

LawDebenture



half yearly report 2024

Law Debenture is rare among investment trusts.

A PROUD HISTORY

135 years

of value creation for shareholders.

STRENGTH AND DIVERSITY OF INCOME

34%

of dividend funded by our Independent Professional Services business over the past ten years.

LONG-TERM DIVIDEND GROWTH

40+ years

of increasing or maintaining dividends to shareholders, with a 114% increase in dividend over the ten years to 31 December 2023.

CONSISTENT LONG-TERM OUTPERFORMANCE OF OUR BENCHMARK

59.4%

share price total return outperformance over benchmark, the FTSE Actuaries All-Share Index over the ten years to 30 June 2024.

Key statistics

for the half year ended 30 June 2024

9.7%2

Net Asset Value Total Return including debt and IPS at fair value (year ended 31 December 2023: 9.4%)

1.61%

Average discount in share price versus NAV (with debt and IPS at fair value) (30 June 2023: 1.68%)

£1,120.6m3

Net Asset Value - including debt and IPS at fair value (31 December 2023: £1,048.3m)

 $9.2\%^{4}$

0.48%

² Total net assets per statement of financial position percentage increase 6.9% (year ended December 2023 increase 6.9%).

³ Please refer to pages 19 and 20 for calculation of net asset value.

⁴ Calculated for the half year ended 30 June 2024.

Law Debenture: a unique combination of an award winning UK Income Investment Trust¹ and a leading provider of Independent Professional Services.

Investment Portfolio

c.80% of NAV*

including IPS and long-term borrowings at fair value*

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
- ► Low ongoing charges ratio at 0.48%² compared to industry average of 1.21%³
- ► Contrarian investment style:
 - High quality companies with strong competitive advantage at attractive valuations
 - Out of favour equities standing at valuation discounts to their longterm historical average
- ► Selective, bottom-up approach
- Diversified portfolio by sector (predominant UK weighting)

Independent Professional Services (IPS) business

c.20% of NAV

including IPS and long-term borrowings at fair value*

PENSIONS

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

CORPORATE

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

Winner of the AlC 2021, 2022 & 2023 UK equity income sector investment trust of the year; AJ Bell Fund and Investment Trust awards 2022 & 2023; winner of Best UK Equity – active category.

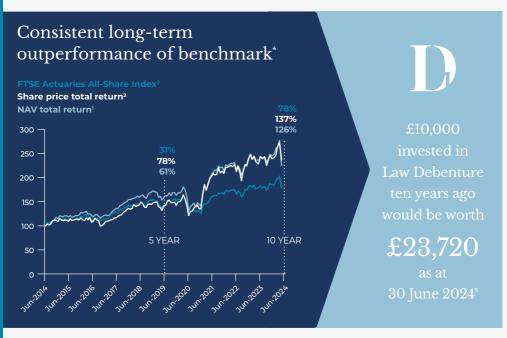
² Calculated based on data held by Law Debenture for the period ended 30 June 2024.

³ Source: Association of Investment Companies (AIC) industry average as at 30 June 2024.

^{*} Items marked "*" are alternative performance measures (APM). For a description of these measures, see page 155 of the annual report and financial statements for the year ended 31 December 2023.

Performance

	YTD %	1 year %	3 years %	5 years %	10 years %
NAV total return (with debt at par)1*	9.6	16.2	16.5	48.7	113.2
NAV total return (with debt at fair value)1*	9.7	15.0	25.8	61.1	125.5
FTSE Actuaries All-Share Index Total Return ²	7.4	13.0	23.9	30.9	77.8
Share price total return ^{2*}	7.7	14.7	26.8	78.0	137.2
Change in Retail Price Index ³	2.0	2.7	27.1	33.4	50.8



¹ NAV is calculated in accordance with the Association of Investment Companies (AIC) methodology, based on performance data held by Law Debenture including the fair value of the IPS business and long-term borrowings.

Please remember that past performance does not predict future returns. The value of an investment and the income from it can rise as well as fall as a result of market and currency fluctuations, and you may not get back the amount originally invested.

² Source: FTSE All-Share and share price data is provided by Refinitiv.

³ Source: Office for National Statistics, subject to latest published RPI, June 2024.

⁴The graph shows ten year performance data.

 $^{^{5}}$ Calculated on a total return basis assuming dividend re-investment between 30 June 2014 and 30 June 2024.

^{*} Items marked "*" are considered to be alternative performance measures (APM). For a description of these measures, see page 155 of the annual report and financial statements for the year ended 31 December 2023.

Financial summary

	Six months 30 June 2024	Six months 30 June 2023	Twelve months 31 December 2023
	£000	£000	£000
Net Asset Value – with debt and IPS at fair value*	1,120,611	1,009,140	1,048,304
Total Net Assets per the statement of financial position	913,156	812,578	854,229
	Pence	Pence	Pence
NAV per share at fair value ^{1,2*}	857.88	775.92	802.67
Revenue return per share:			
Investment portfolio	13.78	13.29	22.41
Independent professional services	5.22	4.80 ³	11.02
Group revenue return per share	19.00	18.09	33.43
Capital return/(loss) per share	43.78	(5.26)	24.47
Dividends per share ⁴	8.00	7.625	32.00
Share price	845	767	801
	%	%	%
Ongoing charges ^{5*}	0.48	0.48	0.49
Net gearing*	12	13	13
Premium/(discount)*	(1.50)	(1.15)	(0.21)

¹ Please refer to pages 19 and 21 for calculation of NAV.

² NAV is calculated in accordance with the AIC methodology, based on performance data held by Law Debenture including the fair value of the IPS business and long-term borrowings.

³ Revenue per share is calculated using the weighted average shares in issue as at 30 June 2024.

^{*}The second interim dividend is not due to be announced until September 2024 and has not been factored in the calculation presented. The Board have indicated their intention to pay three interim dividends of 8.0 p in respect of 2024, each representing a quarter of the total 2023 dividend declared of 32.0p. The final dividend will be declared in February/March 2025.

⁵ Ongoing charges are calculated based on AIC guidance, using the administrative costs of the investment trust and include the Janus Henderson investment management fee, charged at an annual rate of 0.30% of the NAV of the investment portfolio. There is no performance related element to the fee.

^{*} Items marked "*" are alternative performance measures (APM). For a description of these measures, see page 155 of the annual report and financial statements for the year ended 31 December 2023.

Half yearly management report



Introduction

I am pleased to report that The Law Debenture Corporation p.l.c. (Law Debenture) has delivered another solid performance against a relatively subdued macroeconomic backdrop, with global interest rates remaining at relatively elevated levels as Central Banks seek to bear down on inflationary pressures.

Despite this backdrop, the combination of our well-diversified portfolio and another good performance from our Independent Professional Services (IPS) business has enabled Law Debenture to marginally outperform our benchmark, the FTSE Actuaries All-Share Index. This delivered a 7.4% total return over the six-month period, while Law Debenture's Net Asset Value (NAV), with debt and IPS at fair value, delivered a return of 9.7%. With debt at par, our NAV delivered a return of 9.6%.

Our Investment Managers continue to build on their successful long-term record of outperformance against our benchmark, the FTSE Actuaries All Share Index, and drivers of their performance are covered in detail in their report. Our IPS business is now well into its seventh year of consistent mid-to-high single-digit growth, with net revenue up 8.8% and profit before tax up 9.2%.

Our IPS business accounts for 20% of Law Debenture's NAV, but has funded approximately 34% of dividends over the past decade. As a result, our Investment Managers have increased flexibility in selecting what they feel are strong business models and attractive valuation opportunities, which we believe will continue to position the equity portfolio for future longer-term growth.

Dividend

We are pleased to continue building on our 45-year record of maintaining or increasing dividends. We recently declared a first interim dividend of 8.0 pence per ordinary share, representing an increase of 4.9% over the prior year's first interim dividend. This highlights the benefits of IPS's income streams, as well as Law Debenture's strong revenue reserves.

This dividend was paid on 4 July 2024 to shareholders on the register at close of business on 31 May 2024. Based on the closing share price on 24 July 2024 of 889 pence, the dividend yield per Law Debenture share is 3.6%.

Over the last 10 years, we have increased the dividend by 113%² in aggregate, which compares favourably with our sector peers.

It is the Board's current intention to recommend that the total dividend in relation to 2024 maintains or increases the total 2023 dividend of 32 pence per ordinary share. Our shareholders will be asked to vote on the final dividend at our ACM in 2025.

Corporate Trust

Following the volatile interest rate and inflation backdrop since the pandemic and the spike in energy prices, economic conditions in our main markets were much more stable in the first half of 2024, and we are pleased to report revenue growth of 10.6%.

Capital Markets deal activity is a key driver of new business growth and, having been a Bond Trustee since our inception 135 years ago, we have seen many market

¹ Based on the total dividend paid in relation to 2023 of 32.0p per share.

² Based on the period 2013 to 2023.



We remain focused on continuing our unbroken 45-year record of maintaining or raising the dividend. Our confidence is underpinned by the diversified and recurring nature of the revenues of our IPS business.

peaks and troughs. A year ago, new issuance levels were at their lowest since 2014 and capacity in this area was being reduced by all the major banks.

As interest rates and inflation stabilise and economic growth returns, there are encouraging signs that Corporates have increased confidence to invest in their businesses. Deal activity, albeit off a low base, has increased and Debt Capital Markets issuance levels in Europe were up 16% in the first half of the year (Source: Dealogic). While not a record period for appointments, we have nonetheless benefited from the increased activity. Highlights include acting as trustee on bonds issued by Centrica

and Santander. In addition, our strong reputation in the Japanese convertible bond market served us well, closing six such transactions so far this year.

As previously noted, the strength of our Corporate Trust business lies in its diversified revenue streams, some elements of countercyclicality and a linkage of our annual fee income to inflation.

Our Escrow product continues to build its reputation for quality of service and flexibility. An escrow solution allows two commercial parties to transact with a trusted independent entity in the middle, ensuring payments are only made once certain conditions of the transaction have been met by both sides prior to completion. Corporate

M&A is important to us and deal volumes in Europe, up 35% in the first half of the year (Source: Dealogic), provided us with increased opportunities.

Pensions escrows are also an important market given the increased number of surpluses that have emerged following the return of inflation and interest rates to more normalised levels. We are increasingly active too in Litigation, Real Estate, Sporting/Live Entertainment Events and supporting various law firms who no longer provide escrow services.

Post-issue work, when a bond issuer runs into financial difficulty, can lead to counter-cyclical incremental revenues for us. 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. However, defaults can often take years to play out and the results are uncertain.

Most of the debt capital markets transactions on our books, built up over many decades, have contractual inflation-linked fee increases for our services. As inflation spiked in late 2022, this fed through to our revenues. In turn, as inflation has fallen, this has placed downward pressure on the rate of growth of these contracted revenues.

We have invested in three additional transaction managers

(two of whom are lawyers) to join our new business team in the first half and increased our investment in business development activity. We are confident that this business will continue to produce solid returns for our shareholders over time.



At the core of Law Debenture's financial objectives are two keys aims; to achieve longterm capital growth, and to steadily increase income for our shareholders.

Half yearly management report continued

Independent Professional Services

DIVISION	Net revenue ¹ 30 June 2024 £000	Net revenue ¹ 30 June 2023 £000	Growth 2023/2024 %
Pensions	8,957	8,597	4.2%
Corporate Trust	6,434	5,818	10.6%
Corporate Services	10,837	9,693	11.8%
Total	26,228	24,108	8.8%

¹ Revenue shown is net of cost of sales

Pensions

The first half of 2024 continued to demonstrate the importance of effective pension scheme trusteeship and governance. Many schemes have reported improved funding positions, resulting in increased interest in buy-in/buy-out strategies as well as corporate sponsors working with trustees to consider the viability of running pension schemes with a surplus on a long-term basis. The changing nature of pension issues underlines the value in having independent professional pension support. This includes growing interest from scheme trustees in a corporate sole trustee approach, addressing succession planning, resource constraints and the need for specialist skills.

The long-awaited release of the General Code from the Pensions Regulator has also encouraged more schemes to look at their governance and risk management. The increased regulatory requirements mean that there is a need for more expertise and relevant experience from professional trustees and governance executives to help manage schemes properly and effectively.

With the change in government, it is likely that there will continue to be reforms to workplace pension schemes which will require further consideration and action. There may also be a more comprehensive review of the pension landscape. Previous reviews led to substantial changes which companies and pension scheme board needed help to navigate. It is very likely that further support will be needed.

We had a solid first half of 2024, winning new clients with wins for the Trustee business across DB, DC and CST. Following strong growth in 2023, Ireland continued to have a pleasing number of wins across DB, DC and transfers into DC MasterTrusts

We continue to recruit into our Manchester Pensions team, with our footprint in the Northwest increasing substantially.

Our outsourced governance team, Pegasus, continues to provide excellent support to corporate sole trustee clients and resource relief to in-house teams. There has also been an increase in project work.

Overall, Pensions revenues for the H1 were £9.0m. YOY net revenue growth H1 2024 v H1 2023 is 4.2%.

Corporate Services

Our Corporate Services businesses reported net revenue growth of 11.8%.

Service of Process

This remains our business which has the least recurring revenues and is most dependent on global macro-economic factors and activity in capital markets. Major economies, such as the UK and US, allow overseas businesses to sign legal documents subject to their laws, provided that they have either a registered address or appointed agent for service of process in the governing jurisdiction. We act as the agent for service of process to thousands of clients from all over the world each year.

The greater the amount of global economic activity and capital markets new issuance, the greater the demand for our product. Given the improving conditions in primary capital markets, return to economic growth in major economies and improved economic outlook more generally, as would be expected, Service of Process revenues picked up nicely in the first half of 2024.

Corporate Secretarial Services (CSS)

Our CSS business remains a work in progress. At the time of acquisition just over three years ago, we noted that this business was not "cost out" but "cost in". The business was "non-core" to the seller and we found that it had materially underinvested in technology, infrastructure, people, skills and training. Successfully addressing these issues has taken longer, and cost more,

than we had originally planned and there remains more work to do. Nonetheless, we have made real progress. Many of our key performance indicators (KPIs) have improved, including customer satisfaction, contract renewal and staff turnover. We continue to invest in automating our processes and have put in place new contracts and service level agreements with our clients. We have increased our staffing levels by 50%, established clear KPIs, and implemented training and career progression frameworks.

Overall, we now believe that we have laid the foundations for longer-term success. Our focus is now turning towards growing our client footprint and our market share in this growing market.

Revenues in this business remained broadly flat in H1 2024.

Structured Finance

This business provides accounting and administrative services to special purpose vehicles (SPVs). Typical buyers of our services are asset managers, hedge funds and challenger banks. They use SPV structures to warehouse and provide long-term funding for real assets. Examples include credit card receivables, mortgages, real estate and aircraft leases.

We saw healthy levels of enquiry, new business wins and solid revenue growth in the first half of the year. Of particular note is the growth in Private Credit as an asset class. Typical buyers of our Structured Finance product are

active in this growing market. Pension and Endowment funds have demand for quality assets where they can obtain an illiquidity premium for term financing. Interest rates appear to have stabilised off a higher base yield (approx. 4-5%) in most major markets compared to close to zero from 2009 to 2021. Post the Global Financial Crisis, Commercial Banks generally are smaller users of their balance sheets to provide capital to their clients, particularly where capital rules may be onerous. Investment Banks have identified these demand/supply drivers and are committing substantial capital and resourcing to Private Credit.

Safecall

Law Debenture is

a rare proposition:

an investment

trust supported by

a wholly owned

professional services

business. The whole

is greater than the

sum of these parts,

providing a hedge to

market volatility.

We achieved record levels of reports, new business wins and revenues in the first half of the year. Whistleblowing remains at the centre of major news stories. Consequently, product awareness continues to grow. Politicians from all sides are promoting new legislation and regulatory standards across most developed markets.

Among our achievements in H1 were the roll-out of a new investigations management software and the appointment of a Head of Training to accelerate revenue growth: as the number of whistleblowing reports rises, clients have demanded the tools and knowledge to manage cases effectively and efficiently.

The outlook for this business is bright.

While refreshing our five-year strategic plan last year, we challenged ourselves on the operational requirements to underpin our growth.

For some time now, we have been striving to bring our historically disparate collection of businesses together as 'One Law Debenture' and, accordingly have invested steadily in areas such as culture, HR, IT, Finance and our office spaces.

Having put these foundations in place, we are now preparing ourselves for more wholesale business transformation. We aspire to change the way we work internally while protecting our ability to serve our clients in a bespoke and nimble way. The first steps have been taken to

streamline processes, use technology to drive straightthrough processing of invoices, systemise management information and enhance our control environment.

The five-year transformation to our Target Operating Model will see investment in our people, systems, processes and controls to allow us to scale as a single operating business. After a spike, we expect to see a slowdown in the rate of growth of our operational costs as we use technology more effectively, and an increase in fee earning colleagues' capacity to serve their clients as we improve engagement transparency and reduce

Half yearly management report continued



The Group takes great pride in our long-term record over one, three, five and ten years, with consistent, long-term outperformance of the benchmark, the FTSE Actuaries All Share Index. James and Laura have a proven valuation-driven process which aims to identify market-leading, high-quality companies that are undervalued at the point of purchase.

their administrative load. We will have more insightful management information to drive decisions and improve client experience, and be able to respond to our key performance indicators quicker. We will continue to invest in technology to allow us to scale our business efficiently, minimising the need to increase central costs over time.

Environmental, Social and Governance (ESG)

Our 2023 Annual Report gives a detailed review of our ESG commitments and progress to date.

Highlights for the half-year centre around our continued commitment to diversity and inclusion. We were delighted to improve even further our rankings in the FTSE 250 Women Leaders' Review, not only maintaining our first-place position in the Financial Services sector, but moving in to first place overall.

Having been shortlisted last year in the inaugural INSEAD Alumni Balance in Business Awards, this year we were thrilled to win in two categories, Trailblazer Exco and Direct Reports, as well as the Overall Board, Exco and Direct Reports. Other short listed companies included a number of our clients and market leaders such as Lloyds Banking Group, M&S and HSBC.

We have seen the positive impact of focus on gender balance in our business and, now that we have made such pleasing progress, 2025 and beyond will see us broadening our DE&I focus towards wider inclusion topics.

Outlook

We believe that the combination of IPS with the investment portfolio is a unique and well-diversified model and I am cautiously optimistic about the Group's progress in the second half of 2024 and beyond, though the near-term economic outlook is not without its challenges.

We continue to look for opportunities to grow IPS through organic investment in some of our fastest-growing businesses. We are encouraged by good new business momentum and continue to invest in operational fitness, talent, and technology to ensure we gain market share and maintain longer-term growth in line with our mid-to-high single percentage target.

Our Investment Managers continue to invest in what they feel is a differentiated selection of high-quality businesses with competitive advantage and good long-term growth prospects. We are confident that their disciplined approach of buying at attractive entry point valuations will continue to deliver over the longer-term for our shareholders. The Board supports their view that the UK stock market continues to offer investors the opportunity to own resilient, cash-generative and well-managed business models that are well positioned to produce attractive longer-term returns.

Denis Jackson

Chief Executive 25 July 2024

Investment managers' report



Overview

The Trust has modestly outperformed in the first six months of the year, rising 9.7% (NAV total return with debt at FV), compared to 7.4% for the FTSE All-Share Index, our benchmark. The earnings for the period were 13.8p, with the investment trust portfolio holdings contributing 73% of the total earnings. Despite a subdued economic backdrop, companies held in the portfolio in aggregate made reasonable operating progress. Amongst the larger companies this progress has been rewarded with share appreciation. The banking sector in particular saw share prices rise as a result of earnings upgrades. Many of the smaller company holdings are also making operational progress but investor interest in them remains low. The lack of interest creates opportunities to buy good companies at low share prices. We have been using the

period to refresh the portfolio, reflected in eight new UK holdings purchased in the first half of the year. The belief that valuations are low was reinforced by the high level of proposed and successful takeover activity as companies used the low valuations to make approaches to buy other companies. There have been recommended offers for IDS (Royal Mail), Hipgnosis Song Fund and DS Smith, while there were rejected offers for Anglo American, XP Power and Direct Line.

Activity

During the six months we maintained our historically high weight in UK equities (89% as at the end of June). Despite a positive return (for both the FTSE All-Share benchmark

Investment managers' report continued

UK equity valuation versus rest of world



Source: JP Morgan as at 30 June 2024.

and this portfolio) during the six months, UK equities continue to trade at a large valuation discount relative to overseas peers (see graph below). This persistent discount is something we are seeing evidenced in the number of takeover approaches. As a result of what we see as a compelling valuation opportunity, we have maintained the level of gearing during the period, ending June at 12% relative to 13% at calendar year end.

Within the UK equities portfolio there were new purchases in the six months including global insurer Beazley, supermarket Sainsbury and office owner Great Portland Estates. There were also additions to several existing holdings including building materials suppliers Ibstock and Marshalls, medical device producer Smith & Nephew and BT. There is no end market commonality to these purchases, but in all cases we think they are making operational progress that is not reflected in their current valuation.

These purchases were funded by sales including IDS (previously Royal Mail), which was sold after the takeover offer was recommended by the Board. We also sold the position in Hipgnosis Songs Fund following the takeover approach. Elsewhere we have taken profits in some 'recovery' names that have performed well including Rolls-Royce and Marks & Spencer. In both cases we continue to hold a position but have taken some profits in recognition that there has been an earnings recovery and the valuation has risen from low levels.

Performance review

In the years following Brexit it has often been smaller, domestically focussed businesses that have underperformed the UK market. Therefore, while UK equities as a whole trade on a valuation discount to overseas (see MSCI World chart above for illustration), beneath this there is a subset of domestic businesses where sentiment and performance has been weakest. Meanwhile many of these businesses are making good operational progress, which in our view is yet to be reflected in their valuation. For this reason we have been gradually shifting the portfolio in the direction of these smaller businesses, adding to positions including AFC Energy, Castings and ITM Power. This is reflected in what is now a sizeable 'overweight' position in small and medium sized companies, as shown in the table below (comparing the second and third columns).

La	w Debenture portfolio weight (%)	FTSE All-Share benchmark weight (%)	Index total return (%)
FTSE 100	47.1	84.4	7.9
FTSE 250	22.6	13.5	4.8
FTSE Small Cap	6.2	2.1	6.7
FTSE AIM All-Share	9.3	_	1.1

Source: Janus Henderson Investors, Factset, Morningstar, Weights for portfolio and benchmark as at end of June 2024 (note the weights do not add up to 100% because of the overseas weight and some UK shares held outside of these indices). Index total return for 6 months to end June 2024.

The top five absolute contributors to performance during the six months were:

Stock	£000 Appreciation	% Appreciation
Rolls-Royce	18,541	49.8
Barclays	6,780	35.8
NatWest	5,940	41.7
DS Smith	3,796	36.7
Boku	3,356	36.4

Source: Performance data held by Law Debenture based on market prices.

It is notable that three of the top five best performers during the six months were banks. At the end of last year, the expectation was that interest rates would reduce quickly and meaningfully as 2024 progressed. This proved overly optimistic. While inflation has come down, it has come down more slowly than forecast, meaning UK interest rates have (for now) remained flat. This 'higher for longer' interest rate environment benefits the banks in their lending margins, while loan losses remain historically low. This combination led to earnings upgrades at a time when bank valuations were low and the shares performed well as a result. Elsewhere Rolls-Royce also performed well following further earnings upgrades, helped by cost savings as well as an ongoing recovery in flying hours.

The top five largest detractors during the six months were:

Stock	£000 Depreciation	% Depreciation
Vanquis Banking Group	(3,764)	(61.2)
Oxford Nanopore Technolo	gies (2,926)	(57.6)
Rio Tinto	(2,408)	(11.0)
Spectris	(2,097)	(26.2)
Halfords	(1,918)	(29.6)

Source: Performance data held by Law Debenture based on market prices.

There is little commonality to the detractors during the six months, with the exception that in the current market environment there is an unwillingness to pay for 'blue sky' scenarios. This has impacted the small holdings in Oxford Nanopore (gene sequencing) and Surface Transforms (ceramic brakes for electric vehicles). In both companies there have been operational setbacks but the end market potential remains large. In the case of consumer lender Vanquis, the shares fell as a result of higher than expected costs leading to earnings downgrades. The valuation remains very low relative to its potential returns but there is a high degree of market scepticism following disappointments. Under a new

management team we do not think the valuation reflects the potential for turnaround and have maintained the holding.

Income

Dividend income received from the portfolio rose modestly in the first half of the year, totalling £19.9m compared to £19.3m in the same period last year. As a reminder the largest contributor to income within the Trust remains the IPS business, which allows us as portfolio managers to invest across the breadth of the UK (and global) equity markets, including in companies that do not currently pay a dividend. As we have often seen in recent years, a number of the best performers during the first half were those with low or no dividends (such as Rolls-Royce), which we were able to hold in size due to the benefits of the combined structure.

Outlook

Companies have been faced with an assortment of challenges in recent years. Many of them are now receding. The 'cost of living crisis' has partially eased, with wage increases now outstripping inflation. The problem in supply chains originating from Covid and then rippling out are mainly solved. The uncertainties around trade as a result of Brexit are clearer. The rise in interest rates is over and they are likely to come down later in the year. A reduction in rates will stimulate economic activity as investment projects go ahead and the resulting pick up in sales will improve corporate profitability. When turnover improves it is often the case company operating margins expand. The extent of the operational gearing is often a positive surprise to investors. All of this creates a good background for investors in equities. It will be happening at a time that UK valuations judged by historic norms are very low. The cocktail of falling interest rates, low valuations, economic growth and disciplined company behaviour is an exciting mix. Therefore, we remain positive on the outlook for UK equities, and the gearing level of the Trust reflects this. The improved prospects for UK companies should also help lead to further sustainable dividend growth.

After the period end, the Labour party had a resounding victory in the General Election. It does not alter our investment approach of focussing on individual companies, however the new government's emphasis on economic growth may benefit UK companies that are closely tied to the broader economy, such as the construction sector.

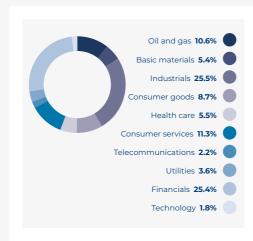
James Henderson and Laura Foll

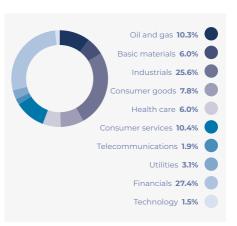
Investment Managers 25 July 2024

Investment managers' report continued

Sector distribution of portfolio by value

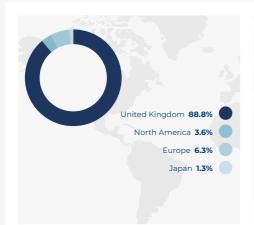
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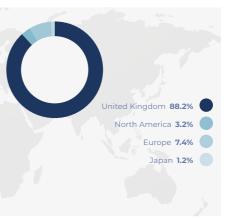




Geographical distribution of portfolio by value

30 June 2024 31 December 2023





Fifteen largest holdings: investment rationale

as at 30 June 2024

	. 30 34116 2024								
Rani	ı.		% of	Approx	Valuation December 2023	Purchases	Color	Appreciation/	Valuation June 2024
	K Gompany	Location	% 01 portfolio	Market Cap.	£000	£000	£000	(Depreciation) £000	£000
1	Rolls-Royce	UK	3.97	£70.49bn	37,263	_	16,062	18,541	39,742
It ha	company is predominant as undergone manageme echnological leadership. T re holding as a result but r	nt changes in he share price	recent yea e has respo	ors that have londed positive	ed to impro ely and the	oved cash goved valuation h	eneratio	n but it has ret	ained
2	Shell	UK	3.54	£102.55bn	32,119	_	_	3,300	35,419
ren	II is a vertically integrated ewables, chemicals and re view, will serve as a key tra	tail. Within th	e upstrear	n division, She	ell has a sig			_	
3	HSBC	UK	2.96	£120.39bn	27,555	_	_	2,099	29,654
	company is one of the lar tomers around the globe.								
4	ВР	UK	2.71	£82.37bn	26,571	_	_	515	27,086
pro	is a vertically integrated oi viding optionality for the c npany aims to achieve net	ompany to bo	oth fund sig	gnificant capi	tal expendi	ture and re	turn cash	n to sharehold	ers. The
5	Barclays	UK	2.57	£15.30bn	18,915	_	_	6,780	25,695
hist	bank has a strong retail fr ory of being accident pror valuation does not reflect	ne but the intr						-	
6	GlaxoSmithKline	UK	2.51	£70.42bn	20,158	3,848	_	1,078	25,084
	company is a global resea lemanding so during the p				vith decent	R&D pipeli	ne. The v	aluation is	
7	Flutter Entertainment	UK	2.24	£11.37bn	21,576	_	_	837	22,413
gro	The company offers betting on a wide range of sports as well as online games including bingo and poker. They are growing fast in the US as gambling opens up in more states. They have a responsible attitude towards their customers. They have moved their prime listing to the US reflecting the importance of the American activities.								
8	Marks & Spencer	UK	2.00	£3.81bn	21,792	_	2,991	1,240	20,041
a be The	S is a food and clothing ret etter fashion offer and a co share price has advanced rall portfolio.	nsidered red	uction in th	neir store foot	print is add	ling greater	disciplin	ne to their cost	base.
9	Rio Tinto	UK	1.95	£46.71bn	21,908	_	_	(2,408)	19,500
is of	company focuses on min ften the lowest cost produ severe.	_							
10	NatWest	UK	1.56	£20.93bn	14,254	_	4,609	5,940	15,585

NatWest is one of the largest commercial and retail lenders in the UK. In recent years it has largely exited its markets business and refocussed on its original area of strength (domestic lending). The balance sheet has been steadily improved over the decade since the financial crisis, leaving the business in a good position to steadily return cash to shareholders via

dividends and share buybacks. The share holding has been reduced as a result of the increased valuation.

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STRATEGIC INFORMATION

Fifteen largest holdings: investment rationale continued

as at 30 June 2024

				Valuation				
				December			Appreciation/	Valuation
Rank		% of	Approx	2023	Purchases	Sales	(Depreciation)	June 2024
2024 Company	Location	portfolio	Market Cap.	£000	£000	£000	£000	£000
11 Tesco	UK	1.54	£16.15bn	14.673	_	_	778	15.451

Tesco is the largest food retailer in the UK. Its leading market share means it is in a strong position to negotiate volume discounts with its suppliers, which can in turn be passed onto the end consumer allowing Tesco to maintain a competitive price point. The business produces substantial free cash flow which can be returned to shareholders via an attractive dividend yield and share buybacks. Margins have improved inspite of the competitive backdrop.

National Grid UK 1.49 £36.74bn 14,921 13,851

The company is an energy company, operating in the UK and US, delivering electricity and gas. The US business not only adds geographical diversity it brings long-term strong growth prospects to the well managed company.

Anglo American 1.37 £28.00bn 10,838

The global mining company has world class assets particularly in copper and diamonds. They are serving a diverse range of customers. The emphasis of the business has changed to Asia where 60 % of their sales come from. The strengths of the company are not reflected in the current valuation.

BT Group 1.37 £10.56bn 8.943 2.725 2.011 13.679

The company provides communications based services in its four units: consumer, enterprise, global and Openreach. The holding has been increased as the strengths of the company are not being recognised in the valuation.

1.36 £0.79bn

The company manufactures specialist engineering products for the automotive, industrial and predominately the aerospace sectors. It has very good management team who we believe will grow the company both in sales and profits.

Investment portfolio valuation based on market values at 30 June 2024

Holding name	Country	Sector	Industry	£000	%
Rolls-Royce	UK	Industrials	Aerospace & defence	39,742	3.98
Shell	UK	Oil & Gas	Oil & gas producers	35,419	3.55
HSBC	UK	Financials	Banks	29,654	2.97
BP	UK	Oil & Gas	Oil & gas producers	27,086	2.72
Barclays	UK	Financials	Banks	25,695	2.57
GlaxoSmithKline	UK	Health Care	Pharmaceuticals & biotechnology	25,084	2.51
Flutter Entertainment	UK	Consumer Services	Travel & leisure	22,413	2.24
Marks & Spencer	UK	Consumer Services	General retailers	20,041	2.00
Rio Tinto	UK	Basic Materials	Mining	19,500	1.95
NatWest	UK	Financials	Banks	15,585	1.56
Tesco	UK	Consumer Goods	Food & Drug Retailers	15,451	1.54
National Grid	UK	Utilities	Gas, water & multiutilities	14,921	1.49
Anglo American	UK	Basic Materials	Mining	13,761	1.37
BT Group	UK	Telecommunications	Fixed Line Telecommunications	13,679	1.37
Senior	UK	Industrials	Aerospace & defence	13,634	1.36
Standard Chartered	UK	Financials	Banks	13,502	1.35
Toyota Motor Corporation	Japan	Consumer Goods	Automobiles & parts	13,325	1.33
Morgan Advanced Materials	UK	Industrials	Electronic & electrical equipment	13,133	1.31
Hill & Smith	UK	Industrials	Industrial engineering	13,072	1.31
Herald Investment Trust	UK	Financials	Equity investment instruments	13,050	1.30
Boku	UK	Industrials	Support services	12,585	1.26
BAE Systems	UK	Industrials	Aerospace & defence	12,540	1.25
Shaftesbury Capital PLC	UK	Financials	Real estate investment trusts	12,519	1.25
Marshalls	UK	Industrials	Construction & materials	12,441	1.24
Aviva	UK	Financials	Life insurance/assurance	12,261	1.22
M & G	UK	Financials	Financial services	12,240	1.22
Land Securities	UK	Financials	Real estate investment trusts	12,217	1.22
IMI	UK	Industrials	Industrial engineering	12,128	1.21
Irish Continental Group	Ireland	Consumer Services	Travel & leisure	12,087	1.21
ITV	UK	Consumer Services	Media	11,866	1.19
Kier	UK	Industrials	Construction & materials	11,402	1.14
AFC Energy	UK	Oil & Gas	Alternative Energy	10,635	1.06
Cranswick	UK	Consumer Goods	Food producers	10,622	1.06
Johnson Service Group	UK	Industrials	Support services	10,397	1.04
Hiscox	UK	Financials	Nonlife insurance	10,393	1.04
Severn Trent	UK	Utilities	Gas, water & multiutilities	10,349	1.03
Cummins	USA	Industrials	Industrial engineering	10,291	1.03
Balfour Beatty	UK	Industrials	Construction & materials	10,090	1.01
Kingfisher	UK	Consumer Goods	Household goods & home construction	10,067	1.01
Babcock	UK	Industrials	Aerospace & defence	10,059	1.00
Prudential Corp	UK	Financials	Life insurance/assurance	9,940	0.99

Investment portfolio valuation continued based on market values at 30 June 2024

Holding name	Country	Sector	Industry	£000	%
Elementis	UK	Basic Materials	Chemicals	9,452	0.94
Scottish Oriental Small Co	UK	Financials	Equity investment instruments	9,034	0.90
Dunelm	UK	Consumer Services	General retailers	8,806	0.88
Ibstock	UK	Industrials	Construction & materials	8,741	0.87
Smith & Nephew	UK	Health Care	Health care equipment & services	8,039	0.80
J Sainsbury plc	UK	Consumer Services	General retailers	7,899	0.79
Direct Line Insurance	UK	Financials	Nonlife insurance	7,831	0.78
Vodafone	UK	Telecommunications	Mobile telecommunications	7,671	0.77
VH Global Sustainable Energy Opportunities	UK	Other	Sustainable Energy	7,560	0.76
Hammerson	UK	Financials	Real estate investment trusts	7,442	0.74
Phoenix Group Holdings	UK	Financials	Life insurance/assurance	7,301	0.73
General Motors	USA	Consumer Goods	Automobiles & parts	6,978	0.70
Ceres Power	UK	Oil & Gas	Oil equipment services & distribution	6,672	0.67
Spectris	UK	Industrials	Electronic & electrical equipment	6,598	0.66
International Personal Finance	UK	Financials	Financial services	6,541	0.65
Haleon	UK	Health Care	Pharmaceuticals & biotechnology	6,452	0.64
Gibson Energy	Canada	Oil & Gas	Oil & gas producers	6,246	0.62
Beazley PLC (UK)	UK	Financials	Nonlife insurance	6,010	0.60
Weir Group	UK	Industrials	Industrial engineering	5,952	0.59
Workspace Group PLC	UK	Financials	Real estate investment trusts	5,930	0.59
Reach	UK	Consumer Services	Media	5,681	0.57
Castings	UK	Industrials	Construction & materials	5,668	0.57
Next Fifteen Communications Group	UK	Consumer Services	Media	5,579	0.56
International Consolidated Airlines	UK	Consumer Services	Travel & leisure	5,577	0.56
Unilever	UK	Consumer Goods	Personal goods	5,430	0.54
SSE	UK	Utilities	Electricity	5,367	0.54
Accsys Technologies	UK	Industrials	Construction & materials	5,318	0.53
Chesnara	UK	Financials	Life insurance/assurance	5,144	0.51
Air Products and Chemicals	Canada	Oil & Gas	Oil & gas producers	5,098	0.51
Redde Northgate	UK	Industrials	Support services	5,013	0.50
TT Electronics	UK	Industrials	Electronic & electrical equipment	4,992	0.50
Oxford Sciences Innovation	UKULM	Financials	Financial services	4,933	0.49
Vertu Motors	UK	Consumer Services	General retailers	4,838	0.48
Inchcape	UK	Industrials	Support services	4,836	0.48
Dowlais Group plc	UK	Consumer Goods	Automobiles & parts	4,752	0.47
Johnson Matthey	UK	Other	Sustainable Energy	4,698	0.47
Oxford Nanopore Technologies	UK	Technology	Advanced Medical Equipment & Technology	4,662	0.47
Halfords	UK	Consumer Services	General retailers	4,571	0.46
Centrica	UK	Utilities	Gas, water & multiutilities	4,448	0.44

Investment portfolio valuation continued based on market values at 30 June 2024

Holding name	Country	Sector	Industry	£000	%
Novo Nordisk	Denmark	Health Care	Pharmaceuticals & biotechnology	4,438	0.44
Epwin Group	UK	Consumer Goods	Household goods & home construction	4,270	0.43
SigmaRoc	UK	Industrials	Construction & materials	4,235	0.42
IP Group	UK	Financials	Financial services	4,102	0.41
Ricardo	UK	Industrials	Support services	4,062	0.41
XP Power Ltd	UK	Technology	Technology hardware & equipment	4,028	0.40
Jubilee Metals Group	UK	Basic Materials	Mining	3,968	0.40
Bellway	UK	Consumer Goods	Household goods & home construction	3,804	0.38
Renold	UK	Industrials	Industrial engineering	3,521	0.35
ASML	Netherlands	Technology	Technology hardware & equipment	3,380	0.34
Grit Real Estate Income Group	Guernsey	Financials	Real estate investment trusts	3,349	0.33
SAP	Germany	Technology	Software & computer services	3,332	0.33
i3 Energy	UK	Oil & Gas	Oil & gas producers	3,038	0.30
Bristol-Myers Squibb	USA	Health Care	Pharmaceuticals & biotechnology	2,956	0.30
ITM Power	UK	Oil & Gas	Oil equipment services & distribution	2,944	0.29
Plant Health Care	USA	Basic Materials	Chemicals	2,909	0.29
Watkin Jones	UK	Consumer Goods	Household goods & home construction	2,784	0.28
Munchener Rueckver	Germany	Financials	Nonlife insurance	2,651	0.26
Invinity Energy Systems	UK	Oil & Gas	Alternative Energy	2,493	0.25
Vanquis Banking Group	UK	Financials	Financial services	2,384	0.24
Serica Energy	UK	Oil & Gas	Oil & gas producers	2,377	0.24
UniCredit	Italy	Financials	Banks	2,338	0.23
Sanofi	France	Health Care	Pharmaceuticals & biotechnology	2,328	0.23
Safran SA	France	Industrials	Aerospace & defence	2,288	0.23
Airbus SE	Netherlands	Industrials	Aerospace & defence	2,068	0.21
Roche	Switzerland	Health Care	Pharmaceuticals & biotechnology	2,062	0.21
Gelion	UK	Other	Sustainable Energy	2,036	0.20
Great Portland Estates	UK	Financials	Real estate investments & services	1,998	0.20
Ondine Biomedical Inc.	Canada	Health Care	Pharmaceuticals & biotechnology	1,973	0.20
Siemens AG	Germany	Technology	Software & computer services	1,972	0.20
Deutsche Boerse	Germany	Financials	Financial services	1,889	0.19
Schroders PLC	UK	Financials	Equity investment instruments	1,818	0.18
LVMH	France	Consumer Goods	Leisure Goods	1,709	0.17
SGS SA	Switzerland	Industrials	Support services	1,635	0.16
Nestle	Switzerland	Consumer Goods	Food producers	1,588	0.16
Windar Photonics Plc	UK	Industrials	Waste & Environ Svcs & Equip	1,395	0.14
ASM International NV	Netherlands	Industrials	Electronic & electrical equipment	1,344	0.13
Infineon Technologies AG	Germany	Industrials	Electronic & electrical equipment	1,325	0.13
Heineken NV	Netherlands	Consumer Goods	Beverages	1,283	0.13

Investment portfolio valuation continued based on market values at 30 June 2024

Holding name	Country	Sector	Industry	£000	%
Danone SA	France	Consumer Goods	Food producers	1,188	0.12
Amundi	France	Financials	Financial services	1,183	0.12
Marstons	UK	Consumer Services	Travel & leisure	1,144	0.11
Arbuthnot Banking Group	UK	Financials	Financial services	1,142	0.11
DSM-Firmenich AG	Netherlands	Basic Materials	Chemicals	1,096	0.11
Surface Transforms	UK	Consumer Goods	Automobiles & parts	1,015	0.10
Anheuser-Busch InBev	Belgium	Consumer Goods	Beverages	975	0.10
Bawag	Austria	Financials	Banks	892	0.09
Logistics Development Group	UK	Industrials	Industrial transportation	861	0.09
Ilika	UK	Oil & Gas	Alternative Energy	861	0.09
Arkema SA	France	Basic Materials	Chemicals	856	0.09
Aena SME	Spain	Consumer Services	Travel & leisure	802	0.08
Universal Music Group	Netherlands	Consumer Services	Media	759	0.08
Syensqo SA	Belgium	Basic Materials	Chemicals	734	0.07
Kone Oyj	Finland	Industrials	Electronic & electrical equipment	707	0.07
Galderma Group AG	Switzerland	Health Care	Pharmaceuticals & biotechnology	633	0.06
Longboat Energy	UK	Oil & Gas	Oil & gas producers	615	0.06
Kistos	UK	Oil & Gas	Oil & gas producers	585	0.06
First Tin	UK	Basic Materials	Mining	576	0.06
Puig Brands	Spain	Consumer Goods	Personal goods	527	0.05
SIMEC Atlantis Energy	UK	Utilities	Electricity	361	0.04
Carclo	UK	Basic Materials	Chemicals	232	0.02
Indus Gas	UK	Oil & Gas	Oil & gas producers	118	0.01
Deltic Energy	UK	Oil & Gas	Oil & gas producers	111	0.01
Libertine Holdings	UK	Other	Sustainable Energy	105	0.01
LDIC Investments	UK	Financials	Financial services	100	0.01
Better Cap	UK	Financials	Equity investment instruments	25	_
Allied Minds (delisted)	UK	Financials	Financial services	_	_
Fastjet (delisted)	UK	Consumer Services	Travel & leisure	_	_
Interserve (delisted)	UK	Industrials	Support services	_	_
Morses Club (delisted)	UK	Financials	Financial services	_	_
Saietta Group (delisted)	UK	Consumer Goods	Automobiles & parts	_	_
Studio Retail Group (delisted)	UK	Consumer Services	General retailers	_	_
				1.000.911	100.00

Calculation of net asset value (NAV) per share

Valuation of our IPS business

Accounting standards require us to consolidate the income, costs and taxation of our IPS business into the Group income statement on page 22. The assets and liabilities of the business are also consolidated into the Group column of the statement of financial position on page 23. A segmental analysis is provided on page 25 of these accounts, which shows a detailed breakdown of the split between the investment portfolio, IPS business and Group charges.

Consolidating the value of the IPS business in this way fails to recognise the value created for shareholders by the IPS business. To address this, the NAV performance we have published for the Group, since December 2015, has included a fair value for the standalone IPS business.

The current fair value of the IPS business is calculated based on historical earnings before interest, taxation, depreciation and amortisation ('EBITDA') for the second half of 2023, and the EBITDA for the half year to 30 June 2024, with an appropriate multiple applied.

The calculation of the IPS valuation and methodology used to derive it are included in the previous annual report at Note 13 on page 135. In determining a calculation basis for the fair valuation of the IPS business, the Directors have taken external professional advice from PwC LLP. The multiple applied in valuing IPS is from comparable companies sourced from market data, with appropriate adjustments to reflect the difference between the comparable companies and IPS in respect of size, liquidity, margin and growth. A range of multiples is then provided by PwC from which the Board selects an appropriate multiple to apply. The make-up of our IPS business is unique meaning we do not have a like for like comparator group to benchmark ourselves against.

Historically our core comparators have been Sanne Group, Intertrust, Link Administration Holdings and JTC. However, Sanne, Intertrust and more recently, Link Administration have been acquired and are no longer listed. Given only JTC continues to be publicly listed, PwC have also considered the wider, less comparable companies listed below, but only to broadly assess market movements in the relevant and complimentary service sectors. The table below shows a summary of performance of our comparators:

	Revenue		Revenue	
Company	LTM* (£m)	LTM EV/EBITDA 30 June 2024	CAGR FY20 – LTM 2024	EBITDA margin LTM
Law Deb IPS	55	10.5x	12.4%	32.0%
SEI Investments Company	1,554	13.4x	5.9%	25.6%
SS&C Technologies Holding, Inc	4,414	10.1x	6.6%	33.6%
EQT Holdings Limited	88	14.2x	13.4%	24.3%
Perpetual Limited	702	8.7x	26.5%	20.8%
JTC PLC	257	18.2x	22.3%	28.0%
Begbies Traynor Group plc	129	6.3x	16.4%	16.4%
Christie Group plc	66	14.1x	11.8%	-0.2%

^{*} LTM refers to the trailing 12 months 'results' which are publicly available. Source: Capital IQ.

The multiple selected for the current period is 10.5x, which is broadly in line with the mean multiple of the comparator group. The multiple selected is consistent with that used at both the half year and year end of 2023.

Calculation of net asset value (NAV) per share continued

It is hoped that our initiatives to inject 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 digit growth in 2024. The valuation of the IPS business has increased by £129m (142%) since the first valuation of the business as at 31 December 2015.

Valuation guidelines require the fair value of the IPS business be established on a stand-alone basis. The valuation does not therefore reflect the value of Group tax relief from the investment portfolio to the IPS business.

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.

Long-term borrowing

The methodology of fair valuing all long-term borrowings is to benchmark the Group debt against A rated UK corporate bond yields.

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 relates to IPS is removed (£52.1m) and substituted with the calculation of the fair value and surplus net assets of the business (£221.1m). The fair value of the IPS business has increased by 4.9% due to a combination of higher surplus net assets being available and a higher EBITDA. An adjustment of £38.4m is then made to show the Group's debt at fair value, rather than the book cost that is included in the NAV per the Group statement of financial position. This calculation shows NAV fair value for the Group as at 30 June 2024 of £1,120.6m or 857.88 pence per share:

•	30 June 2024 31 Dec			cember 2023	
-	-		31 De	cerriber 2023	
	£000	Pence per share	£000	Pence per share	
Net asset value (NAV) per Group statement of financial position	913,156	699.06	854,229	654.07	
Fair valuation of IPS: EBITDA at a multiple of 10.5x (31 December 2023: 10.5x)	193,211	147.91	185,063	141.70	
IPS net assets attributable to IPS valuation	27,923	21.38	25,729	19.70	
Fair value of IPS business	221,134	169.29	210,792	161.40	
Removal of IPS net assets included in Group net assets	(52,064)	(39.86)	(49,956)	(38.25)	
Fair value uplift for IPS business	169,070	129.43	160,836	123.15	
Debt fair value adjustment	38,385	29.39	33,239	25.45	
NAV at fair value	1,120,611	857.88	1,048,304	802.67	
	£000	%	£000	%	
NAV attributable to IPS	221,134	20	210,792	20	

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

Calculation of net asset value (NAV) per share continued

The Financial Statements NAV at fair value calculated above differs to the published NAV at fair value for 28 June 2024 (half year NAV released by RNS on 1 July 2024). As such, please see below for a reconciliation:

formance NAV cum income with debt at fair value conciliation of shareholders' funds to net assets: formance NAV ancial Statements NAV		
	£000	Pence per share
Reconciliation of published NAV to results NAV:		
Performance NAV cum income with debt at fair value	1,115,635	854.07
Reconciliation of shareholders' funds to net assets:		
Performance NAV	(916,436)	(701.57)
Financial Statements NAV	913,156	699.06
Revised IPS valuation uplift:		
Performance NAV (valuation per 31 December 2023)	(160,836)	(123.13)
Financial Statements NAV	169,070	129.43
Revised Fair Value of Debentures:		
Performance NAV	(38,363)	(29.37)
Financial Statements NAV	38,585	29.39
Total NAV at fair value per results	1,120,611	857.88

Group income statement for the six months ended 30 June 2024 (unaudited)

-			30 June 2024			30 June 2023
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
UK dividends	18,322	_	18,322	16,005	_	16,005
UK special dividends	_	1,432	1,432	_	_	_
Overseas dividends	1,552	_	1,552	3,291	_	3,291
Overseas special dividends	_	_	_	_	_	_
Dividends received from subsidiaries	_	_	_	_	_	_
Total dividend income	19,874	1,432	21,306	19,296	_	19,296
Interest income	397	_	397	440	_	440
Independent professional services fees†	30,178	_	30,178	27,174	_	27,174
Other income	562	_	562	393	_	393
Total income	51,011	1,432	52,443	47,303	_	47,303
Net gain/(loss) on investments held						
at fair value through profit or loss		59,528	59,528		(3,285)	(3,285)
Total income and capital gains/(losses)	51,011	60,960	111,971	47,303	(3,285)	44,018
Cost of sales	(4,062)	_	(4,062)	(3,141)	_	(3,141)
Administrative expenses	(20,687)	(1,318)	(22,005)	(19,391)	(1,045)	(20,436)
Operating profit/(loss)	26,262	59,642	85,904	24,771	(4,330)	20,441
Finance costs						
Interest payable	(818)	(2,454)	(3,272)	(818)	(2,454)	(3,272)
Profit/(loss) before taxation	25,444	57,188	82,632	23,953	(6,784)	17,169
Taxation	(631)	_	(631)	(625)	_	(625)
Profit/(loss) for the period	24,813	57,188	82,001	23,328	(6,784)	16,544
Return per ordinary share (pence)	19.00	43.78	62.78	18.09	(5.26)	12.83
Diluted return per ordinary share (pence)	18.98	43.77	62.75	18.08	(5.26)	12.82

[†] IPS fees are presented gross. Please refer to Note 6 on page 28 for a reconciliation to the net revenue.

Group statement of comprehensive income for the six months ended 30 June 2024 (unaudited)

		30 June 2024 30 Ju							
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000			
Profit/(loss) for the period	24,813	57,188	82,001	23,328	(6,784)	16,544			
Foreign exchange (loss) on translation of foreign operations	(390)	(217)	(607)	_	(168)	(168)			
Total comprehensive income/(loss) for the period	24,423	56,971	81,394	23,328	(6,952)	16,376			

Group statement of financial position as at 30 June 2024 (unaudited)

Non-current assets	Unaudited 30 June 2024 £000	Unaudited 30 June 2023 £000	Audited 31 December 2023 £000
Goodwill	19,009	19,010	19,006
Property, plant and equipment	2,265	1,838	2,267
Right-of-use asset	3,727	4,584	4,131
Other intangible assets	2,948	2,971	3,034
Investments held at fair value through profit or loss	1,000,911	918,221	965,226
Retirement benefit asset	7,597	7,973	7,440
Total non-current assets	1,036,457	954,597	1,001,104
Current assets			
Trade and other receivables	30,988	18,363	21,496
Contract assets	15,558	9,576	8,604
Cash and cash equivalents	27,260	33,520	31,439
Total current assets	73,806	61,459	61,539
Total assets	1,110,263	1,016,056	1,062,643
Current liabilities			
Trade and other payables	5,585	18,865	22,553
Lease liability	792	964	1,025
Corporation tax payable	1,773	1,718	2,198
Other taxation including social security	2,330	2,376	1,842
Contract liabilities	14,039	6,139	8,000
Total current liabilities	24,519	30,062	35,618
Non-current liabilities and deferred income			
Long-term borrowings	163,911	163,931	163,889
Contract liabilities	2,373	3,151	2,403
Deferred tax liability*	1,788	1,344	1,788
Lease liability	4,516	4,990	4,716
Total non-current liabilities	172,588	173,416	172,796
Total net assets	913,156	812,578	854,229
Equity			
Called up share capital	6,557	6,530	6,557
Share premium	107,110	102,812	107,110
Own shares	(3,926)	(4,180)	(3,926)
Capital redemption	8	8	8
Translation reserve	2,659	2,687	2,659
Capital reserves	751,247	655,463	694,276
		49,258	47,545
Retained earnings	49,501	49,230	-17,5-15
Retained earnings Total equity	49,501 913,156	812,578	854,229

^{*}The deferred tax liability has been re-classified as non-current to align with the disclosure requirements outlined in IAS 1.56.

[†] Please refer to page 20 for calculation of total equity pence per share.

Group statement of cash flows for the six months ended 30 June 2024 (unaudited)

Note	Unaudited 30 June 2024 £000	Unaudited 30 June 2023 £000	Audited 31 December 2023 £000
Cash flows from operating activities (before dividends received and taxation paid) 5	3.112	3.603	11,268
Cash dividends received	20,057	17,958	32,964
Taxation paid	(770)	_	_
Cash generated from operating activities	22,399	21,561	44,232
Investing activities			
Acquisition of property, plant and equipment	(274)	(191)	(874)
Acquisition of right of use assets	_	_	_
Expenditure on intangible assets	(303)	_	(54)
Purchase of investments (less cost of acquisition)	(91,809)	(51,631)	(98,934)
Sale of investments	102,107	21,130	62,093
Interest received	397	_	1,197
Cash flow from investing activities	10,118	(30,692)	(36,572)
Financing activities			
Interest paid	(3,272)	(3,272)	(6,544)
Dividends paid	(32,470)	(21,236)	(40,518)
Payment of lease liability	(623)	(629)	(1,272)
Proceeds of increase in share capital	_	19,913	24,237
Purchase of own shares	_	(1,052)	(798)
Net cash flow from financing activities	(36,365)	(6,276)	(24,895)
Net (decrease)/increase in cash and cash equivalents	(3,848)	(15,407)	(17,235)
Cash and cash equivalents at beginning of period	31,439	49,559	49,559
Foreign exchange (losses)/gains on cash and cash equivalents	(331)	(632)	(886)
Cash and cash equivalents at end of period	27,260	33,520	31,439

Group statement of changes in equity as at 30 June 2024 (unaudited)

	Share capital £000	Share premium £000	Own shares £000	Capital redemption £000	Translation reserve £000	Capital reserves £000	Retained earnings £000	Total £000
Balance at 1 January 2024	6,557	107,110	(3,926)	8	2,659	694,276	47,545	854,229
Profit/(loss) for the period	_	_	_	_	_	57,188	24,813	82,001
Foreign exchange	_	_	_	_	_	(217)	(390)	(607)
Total comprehensive profit/(loss) for the period	_	_	_	_	_	56,971	24,423	81,394
Issue of shares	_	_	_	_	_	_	_	_
Dividend relating to 2023	_	_	_	_	_	_	(11,971)	(11,971)
Dividend relating to 2024	_	_	_	_	_	_	(10,496)	(10,496)
Total equity at 30 June 2024	6,557	107,110	(3,926)	8	2,659	751,247	49,501	913,156

Group segmental analysis

	Investment Portfolio			Pi	Independent Professional Services					
_	30 June 2024 £000	30 June 2023 £000	31 Dec. 2023 £000	30 June 2024 £000	30 June 2023 £000	31 Dec. 2023 £000	30 June 2024 £000	30 June 2023 £000	31 Dec. 2023 £000	
Revenue										
Dividend income	19,874	19,296	33,504	_	_	_	19,874	19,296	33,504	
IPS revenue [†]										
Corporate Services	_	_	_	13,119	11,744	25,041	13,119	11,744	25,041	
Corporate Trust	_	_	_	8,079	6,800	16,043	8,079	6,800	16,043	
Pensions	_	_	_	8,980	8,630	17,459	8,980	8,630	17,459	
Segment income	19,874	19,296	33,504	30,178	27,174	58,543	50,052	46,470	92,047	
Other income	562	393	1,369	_	_	_	562	393	1,369	
Cost of sales	(112)	(75)	(221)	(3,950)	(3,066)	(8,034)	(4,062)	(3,141)	(8,255)	
Administration costs	(1,712)	(1,856)	(4,271)	(18,975)	(17,535)	(35,437)	(20,687)	(19,391)	(39,708)	
Return before interest and tax	18,612	17,758	30,381	7,253	6,573	15,072	25,865	24,331	45,453	
Interest payable (net)	(614)	(624)	(1,302)	193	246	864	(421)	(378)	(438)	
Return, including profit on ordinary activities before taxation	17,997	17,134	29,079	7,447	6,819	15,936	25,444	23,953	45,015	
Taxation	_	_	_	(631)	(625)	(1,626)	(631)	(625)	(1,626)	
Return, including profit attributable to shareholders	17,997	17,134	29,079	6,816	6,194	14,310	24,813	23,328	43,389	
Return per ordinary share (pence)	13.78	13.29	22.41	5.22	4.80	11.02	19.00	18.09	33.43	
Assets	1,027,295	931,689	980,587	82,968	84,367	82,056	1,110,263	1,016,056	1,062,643	
Liabilities	(166,203)	(176,373)	(176,314)	(30,904)	(27,105)	(32,100)	(197,107)	(203,478)	(208,414)	
Total net assets	861,092	755,315	804,273	52,064	57,263	49,956	913,156	812,578	854,229	

[†] Please refer to Note 6 on page 28 for a breakdown of net revenue by department.

The capital element of the income statement is wholly attributable to the investment portfolio.

Principal risks and uncertainties

The principal Group risks include investment performance and market risk, cyber and technology risk and IPS concentration risk. ESG considerations are our emerging risk.

These top risks are explained along with mitigating actions in the Risk Management section of the Annual Report for the year ended 31 December 2023. In the view of the Board these risks and uncertainties are as applicable to the remaining six months of the financial year as they were to the period under review. As part of ongoing risk management to identify new risks and developments, the Board continues to review and assess risks, uncertainties and impacts during the course of the year.

Related party transactions

There have been no related party transactions during the period which have materially affected the financial position or performance of the Group. During the period, transactions between the Corporation and its subsidiaries have been eliminated on consolidation. Details of related party transactions are given in the notes to the annual accounts for the year ended 31 December 2023.

Directors' responsibility statement

We confirm that to the best of our knowledge:

- the condensed set of financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the UK and gives a true and fair view of the assets, liabilities, financial position and profit of the Group as required by DTR 4.2.4R;
- the half yearly report includes a fair review of the information required by:
 - (a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the current financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - (b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period.

On behalf of the Board

Robert Hingley

Chairman 25 July 2024

Past performance is not a guide to future performance. The value of an investment and any income from it is not guaranteed and may go down as well as up and investors may not get back the amount invested.

Notes to the condensed consolidated financial statements

1. Basis of preparation

The condensed set of financial statements included in this half yearly financial report has been prepared in accordance with International Accounting Standards (IASS) in conformity with the requirements of the Companies Act 2006 and in accordance with International Financial Reporting Standards (IFRS) as adopted and endorsed by the UK.

The financial resources available are expected to meet the needs of the Group for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

The Group's accounting policies during the period are the same as in its 2023 annual financial statements, except for those that relate to new standards effective for the first time for periods beginning on (or after) 1 January 2024, and will be adopted in the 2024 annual financial statements.

2. Presentation of financial information

The financial information presented herein does not amount to full statutory accounts within the meaning of section 435 of the Companies Act 2006 and has neither been audited nor reviewed pursuant to guidance issued by the Auditing Practices Board. The annual report and financial statements for 2023 have been filled with the Registrar of Companies. The independent auditor's report on the annual report and financial statements for 2023 was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report, and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

3. Calculations of NAV and earnings per share

The calculations of NAV and earnings per share are based on:

NAV: shares at end of the period 130,626,088 (30 June 2023: 130,057,740; 31 December 2023: 130,602,252) being the total number of shares on issue, 568,279 (30 June 2023: 577,809; 31 December 2023: 589,640) less shares acquired by the ESOT in the open market.

Income: average shares during the period 130,615,834 (30 June 2023: 128,924,615; 31 December 2023: 129,785,836) being the weighted average number of shares on issue after adjusting for shares held by the ESOT.

4. Listed investments

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 instruments.

Notes to the condensed consolidated financial statements continued

5. Note to the statement of cash flows

The presentation of the cash flow statement has been updated in line with that in the 2023 annual report. As such, this note accompanies the statement of cash flows on page 24.

	Unaudited 30 June 2024 £000	Unaudited 30 June 2023 £000	Audited 31 December 2023 £000
Operating profit/(loss) before interest and taxation	85,507	20,441	82,125
Adjust for non-cash flow items:			
(Gains)/losses on investments	(59,528)	3,285	(37,379)
Movement in amortised cost of borrowings	22	22	(20)
Depreciation of property, plant and equipment	276	149	403
Depreciation of right-of-use assets	405	456	891
Amortisation of intangible assets	499	379	892
(Increase)/decrease in receivables	(2,307)	(1,060)	(3,221)
(Decrease)/increase in payables	(7,559)	(950)	2,027
Decrease/(increase) in deferred income	6,009	91	1,204
(Decrease)/increase in other taxation payable	2	(679)	(1,290)
Normal pension contributions in excess of cost	(157)	(573)	(1,400)
Dividends receivable	(20,057)	(17,958)	(32,964)
Cash flows from operating activities			
(before dividends received and taxation paid)	3,112	3,603	11,268

6. Breakdown of net revenue per department

The table below illustrates a breakdown of net revenue per department:

		Gross Revenue				Cost of sales			Net Revenue	
	30 June 2024 £000	30 June 2023 £000	31 Dec. 2023 £000	30 June 2024 £000	30 June 2023 £000	31 Dec. 2023 £000	30 June 2024 £000	30 June 2023 £000	31 Dec. 2023 £000	
Pensions	8,980	8,630	17,459	23	(33)	(63)	8,957	8,597	17,396	
Corporate Trust	8,079	6,800	16,043	1,645	(982)	(3,570)	6,434	5,818	12,473	
Corporate Services	13,119	11,744	25,041	2,282	(2,051)	(4,401)	10,837	9,693	20,640	
Total IPS income	30,178	27,174	58,543	3,950	(3,066)	(8,034)	26,228	24,108	50,509	

CORPORATE GOVERNANCE

The Board

Robert Hingley N®



Chairman, Independent Non-Executive Director

Appointed to the Board on 1 October 2017 and appointed Chairman in April 2018.

Denis Jackson

Chief Executive Officer Appointed to the Board on 1 January 2018.

Trish Houston

Chief Operating Officer Appointed to the Board on 2 September 2020.



Pars Purewal (A)(N)

Independent Non-Executive Director Appointed to the Board on 16 December 2021.

Claire Finn R A N



Independent Non-Executive Director Appointed to the Board on 2 September 2019.

Clare Askem (A)(R)(N)



Senior Independent Director Appointed to the Board on 10 June 2021.

Maarten Slendebroek (A) (R) (N)



Independent Non-Executive Director Appointed to the Board on 11 January 2024.

Key





Nomination Committee



Committee Chair

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.



Company advisers and information

Registered office

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F: 020 7606 0643

W: www.lawdebenture.com

(Registered in England - No. 00030397)

Investment managers

James Henderson and Laura Foll are joint managers. They also manage Lowland Investment Company plc, Henderson Opportunities Trust 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.

Investment 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 6ZZ

T: 0370 707 1129

Joint brokers

J.P. Morgan Cazenove Limited 25 Bank Street, London, E14 5JP

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

AIC



A member of the Association of Investment Companies





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