**	14	6,464
Cash/other	**1**	**632**	2	736
Total	**100**	**45,194**	100	46,100

- The Plan holds a number of pensioner annuities which have been valued consistently with the defined benefit obligation using membership data as at 31 December 2023.
- At the time of writing, the value of the JP Morgan infrastructure investment fund on 31 December 2024 is unaudited. The value of £7.2m used is provided in US Dollars and converted using an exchange rate as at 31 December 2024.
- The Plan's non-annuity assets are invested in pooled funds, which are not themselves quoted. However, the pooled funds are invested in assets with prices quoted and traded on public exchanges. The exception to this is the JP Morgan infrastructure fund, where underlying investments are not quoted.

Movement in present value of defined benefit obligation	2024 £000	2023 £000
Opening defined benefit obligation at 1 January	**38,700**	38 100
Interest cost	**1,716**	1,800
Benefits paid	**(1,953)**	(1,800)
Actuarial losses/(gains) due to:		
Experience adjustments	**305**	200
Changes in financial assumptions (gain)/loss	**(3,259)**	800
Changes in demographic assumptions (gain)	**(790)**	(400)
Closing defined benefit obligation at 31 December	**34,719**	38,700

Movement in fair value of plan assets	2024 £000	2023 £000
Opening fair value of plan assets at 1 January	**46,100**	45,500
Interest income	**2,053**	2,100
Contributions by the employer	**—**	1,100
Benefits paid	**(1,953)**	(1,800)
Return on assets less interest income	**(1,006)**	(800)
Closing fair value of plan assets at 31 December	**45,194**	46,100

23. Pension commitments continued

The pension plan is exposed to investment risk (the movement of the discount rate used against the value of the plans assets), interest rate risk (decreases/increases in the discount rate which will increase/decrease the defined benefit obligation) and longevity risk (changes in the estimation of mortality rates of members).

Movement in the net defined benefit asset	2024 £000	2023 £000
Opening net defined benefit asset at 1 January	**(7,400)**	(7,400)
(Income) charged to profit and loss	**(337)**	(300)
Employer contributions	**–**	(1,100)
Amount recognised outside of profit and loss	**(2,738)**	1,400
Closing net defined benefit asset at 31 December	**(10,475)**	(7,400)

Amounts recognised in statement of financial position	2024 £000	2023 £000
Present value of defined benefit obligation	**34,719**	38,700
Fair value of plan assets	**(45,194)**	(46,100)
Net defined benefit asset	**(10,475)**	(7,400)

Over the year to 31 December 2024, the balance sheet surplus increased from £7.4m to £10.5m. The balance sheet position was influenced by the following factors:

- the changes in demographic assumptions which decreases the value of the pension obligations; and
- changes in financial conditions causing the liabilities to reduce more.

This was partly offset by:

- updated member data at 31 December 2023 causing an increase in the liabilities.

Defined benefit scheme

The calculation of the defined benefit scheme assets and obligations is sensitive to the assumptions used.

The sensitivity to changes in assumptions and conditions which are significant to the calculation of the asset have been considered and the following is an illustration of the potential impact.

	Increase/(decrease) in defined benefit obligations	
	At 31 December 2024 £ million	At 31 December 2023 £ million
Discount rate +0.5%	**(2.0)**	(2.4)
RPI Inflation assumptions +0.5%	**1.5**	1.9
Life expectancy at 65 +1 year	**1.3**	1.6
RPI/CPI gap 0.5% increase in wedge between RPI and CPI at all durations	**(0.4)**	(0.5)

On 25 July 2024, the Court of Appeal upheld a decision in the Virgin Media Limited v NTL Pension Trustees II Limited case which potentially has implications of the validity of amendments made by pension schemes, which were contracted out between 1997 and 2016. The Court ruled that any amendments made to these pension schemes during this period would be void unless the scheme actuary had confirmed that the pension scheme would continue to satisfy the required standard for contracted out schemes. The Group has not made any adjustment for the possible impact of the ruling as it is currently unclear whether any additional liabilities might arise, and if they were to arise, how they would be reliably measured. Together with the scheme's trustee the Group will continue to monitor developments.

Defined contribution scheme

The Group paid employer contributions of £2.0m (2023: £2.0m) into UK defined contribution schemes.

24. 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 and in Parts 2, 3 and 4 of the Remuneration Report on pages 86 to 103. Key management personnel costs inclusive of employers national insurance are £1,559k (2023: £1,558k).

25. Movement in borrowings

Under IAS 7, the movement in borrowings in the year are as follows:

GROUP	**31 December 2024 £000**	**Non-cash items movement £000**	31 December 2023 £000	Non-cash items movement £000	31 December 2022 £000	Non-cash items movement £000
Long-term borrowings						
6.125% guaranteed secured bonds 2034	**39,573**	**27**	39,546	26	39,520	(139)
3.77% secured senior notes 2045	**74,420**	**(7)**	74,427	(7)	74,434	(152)
2.54% secured senior notes 2041	**19,904**	**(31)**	19,936	(30)	19,966	(34)
2.53% secured senior notes 2050	**29,971**	**(10)**	29,980	(9)	29,989	(11)
	163,868	**(21)**	163,889	(20)	163,909	(336)
COMPANY						
Long-term borrowings						
3.77% secured senior notes 2045	**74,420**	**(7)**	74,427	(7)	74,434	(152)
2.54% secured senior notes 2041	**19,904**	**(31)**	19,936	(30)	19,966	(34)
2.53% secured senior notes 2050	**29,971**	**(10)**	29,980	(9)	29,989	(11)
	124,295	**(48)**	124,343	(46)	124,389	(197)

The Group had no short-term borrowings in 2024 (2023: nil).

26. Distributable reserves

After paying the final dividend, the Company has retained earnings to pay 0.5 years of dividend payments at the current level. After paying the final dividend, the Group has retained earnings to pay 0.8 years of dividends at the current level. The Company has realised capital reserves of £728,297k (2023: £702,665k) which would allow 16.5 years (2023: 16.8 years) of dividend payments at the current level. The Group has realised capital reserves of £654,133k (2023: £650,076k) which would allow 14.8 years (2023: 15.5 years) of dividend payments at the current level.

27. Stock lending revenue

At 31 December 2024, the total value of securities on loan by the Company for stock lending purposes was £141,485k (2023: £50,585k). The maximum aggregate value of securities on loan at any one time during the year ended 31 December 2024 was £219,341k (2023: £117,806k).

Gross revenue derived from stock lending in 2024 is £1,044k (2023: £1,195k).

28. Note to the statement of cash flows

	GROUP		COMPANY	
Cash flows from operating activities	**2024 £000**	2023 £000	**2024 £000**	2023 £000
Operating profit before interest and taxation	**104,657**	82,125	**120,997**	83,093
Adjust for non-cash flow items:				
Gains on investments	**(76,301)**	(37,379)	**(76,301)**	(37,379)
Movement in amortised cost of borrowings	**(21)**	(20)	**(48)**	(46)
Depreciation of property, plant and equipment	**566**	403	**–**	–
Depreciation of right-of-use assets	**719**	891	**–**	–
Amortisation of intangible assets	**1,046**	892	**–**	–
Goodwill impairment	**17,037**	–	**–**	–
Decrease/(increase) in trade and other receivables	**5,683**	(3,221)	**502**	(1,730)
(Decrease)/increase in trade and other payables	**(4,387)**	2,027	**174**	267
Increase in deferred income	**459**	1,204	**–**	–
Increase in other taxation payable	**(1,473)**	(1,290)	**(815)**	(1,021)
Normal pension contributions in excess of cost	**(337)**	(1,400)	**–**	–
Dividends received	**(36,578)**	(32,964)	**(50,828)**	(48,964)
Cash flows from operating activities (before dividends received and taxation paid)	**11,070**	11,268	**(6,319)**	(5,780)

Comparative figures for 'Movement in amounts owed to subsidiary undertakings' have been restated as a single line. Previously the movement was disclosed as two separate cash flows under "Intercompany funding" and "Amounts receivable from intercompany". This separation was not appropriate as the company applies it legal right to offset amounts receivable from subsidiary undertakings with amounts owed to subsidiary undertakings, resulting in net cashflows for the company. This reclassification enhances clarity and aligns with the current year presentation, with no impact on the total net cash flows from financing activities.

Sara Leacroft
'A view from the Bridge'
Arthur Miller – LawDeb 2023

Alternative Performance Measures

Alternative performance measures are numerical measures of the Company's current, historical or future performance, financial position or cash flows, other than financial measures defined or specified in the financial framework that the Company has chosen to apply (International Financial Reporting Standards and the AIC SORP). The Directors use these measures as a means of assessing the Company's performance. The measures are particularly relevant for investment trusts and are widely used across the investment trust sector.

Net Asset Value per ordinary share

The value of the Company's assets (i.e. investments (see note 13)) and cash at bank (see Statement of Financial Position) less any liabilities (i.e. long-term borrowings (see note 20)) for which the Company is responsible, divided by the number of shares in issue (see note 9). The aggregate NAV is also referred to as total shareholders' funds in the Statement of Financial Position. In Law Debenture's case, the published NAV will include adjustments to reflect the fair value of the IPS business and the Company's long-term debt. There is a detailed summary of the NAV, including a description of how it is calculated, on page 40 of the Annual Report. From 1 July 2023, the NAV per ordinary share is published daily. Prior to that it was published weekly and immediately after each month end.

The change in NAV per share (see total return below) over one, three, five and ten years, as shown at page 6, is calculated by taking total return over the respective period and dividing by the opening NAV at the start of each period.

Net Asset Value with debt at fair value

The Group's debt (long-term borrowings, further details can be found in note 20 on pages 150 and 151) is valued in the Statement of Financial Position (page 117) at amortised cost, which is materially equivalent to the repayment value of the debt on the assumption that it is held to maturity. This is often referred to as 'Debt at Par'. The current fair value of the debt, which assumes it is repaid under current market conditions, is referred to as 'Debt at Fair Value'. This fair value is detailed in note 20 on page 151. The difference between the fair and par values of the debt is subtracted from or added to the Statement of Financial Position to derive the NAV with debt at fair value (see note 9 on page 136). The NAV with debt at fair value At 31 December 2024 was £1,150,512 (872.34 pence per ordinary share) and the NAV with debt at par was £1,108,159 (840.22 pence per ordinary share).

Discount or Premium

The amount by which the market price per share of an investment trust is either higher (premium) or lower (discount) than the NAV per share, expressed as a percentage of the NAV per ordinary share.

	NAV per share with debt and IPS at fair value pence	NAV per share with debt at par value pence	Share price pence	Premium/ (discount) to fair value NAV	Premium/ (discount) to par value NAV
At 31 December 2024	**872.34**	**840.22**	**893**	**2.4%**	**6.3%**
At 31 December 2023	802.67	777.22	801	(0.2%)	3.1%

Average premium in share price versus NAV (with debt and IPS at fair value)

The discount or premium to share price is calculated in accordance with AIC methodology using performance data held by Law Debenture. The daily average is calculated from the daily share premium/discount recorded throughout the year and divided by the NAV (with debt and IPS at fair value).

Alternative Performance Measures continued

Gearing/(Net cash)

Net gearing is calculated by dividing total borrowings less cash and cash equivalents by adjusted shareholders' funds, expressed as a percentage.

			2024 £000	2023 £000
Borrowings (at PAR)	Statement of financial position		**163,868**	163,889
Cash and cash equivalents	Statement of financial position		**(38,354)**	(31,439)
Borrowings less cash		(a)	**125,514**	132,450
Net assets per Balance Sheet			**920,764**	854,229
Fair value uplift for IPS business			**187,395**	160,836
Debt fair value adjustment			**42,353**	33,239
Adjusted shareholders' funds	Page 40	(b)	**1,150,512**	1,048,304
Net gearing		(a/b)	**11%**	13%

We believe that it is appropriate to show net gearing in relation to shareholders' funds as it represents the amount of debt funding on the Portfolio.

Ongoing charges

The ongoing charge ratio has been calculated in accordance with guidance issued by the AIC. It represents the total investment management fee and other applicable administrative expenses expressed as a percentage of the average net asset values with debt at fair value throughout the year.

	2024 £000	2023 £000
Management fee revenue expense	**634**	584
Other attributable administration costs	**3,196**	2,699
Administration costs	**3,830**	3,283
Management fee capital expense	**1,902**	1,752
Ongoing charge	**5,732**	5,035
Average net assets[1]	**1,124,680**	1,023,604
Ongoing charge ratio	**0.51%**	0.49%

1 Calculated using the average month-end net asset value with debt at fair value.

Revenue earnings per share

The revenue earnings per share is the revenue return for the year (see Income Statement) divided by the weighted average number of ordinary shares in issue during the year (see note 9 on page 136).

Alternative Performance Measures continued

NAV total return

The total return is the return on the share price or NAV with debt at fair value taking into account both the rise and fall of NAVs/share prices and dividends paid to shareholders. Any dividends received by a shareholder are assumed to have been reinvested in either additional shares (for share price total return) or the Company's assets (for NAV with debt at fair value total return). Dividends paid and payable are set out in note 8 on page 135.

	NAV per share with debt at fair value	Share price
NAV/Share price per share at 31 December 2023 (pence)	802.67	801
NAV/Share price per share At 31 December 2024 (pence)	**872.34**	**893**
Change in year	**8.7%**	**11.5%**
Impact of dividends reinvested[1] (%)	**4.9%**	**4.4%**
Total return for the year (%)	**13.6%**	**15.9%**

1 The impact of dividends reinvested is calculated by calculating the total NAV/share price return for the year without the impact of re-invested dividends and comparing this to the total return including the impact of re-invested dividends.

Yield

The yield is the annual dividend expressed as a percentage of the year end share price.

	2024 £000	2023 £000
Annual dividend (pence)	**33.5**	32.0
Share price[1] (pence)	**893**	801
Yield (%)	**3.8%**	4.0%

1 Based on the closing share price as at 31 December 2024.

Underlying profit before Interest & tax

Underlying profit before Interest and tax ('PBIT') is calculated by adding back the non-recurring costs and capital costs to the statutory result to report underlying revenue performance.

	2024 £000	2023 £000
IPS Statutory PBIT (See note 6)	**(2,036)**	15,072
Goodwill impairment (capital)	**17,037**	–
Non-recurring expenses (revenue) - See CEO Review	**1,036**	–
Underlying PBIT	**16,037**	15,072

Underlying profit before tax

Underlying profit before tax ('PBT') is calculated by adding back the non-recurring costs and capital costs to the statutory result to report underlying revenue performance.

	2024 £000	2023 £000
IPS Statutory PBT (See note 6)	**(1,753)**	15,936
Goodwill impairment (capital)	**17,037**	–
Non-recurring expenses (revenue) - See CEO Review	**1,036**	–
Underlying PBT	**16,320**	15,936

Alternative Performance Measures continued

Underlying earnings before interest, taxes, depreciation, and amortisation

Underlying earnings before interest, taxes, depreciation, and amortisation ('EBITDA') is calculated by adding back non-recurring costs to the statutory result to report underlying performance.

	2024 £000	2023 £000
IPS Statutory PBT (See note 6)	**(1,753)**	15,936
Goodwill impairment (capital)	**17,037**	—
Depreciation, amortisation and interest	**2,274**	1,689
Statutory EBITDA	**17,558**	17,625
Non-recurring expenses (revenue) - See CEO Review	**1,036**	—
Underlying EBITDA	**18,594**	17,625

Marie Gower
'Better Together' – Was it Something I Said
– LawDeb Lens 2021

Company Advisers and Information

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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.

Alternative Investment Fund Manager

The Law Debenture Corporation p.l.c.

Portfolio manager

Janus Henderson Global Investors
201 Bishopsgate, London EC2M 3AE

Auditors

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

Depositary

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

Global custodian

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

Registrar

Computershare Investor Services PLC
The Pavilions, Bridgwater Road, Bristol BS99 6ZY

T: 0370 707 1129

Joint brokers

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

Peel Hunt LLP
100 Liverpool Street, London EC2M 2AT

AIC

A member of the Association of Investment Companies

Shareholder information

Investment trust status

The Company carries on business as an investment trust company as defined in Sections 1158-1159 of the Corporation Tax Act 2010.

Company share information

Information about the Company can be found on its website www.lawdebenture.com. The market price of its ordinary shares is also published daily in the Financial Times.

Registrars

Our registrars, Computershare Investor Services PLC, operate a dedicated telephone service for Law Debenture shareholders – 0370 707 1129. Shareholders can use this number to access holding balances, dividend payment details, share price data, or to request that a form be sent to their registered address.

Share dealing

Computershare Investor Services PLC offers shareholders a share dealing service via the internet or by post.

Internet dealing: The fee for this service will be 1.4% of the value of each transaction (subject to a minimum of £40).

Website address: www.computershare.com/dealing/uk

Registry Postal Share Dealing Service: The fee for this service will be 1.4% of the value of each transaction (subject to a minimum of £40). Forms can be found at: www.computershare.com/dealing/uk or requested by calling: 0370 703 0084.

The service is available only to those shareholders who hold their shares on the register (i.e. it is not available to those who hold their shares via a nominee).

Shareholders using the internet service will need their Shareholder Reference Number ('SRN') and post code to complete their trade. The SRN can be found printed on your proxy card.

Financial Calendar

Dividend and interest payments

***Ordinary shares*:**	
Three interim dividends	Announced in May, September and December Paid July, October and January
Final dividend	Announced in February/March Paid April
6.125% guaranteed secured notes	Paid April and October
3.77% senior secured notes	Paid March and September
2.54% series A senior secured notes	Paid May and November
2.53% series B senior secured notes	Paid May and November
***Group results*:**	
Half year results	Announced in July
Full year results	Announced in February/March
Report and accounts	Published in March
Annual General Meeting	Held each year in March/April
Factsheets	Published monthly on the Company's website

Payment methods for dividends

Dividends and interest can be paid to shareholders by means of BACS. Mandate forms for this purpose are available on request from the Company's registrars.

Subsidiary company details

Subsidiary companies not incorporated in the United Kingdom, as listed on pages 140 and 141, are registered at the following addresses:

Companies registered in Hong Kong	Suite 1301, 13/F Ruttonjee House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong
Companies registered in the Republic of Ireland	38/39 Fitzwilliam Square West, Dublin 2, Ireland
Companies registered in USA *other than Delaware Corporate Services*	Room 901, 420 Lexington Avenue, New York, NY 10017, USA
Companies registered in USA – Delaware Corporate Services	919 N Market St, Suite 725, Wilmington, DE 19801, USA
Company registered in Jersey	3rd Floor, IFC 5, Castle Street, St. Helier, Jersey JE2 3BY
Company registered in Cayman Islands	Governors Square, Suite 5-204, 23 Lime Tree Bay Avenue, Grand Cayman, Cayman Islands, KY1-1108

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 135th Annual General Meeting of the Company 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 to transact the following business:

Ordinary resolutions

To consider and, if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions:

1. **To receive the Report of the Directors, the Strategic Report and the Audited Accounts and the Auditor's Report for the year ended 31 December 2024.**
2. **To approve the Directors' Remuneration Report for the year ended 31 December 2024.**
3. **To declare a final dividend of 9.5p per share in respect of the year ended 31 December 2024.**
4. **To re-elect Denis Jackson as a Director.**
5. **To re-elect Trish Houston as a Director.**
6. **To re-elect Robert Hingley as a Director.**
7. **To re-elect Pars Purewal as a Director.**
8. **To re-elect Claire Finn as a Director.**
9. **To re-elect Clare Askem as a Director.**
10. **To re-elect Maarten Slendebroek as a Director.**
11. **To re-appoint Deloitte LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which the accounts of the Company are laid.**
12. **To authorise the Audit and Risk Committee to determine the auditor's remuneration.**
13. **General authority to allot shares.**

THAT:

(a) in substitution for all existing authorities (but without prejudice to any allotments made pursuant to the terms of such authorities), the Directors be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 (the 'Act') to exercise for the period ending on the date of the Company's next Annual General Meeting ('AGM'), all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount (within the meaning of sections 551(3) and (6) of the Act) of £1,325,957.50 (representing 26,519,150 ordinary shares) (or, if less, the number representing 20% of the total ordinary shares in issue (excluding treasury shares) as at the date of passing of this resolution); and

(b) the Company may during such period make offers or agreements which would or might require the making of allotments of equity securities or relevant securities as the case may be after the expiry of such period.

Special resolutions

To consider and, if thought fit, to pass the following resolutions which will be proposed as special resolutions:

14. **Disapplication of statutory pre-emption rights.**

THAT if resolution 13 is passed, the Directors be authorised to allot equity securities (as defined in the Act) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be limited to:

(a) the allotment of equity securities or sale of treasury shares in connection with a rights issue, open offer or other issue or offer to ordinary shareholders in proportion (as nearly as possible) to their existing holding of shares (but subject to such exclusions as the Directors may deem necessary or appropriate to deal with fractional entitlements, record dates or legal, regulatory or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter); and

(b) the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a)) above up to a nominal amount of £662,978.77 (representing 13,259,575 ordinary shares),

such authority to expire at the next AGM of the Company (or, if earlier, at the close of business on 10 July 2026) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

15. Additional authority to disapply pre-emption rights for acquisitions or specified capital investment.

THAT, if resolution 13 is passed, the Directors be authorised in addition to any authority granted under resolution 14 to allot equity securities (as defined in the Act) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be:

(a) limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £662,978.77 (representing 13,259,575 ordinary shares); and

(b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months of the original transaction) a transaction which the Directors of the Company determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authority to expire at the next AGM of the Company (or, if earlier, at the close of business on 10 July 2026) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

16. General authority to buy back shares.

THAT the Company be and is generally and unconditionally authorised in accordance with sections 693 and 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of any of its issued ordinary shares of 5p each in the capital of the Company, in such manner and upon such terms as the Directors of the Company may from time to time determine, provided always that:

(a) the maximum aggregate number of shares that may be purchased is 19,876,103;

(b) the minimum price which may be paid for a share shall be 5p;

(c) the maximum price which may be paid for a share shall be an amount equal to 105% of the average of the middle market quotations (as derived from the London Stock Exchange Daily Official List) for the shares for the five business days immediately preceding the day on which the share is purchased; and

(d) unless previously revoked, renewed or varied, the authority hereby conferred shall expire on the date of the Company's next AGM provided that a contract of purchase may be made before such expiry which will or may be executed wholly or partly thereafter, and a purchase of shares may be made in pursuance of any such contract.

17. Cancellation of Share Premium Account.

THAT, subject to the confirmation of the Court, the Company be and is authorised to cancel the amount standing to the credit of the share premium account of the Company, and the amount by which the share premium account is so cancelled be credited to a distributable reserve which shall be capable of being applied in any manner in which the Company's profits available for distribution (as determined in accordance with the Act) are able to be applied.

18. Authority to convene a general meeting – notice.

THAT a general meeting of the Company, other than an AGM, may be called on not less than 14 clear days' notice.

This Notice was approved by the Board of Directors on 11 March 2025 and signed on its behalf by:

Law Debenture Corporate Services Limited
Company Secretary

We will also be streaming the meeting live on the internet so that those shareholders who cannot attend in person will be able to view the proceedings. You are welcome to view the meeting online by following the broadcast link on our website at: https://www.investormeetcompany.com/law-debenture-corporation-plc/register

Registered office:
8th Floor
100 Bishopsgate
London EC2N 4AG

Registered No. 00030397

Explanatory Notes to the Notice

Shareholders intending to attend the AGM are asked to register their intention as soon as practicable by email to the following email address: tsu.cosec@lawdeb.com

Shareholders who are not able or do not wish to attend the meeting in person will be able to watch a live webcast of the meeting by following the broadcast link on our website at: https://www.investormeetcompany.com/law-debenture-corporation-plc/register

This will include the formal business of the meeting, the Manager's presentation and questions and answers. **The webcast will not enable shareholders to participate in the meeting or to vote.** However, shareholders will be invited to submit questions by email, by 11am on Wednesday 9 April 2025. Questions may be sent to the following email address tsu.cosec@lawdeb.com. Questions of a very similar nature may be grouped together to ensure the orderly running of the AGM.

The Notice of the Annual General Meeting (the 'Notice') to be held on 11 April 2025 (the 'Meeting') is set out on pages 166 to 167. The following notes provide an explanation as to why the resolutions set out in the Notice are being put to shareholders.

Resolution 1
Under the Companies Act 2006 (the 'Act'), the Directors are required to present the annual accounts and reports of the Company to shareholders at a general meeting. These are contained in the Company's Annual Report and financial statements for the year ended 31 December 2024 (the '2024 Annual Report'), which was sent to shareholders on 19 March 2025.

Resolution 2
In accordance with the provisions of the Act, the Company's Report on Directors' remuneration is being put to an annual shareholder vote by ordinary resolution. This resolution is an advisory vote, as provided by law, meaning that the Directors' entitlements to remuneration are not conditional upon the resolution being passed. The report is set out in full on pages 83 to 103 of the 2024 Annual Report.

Resolution 3
The Board proposes a final dividend of 9.5 pence per share in respect of the year ended 31 December 2024. If approved, the recommended final dividend will be paid on 16 April 2025 to all ordinary shareholders who are on the register of members on 21 March 2025. The shares will be marked ex-dividend on 20 March 2025.

Resolutions 4 – 10
Under the Company's Articles of Association (the 'Articles'), one third of the Directors must retire from office by rotation at each AGM and may offer themselves for re-election (this does not include Directors appointed to the Board since the last AGM). The 2018 UK Corporate Governance Code recommends that all directors of premium listed companies should be subject to annual re-election so Denis Jackson, Trish Houston, Robert Hingley, Pars Purewal, Claire Finn, Clare Askem and Maarten Slendebroek will retire from office and offer themselves for re-election.

The biographical details for each Director are set out on pages 62 and 63 of the 2024 Annual Report.

In proposing the re-election of the Directors, the Chair confirms that, following the internal performance evaluation (described on page 75 of the 2024 Annual Report), each individual continues to make an effective and valuable contribution to the Board and demonstrates commitment to their role. Accordingly, the Board recommends their re-election.

Resolution 11
The Company's auditors must offer themselves for appointment at each AGM at which accounts are presented. Accordingly, the Board, on the recommendation of the Audit and Risk Committee, recommends the re-appointment of Deloitte LLP as the Company's auditors.

Resolution 12
This resolution, if passed, will authorise the Audit and Risk Committee to agree the remuneration of Deloitte LLP for their services as auditors.

Resolution 13
Under the Act, Directors may not allot shares in the Company (or grant certain rights over shares) without the authority of shareholders in a general meeting (other than pursuant to an employee share scheme). In certain circumstances this could be unduly restrictive. The Directors' existing authority to allot ordinary shares, which was granted at the AGM of the Company held on 28 March 2024, will expire at the end of this year's AGM.

Subject to the passing of this resolution, which will be proposed as an ordinary resolution, the Directors will be authorised, in place of all existing authorities, to allot shares (pursuant to section 551 of the Act) up to an aggregate nominal amount of £1,325,957.50 (representing 26,519,150 ordinary shares), representing approximately twenty per cent of the aggregate nominal value of the issued ordinary shares on 10 March 2025 (being the last practicable date prior to the publication of this document). As at 10 March 2025, the Company did not hold any shares in treasury.

The authority conferred will expire (unless previously revoked, varied or renewed) at the end of the next AGM. However, the Company may make an offer or agreement prior to the expiry of this authority which would or might require shares to be allotted after the expiry of this authority – in this case, the Directors will be permitted to allot securities pursuant to such offer or agreement as if this authority had not expired.

Between the 2024 AGM and 10 March 2025, the Company issued a total of 1,401,388 ordinary shares under its share issuance programme and its SAYE scheme and the Directors intend to continue to use this authority for the same two purposes.

Resolution 14
Unless they are given an appropriate authority by shareholders, if the Directors wish to allot any shares for cash or grant rights over shares (other than pursuant to an employee share scheme) they must first offer them to existing shareholders in proportion to their existing holdings. These are known as pre-emption rights. The existing disapplication of these statutory pre-emption rights, which was granted at the AGM held on 28 March 2024, will expire at the end of this year's AGM.

Resolution 14 seeks approval to disapply the pre-emption rights, by allowing Directors to allot equity securities (including a sale of treasury shares) for cash: (i) in connection with rights issues

Explanatory Notes to the Notice continued

and other pre-emptive issues in favour of existing shareholders in proportion to their existing holdings (subject to certain exclusions); (ii) by way of an open offer or other issue of securities in favour of existing shareholders in proportion to their existing holdings (subject to certain exclusions); and (iii) to persons other than existing shareholders otherwise than under (i) and (ii), up to an aggregate nominal amount of £662,978.77 (representing 13,259,575 ordinary shares), being no more than ten per cent of the issued ordinary share capital in issue on 10 March 2025, in each case without the equity securities first being offered to the existing shareholders in proportion to their existing holdings.

Resolution 15
Resolution 15 seeks an additional and separate approval to disapply pre-emption rights by allowing Directors to allot equity securities (or sell treasury shares) for cash, of up to a further ten per cent of the total ordinary share capital, representing up to an aggregate nominal amount of £662,978.77 (representing 13,259,575 ordinary shares), as at 10 March 2025, without such equity securities first being offered to the existing shareholders in proportion to their holdings, where the allotment is to finance an acquisition or capital investment, (or refinancing, if the authority is to be used within six months of the original transaction).

The Directors confirm that they will only allot securities (or sell treasury shares for cash) pursuant to this authority where that allotment is in connection with an acquisition or specified capital investment (as described in the Pre-Emption Group's Statement of Principles) which is announced at the same time as the allotment, or which has taken place in the preceding six-month period and is disclosed in the announcement of that allotment.

Resolution 16
Resolution 16 is a special resolution that will grant the Company authority to make market purchases of up to 19,876,103 shares, representing 14.99% of the issued ordinary share capital as at the date of the Notice. Any shares bought back will either be cancelled or placed into treasury at the determination of the Directors.

The maximum price which may be paid for each share must not be more than 105% of the average of the mid-market values of the ordinary shares for the five business days before the purchase is made. The minimum price which may be paid for each ordinary share is 5p.

The Directors are committed to managing the Company's capital effectively and do not intend to exercise such authority at present. Purchases would only be made after considering the effect on earnings per share and the benefits for shareholders generally.

This authority shall expire at the AGM to be held in 2026 when a resolution to renew the authority will be proposed.

Resolution 17
The share premium account is a non-distributable reserve and the Company is therefore unable to use the amount standing to the credit of this account for the purpose of, among other things, making distributions to shareholders.

However, the Act does permit the Company (subject to the approval of shareholders and the consent of the Court) to cancel or reduce its share premium account and credit the resulting sum (less an amount equal to certain of the Company's liabilities as at that date) to the Company's distributable reserves.

This will improve the Company's distributable reserves position and will provide the Company with flexibility to support, amongst other things, the payment of dividends or other distributions to shareholders in the future.

The Company is seeking to cancel the entire amount standing to the credit of its share premium account in order to benefit from this flexibility and primarily to create a surplus of distributable reserves.

The cancellation of the share premium account requires the passing of a special resolution, Resolution 17 to be proposed at the AGM, and subsequent approval of the Court. The cancellation will not be effective until the order of the Court confirming the cancellation has been registered with the Registrar of Companies.

Resolution 18
The Act requires that all general meetings must be held on at least 21 clear days' notice, save that a general meeting (other than an AGM) may be held on at least 14 clear days' notice where:

- the Company makes an electronic means of voting available to all shareholders for the meeting. This condition is met by the Company providing the facility for shareholders to appoint a proxy via an online shareholder portal operated by our Registrars; and
- the shareholders pass a special resolution reducing the period of notice to not less than 14 days either at the immediately preceding AGM or a general meeting held since that AGM.

It is not the Company's intention to use the shorter notice period as a matter of routine but only when the flexibility is merited by the business of the meeting and is thought to be in the interests of shareholders as a whole. If given, this approval will be effective until the end of the AGM to be held in 2026.

Recommendation
Full details of the above resolutions are contained in the Notice. The Directors consider that all the resolutions to be proposed at the Meeting are in the best interests of the Company and its members as a whole. The Directors unanimously recommend that shareholders vote in favour of all the resolutions, as they intend to do in respect of their own beneficial holdings.

If you are in any doubt about the contents of this document, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, or if outside the United Kingdom, another appropriately authorised financial adviser, without delay.

If you have sold or otherwise transferred all of your shares in the Company you should immediately send this document, together with the accompanying form of proxy, to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

Shareholder Notes

The following notes explain your general rights as a shareholder and your right to attend and vote at the Meeting or to appoint someone else to vote on your behalf.

1. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the register of members of the Company at close of business on Wednesday, 9 April 2025 (or, in the event of any adjournment, close of business on the date which is 48 hours before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority is determined by the order in which the names stand in the register of members in respect of the share.

2. Shareholders are entitled to appoint a proxy to exercise all or part of their rights to attend, and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company. A form of proxy, which accompanies this Notice, may be used to make such appointment and give proxy instructions. If you do not have a form of proxy and believe that you should have one, or if you require additional forms, please contact the Company's registrar, whose contact details are provided above.

3. Dispatch instructions: To be valid, any form of proxy and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be returned by no later than 11:00 am on Wednesday, 9 April 2025 through any one of the following methods:

   (a) by post at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom (Tel: 0370 707 1129 if dialling from the UK and +44 370 707 1129 if dialling from abroad); or

   (b) by hand or courier (during normal business hours only) to the Company's UK registrar at: Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, United Kingdom (Tel: 0370 707 1129 if dialling from the UK and +44 370 707 1129 if dialling from abroad); or

   (c) electronically through the website of the Company's registrar at www.investorcentre.co.uk/eproxy, where the following details, which can be found on your proxy card or in an email received from Computershare, will be required:

   - the meeting control number;
   - your shareholder reference number; and
   - your unique pin code; or

   (d) in the case of shares held through CREST, via the CREST system (see notes 8 to 11 below).

4. Any person to whom this Notice is sent who is a person nominated under Section 146 of the Companies Act 2006 (the 'Act') to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

5. The statement of the rights of shareholders in relation to the appointment of proxies in notes 2 and 8 do not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

6. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his/her discretion. Your proxy will vote (or abstain from voting) as he/she thinks fit in relation to any other matter which is put before the meeting.

7. If you return more than one proxy appointment (except where multiple proxies have been appointed), either by paper or electronic communication, that appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.

8. The return of a completed form of proxy, electronic filing or any CREST proxy instruction (as described in note 10 below) will not prevent a shareholder from attending the meeting and voting in person if he/she wishes to do so.

9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by using the procedures described in the CREST Manual (available from https://www.euroclear.com/site/public/EUI). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

10. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent by 11:00 am on Wednesday, 9 April 2025. For this purpose, the time of receipt will be taken to mean the time(as determined by the timestamp

applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

11. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent by 11:00 am on Wednesday, 9 April 2025. For this purpose, the time of receipt will be taken to mean the time(as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

12. Any corporation which is a member can appoint one or more corporate representative(s) who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers in relation to the same shares.

13. As at 10 March 2025 (being the latest practicable business day prior to the publication of this Notice), the Company had an issued share capital of 132,595,755 ordinary shares, carrying one vote each and no restrictions and no special 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. Therefore, the total voting rights in the Company is 132,595,755.

14. Under Section 527 of the Act, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish, on a website, a statement setting out any matter relating to:

    (i) the audit of the Company's financial statements (including the auditor's report and the conduct of the audit), which are to be laid before the meeting; or

    (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under Section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. Business which may be dealt with at the meeting for the relevant financial year includes any statement that the Company has been required to publish on a website under Section 527 of the Act.

15. Any shareholder attending the meeting has the right to ask questions. The Company must answer any such question relating to the business being dealt with at the meeting, but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

    Registered shareholders may submit their questions to the Directors in advance of the meeting by sending an email to the Company Secretary at TSU.cosec@lawdeb.com and the Company will answer these in due course.

16. The following documents will be available for inspection at the AGM venue from 10:30 am on the day of the AGM until its conclusion:

    (a) copies of the Directors' letters of appointment and service contracts; and

    (b) a copy of the Articles of Association of the Company.

    A copy of the 2024 Annual Report and financial statements (including the Notice of AGM) will be available for viewing at the Financial Conduct Authority's National Storage Mechanism, from the mailing date of this Notice.

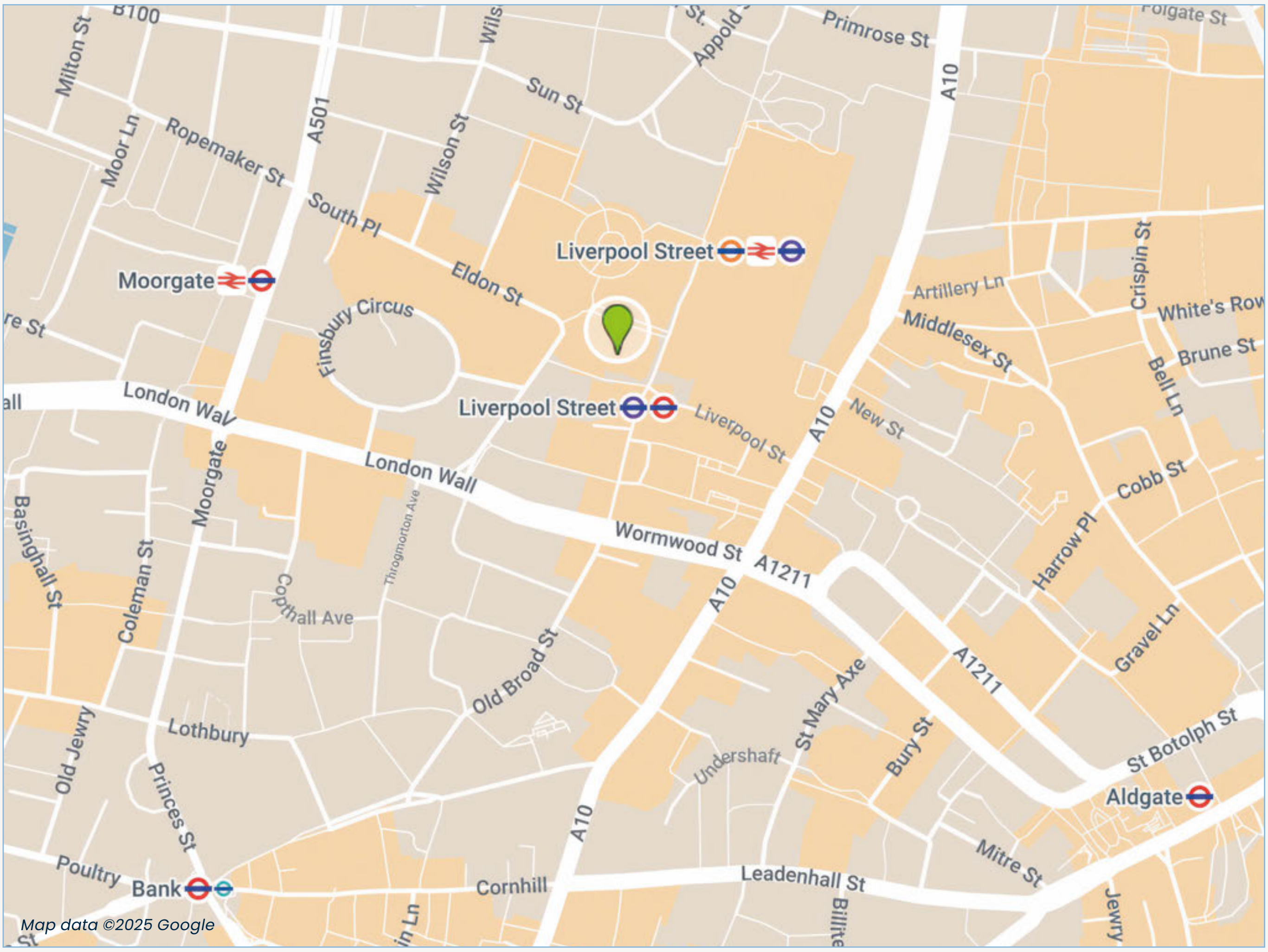
17. You may not use any electronic address provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

18. Personal data provided by shareholders at or in relation to the meeting will be processed in line with the Company's privacy policy. Detailed information on how the Company processes your personal data and what your rights are under applicable data privacy laws can be viewed in our policy: https://media.umbraco.io/lawdebenture/rwwkg0lj/privacy-notice-for-shareholders-november-2024.pdf

A copy of this Notice and other information required by section 311A of the Act, can be found on the Company's website at https://www.lawdebenture.com/investment-trust/shareholder-information.

Annual General Meeting Venue

The offices of Peel Hunt, 7th Floor, 100 Liverpool Street, London EC2M 2AT.



RAILWAY	UNDERGROUND	BUSES	PARKING
Main line stations within one mile include: • Liverpool Street • London Bridge • Farringdon • Fenchurch Street • Cannon Street • Blackfriars • Holborn Viaduct	**Liverpool Street** (Elizabeth, Central, Circle, Hammersmith & City and Metropolitan lines) **Monument** (Circle and District lines) **Bank** (Central, Northern, Waterloo & City lines and Docklands Light Railway) **London Bridge** (Northern and Jubilee lines)	You may select the 149, 35, 47 or 388 bus services from London Bridge or the 26 or 8 bus services from St. Paul's to Wormwood Street, which is close to the venue. You may also take the 205 from Old Street or the 43 or 133 bus services from Moorgate to Liverpool Street, which is a short walk from the venue.	There is limited meter parking in business hours near the venue. Parking is available at Broadgate or London Finsbury Square. There is also multi-storey parking at Aldersgate Car Park near London Wall.

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