

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

Report and Accounts  
For the year ended 31 March 2010

**THIS DOCUMENT IS IMPORTANT** and, if you are a holder of Ordinary shares requires your attention. If you are in doubt as to what action to take you should seek advice from your own independent personal financial advisor. If you have sold or otherwise transferred all of your Ordinary shares in the capital of the Company you should send this document and the accompanying Form of Proxy immediately to the purchaser or transferee; or to the stockbroker, bank or other agent through whom the sale or transfer was effected.

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

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# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Highlights for the Year

### Performance comparisons 1 April 2009 – 31 March 2010

<b>Middle market share price per Ordinary Share #</b>	<b>+35.4%</b>
Net asset value per Ordinary Share ^	+37.0%
Benchmark *	+4.7%
MSCI World Index (Sterling)	+40.3%
UK RPI Inflation (all items)	+4.4%

# Calculated on a total return basis

^ The net asset value at 31 March 2010 has been adjusted to include the final dividend for the year ended 31 March 2009 of £3.65 per Ordinary Share paid on 7 August 2009 and the interim dividend for the year ended 31 March 2010 of £3.65 per Ordinary Share paid on 26 March 2010.

\* The index of the annual average yield on the UK 2.5% Consolidated Loan Stock between the relevant dates.

## Objective of the Company

The objective of the Company is to maximise long-term total returns with a minimum objective to maintain the real purchasing power of Sterling capital as measured by the annual average yield on the UK 2.5% Consolidated Loan Stock.

## Investment Policy

The Investment Policy of the Company is to invest:

- in a wide range of financial assets including equities, unquoted equities, bonds, funds, cash and other financial investments globally with no limitations on the markets and sectors in which investment may be made, although there may be bias towards Sterling assets, consistent with a Sterling-dominated investment objective. The Directors expect that the flexibility implicit in these powers will assist in the achievement of the absolute returns that the investment objective requires;
- in Lindsell Train managed fund products, subject to Board approval, up to 25% of its gross assets;
- to retain a holding, currently 25%, in Lindsell Train Limited in order to benefit from the growth of the business of the Company's Investment Manager.

### *Diversification*

The Company expects to invest in a concentrated portfolio of securities with the number of equity investments averaging fifteen companies. The Company will not make investments for the purpose of exercising control or management and will not invest in securities of or lend to any one company (or other members of its group) more than 15% by value of its gross assets. The Company will not invest more than 15% of gross assets in other closed-ended investment funds.

### *Gearing*

The Directors' policy is to permit borrowings up to 50% of the net asset value of the Company in order to enhance returns where and to the extent that this is considered appropriate.

### *Dividends*

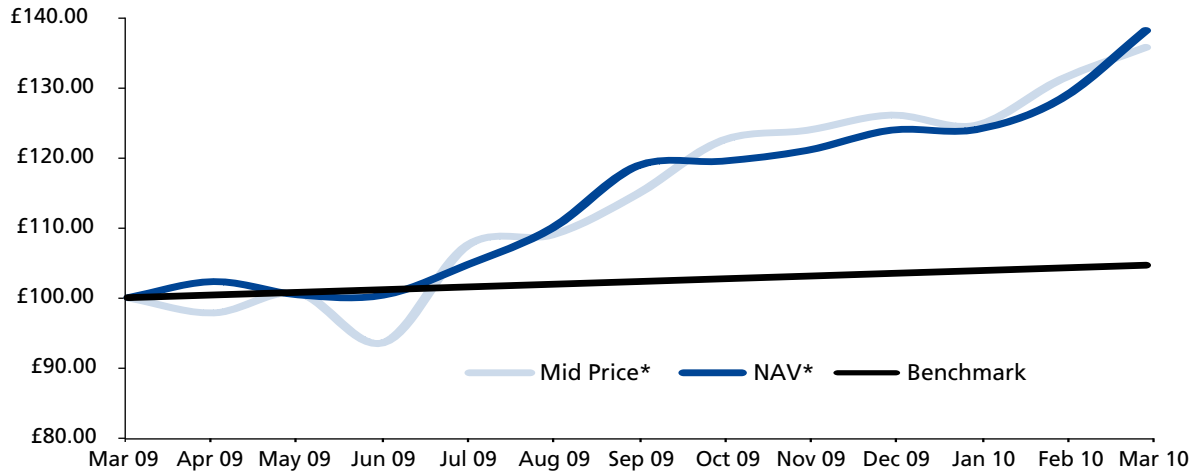
The Directors' policy is to pay annual dividends consistent with retaining the maximum permitted earnings in accordance with investment trust regulations.

*The current composition of the portfolio, which may be changed at any time at the discretion of the Investment Manager within the confines of the policy stated above, is shown on pages 6 and 7.*

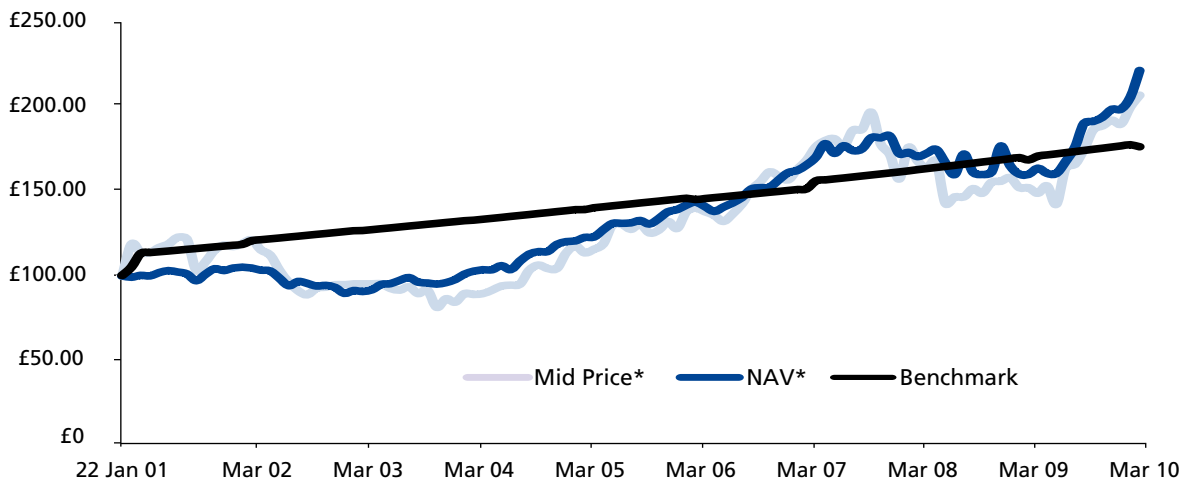
# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Performance

Share price performance relative to the net asset value and benchmark for the year ended 31 March 2010



Share price performance relative to the net asset value and benchmark since inception on 22 January 2001 to 31 March 2010



\*Share price and NAV performance are based on total return (dividends reinvested)

Source: Bloomberg and Lindsell Train Limited

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Chairman's Statement

World stock markets continue their rollercoaster ride. After losing a quarter of their value in the year to March 2009 world equity markets have recovered to register a 40% gain (MSCI World index in Sterling) in the year to March 2010. This volatility makes it a challenging prospect for even the most experienced investor to eke out long-term investment returns for Sterling capital. I am happy to say that our Manager has navigated such perilous times with some aplomb. In the year to March 2009 the fall in net asset value ('NAV') was restricted to 6% and in the latest year the gain in NAV nearly matched the index at 37%, making for a two year return of 29% versus a return of 9% for world equity markets.

The performance of the Company's benchmark, which has exceeded the Government's measure of inflation (the retail price index) since the Company began by 4.9% per annum presented undemanding competition in the year to March 2010 as markets recovered but was still well exceeded by the performance of the NAV over the two years. Since inception the Company's NAV recorded an annualised return of 9.0%, some 4.1% higher than the benchmark.

Perhaps more impressive was that this year's positive performance was achieved with less than a full 'look through' weighting to equities (see page 7), which averaged just over 85%, approximately. It was a combination of recession proof performances from the likes of AG Barr (up 53%), Pearson (up 48%) and Unilever (up 47%), a holding that was substantially increased in the summer of 2009; corporate activity such as the acquisition of Cadbury by Kraft; and big recoveries in the share prices of the few of our holdings that had declined significantly during the bear market – like the Lloyds Preference shares (up 78%) and eBay (up 115%). There were some disappointments: Nintendo's share price recovered only marginally (up 10%) as profits faltered, and Reed Elsevier's and Marston's prices were held back by the need to raise capital through rights issues to reduce the burden of over-leveraged balance sheets. The Company took up their rights to new shares in both cases.

The Company continues to maintain a 7.7% holding in government bonds. Whilst this proved a drag on performance in the year to March 2010, the deflationary consequences of excessive debt may well offer a chance to sell the positions at new high prices if such concerns affect markets again. Should this occur we would expect to use such an opportunity to further add to our equity holdings. Although adding further to equities might sound counterintuitive given the risks that abound we think the current policy mix of excessive government deficits, minimal short-term interest rates and loose monetary policy makes the relative attraction of conservatively financed durable businesses stand out over almost all other financial assets.

The Lindsell Train Japan and Media funds rose in value by 18% and 43% respectively in the year to March 2010. With the Japan fund averaging only 50% net long exposure to the market it underperformed the market index that advanced 35%. The Global Media fund underperformed the FTSE Global Media Index that rose 64% over the period, but this should be put in the context of eight and a half years' cumulative outperformance since the fund started, of 77% versus the sector's –14%.

The Company's 25% holding in Lindsell Train Limited ('LTL') continues to have an important influence on performance. Its value increased by 75% over the year 2009, reflecting a 76% increase in funds under management to £836m of which £233m was newly raised funds. LTL's profits declined because of the absence of performance fees that last year contributed to 55%

## Chairman's Statement continued

of revenues. LTL continues to focus on managing investment mandates in UK, Japan and Global equity as its three core areas of expertise and has recently taken on additional recruitment in administration and marketing to prepare for future growth. Investment performance, while not universally good, is strong or at least satisfactory in most areas and, as track records lengthen, the credibility of the business is enhanced.

The Company declared an interim dividend of £3.65 in March prior to the imposition of higher personal tax rates by the UK government. As a result we plan to pay no final dividend, a dividend that would have normally been paid in August. This year's interim dividend was the same as the final dividend paid in respect of the prior year.

The hangover from the debt driven investment and consumption boom of the first decade of the 21st century lingers on and casts shadows over the future outlook for markets. We are resigned to the likelihood of the volatility of the last two years continuing but hope that the select number of businesses your Company owns have the characteristics that will help protect and hopefully grow your capital in the future.

**R M Swire**

Chairman

14 June 2010

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Directors

**Rhoderick Swire F.C.A.\*^†**, Chairman, aged 59, is Senior Partner and Founder of Pantheon Holdings Limited. He is a director of Lewmar Marine plc, China Navigation Company Limited and Pantheon International Participations plc. In 1981 he joined GT Management plc to oversee and manage venture capital investments. Before joining GT Management plc he was an executive at John Swire & Sons Limited for four years, working in Hong Kong, Sydney and London. He obtained a BSc in Engineering and Economics from Birmingham University and qualified as a Chartered Accountant with Peat Marwick.

**Donald Adamson^†**, aged 51, has over 25 years' experience of fund management, corporate finance and private equity in Edinburgh, London and Jersey. He serves as director or chairman of a number of listed and privately-held investment companies including funds managed by the Pantheon Group, the Lindsell Train Japan Fund and the Lindsell Train Global Media Fund. He was awarded an M.A. in economics and history from University College, Oxford, carried out post-graduate research at Nuffield College, Oxford, and is a member of the Chartered Institute for Securities and Investment.

**Dominic Caldecott\*^†**, aged 53, worked at Morgan Stanley Investment Management Limited, London, from 1986 to 2006, specialising in the management of overseas equity portfolios for U.S. institutions. He was a managing director of Morgan Stanley from 1992 until 2006. Prior to Morgan Stanley he worked for GT Management in Hong Kong and Tokyo as an analyst and portfolio manager of Japanese equities. He has an M.A. in law from New College, Oxford.

**Michael Lindsell**, aged 50, joined the investment department of Lazard Brothers in 1982 after obtaining a BSc (Hons) degree in zoology from Bristol University. In 1985 he moved to Scimitar Asset Management in Hong Kong where he ran Pacific and Japanese mandates before specialising in Japan, then Warburg Asset Management in London in 1989 where he was a director and head of Mercury Asset Management's Japanese fund management division. In 1992 he joined GT Management's Tokyo office where he held the post of chief investment officer with responsibility for GT's Japanese funds, and global funds sourced out of Japan. He returned to the UK in 1997 and following the acquisition of GT by INVESCO in 1998, he was appointed head of the combined global product team. He left INVESCO to set up Lindsell Train Limited in 1999.

**Michael Mackenzie\*^†**, aged 53, is a specialist in private equity investments focusing primarily on the wine industry. His career in financial services started in 1978 with Kleinwort Benson Limited in London and then in Hong Kong. In 1986 he joined James Capel (Far East) Limited as a director before becoming executive director of Wardley James Capel (Far East) Limited in 1991. In 1994 he was appointed a director of Jefferies Pacific Limited, a position that he held for three years. He has an M.A. in Modern Languages from New College, Oxford.

All Directors are non-executive.

\* Independent

^ Audit Committee member

† Management Engagement Committee member

*R Swire, D Adamson and M Mackenzie were appointed on 29 November 2000, D Caldecott was appointed on 23 May 2006 and M Lindsell was appointed on 13 July 2006.*

## Investment Manager

Lindsell Train Limited acts as discretionary Investment Manager of the Company's assets.

## Administrator and Secretary

Phoenix Administration Services Limited acts as Administrator and Secretary to the Company.

# THE LINSELL TRAIN INVESTMENT TRUST PLC

## Portfolio Holdings at 31 March 2010 (All Ordinary Shares unless otherwise stated)

Holding	Security	Fair value £'000	% of total assets	Look-through basis: % of total assets†
514,914	Barr (AG)	4,871	12.44	12.80
42,648	Lindsell Train Global Media (Distributor) Inc	4,608	11.77	9.24
16,000	Nintendo	3,533	9.03	11.93
666	Lindsell Train Limited*	3,278	8.38	8.38
38,532	Lindsell Train Japan (Distributor) Inc	3,242	8.28	6.08
232,000	Diageo	2,564	6.55	6.89
70,000	Heineken	2,056	5.25	5.25
£3,350,000	2.5% Consolidated Loan Stock	1,723	4.40	4.40
161,500	Pearson	1,670	4.27	4.52
76,552	Kraft Foods	1,526	3.90	4.05
1,783,700	Lloyds Banking Group 9.25% Non-Cumulative Preferred	1,445	3.69	3.78
£2,500,000	Treasury 2.5%	1,307	3.34	3.34
245,402	Reed Elsevier	1,288	3.29	3.92
65,000	Unilever	1,258	3.21	3.54
420,000	Finsbury Growth & Income Trust	1,113	2.84	0.99
60,000	eBay	1,066	2.72	3.34
1,067,791	Marston's	977	2.50	2.62
80,000	London Stock Exchange	568	1.45	1.50
15,000	Canon	457	1.17	1.91
	Total Investments	38,550	98.48	98.48
	Net current assets	594	1.52	1.52
	<b>Total assets less current liabilities</b>	<b>39,144</b>	<b>100.00</b>	<b>100.00</b>

\* Unlisted investment

† Look-through basis: This adjusts the percentages held in each security upwards by the amount held by Lindsell Train managed funds and adjusts the funds holdings downwards to account for the overlap. It provides Shareholders with a measure of stock specific risk by amalgamating the direct holdings of the Company with the indirect holdings held within the Lindsell Train funds.

### Leverage

As well as the direct borrowings of the Company, funds managed by Lindsell Train Limited also have powers to borrow. We detail below the balance sheet positions of these funds at 31 March 2010:

Fund	Gross exposure	Net exposure
Lindsell Train Japan Fund	177.6%	50.0%
Lindsell Train Global Media Fund	97.6%	97.6%
Finsbury Growth & Income Trust	104.7%	104.7%

Gross exposure: long equity positions plus short equity positions

Net exposure: long equity positions minus short equity positions

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Analysis of Investment Portfolio at 31 March 2010

### Breakdown by geography (look through basis)^

	2010		2009
Long-term fixed interest			
UK*	11.43%		14.28%
USA	<u>0.30%</u>		<u>1.38%</u>
	<b>11.73%</b>		15.66%
<b>Equities</b>			
UK	47.64%		48.88%
Japan	18.89%		18.30%
USA	13.51%		8.00%
Europe	<u>6.05%</u>		<u>5.25%</u>
	<b>86.09%</b>		80.43%
<b>Cash</b>			
USA	11.27%		16.29%
Japan	1.14%		3.29%
Europe	(2.27)%		(1.28)%
UK	<u>(7.96)%</u>		<u>(14.39)%</u>
	<b>2.18%</b>		3.91%
	<b>100.00%</b>		<b>100.00%</b>

### Breakdown by currency (look through basis)^

£	51.77%	48.77%
US\$	22.99%	25.67%
Yen	21.46%	21.59%
Euro	<u>3.78%</u>	<u>3.97%</u>
	<b>100.00%</b>	<b>100.00%</b>

^ Look-through basis: This adjusts the percentages held in each asset class, country or currency by the amount held by Lindsell Train managed funds. It provides shareholders with a more accurate measure of country and currency exposure by aggregating the direct holdings of the Company with the indirect holdings held by the Lindsell Train funds.

### Breakdown by industry sector

	2010		2009
Long-term fixed interest			
Bonds	7.74%		12.29%
Preference stock*	<u>3.69%</u>		<u>2.89%</u>
	<b>11.43%</b>		15.18%
<b>Equities</b>			
Beverages	24.24%		23.70%
Lindsell Train Funds	20.05%		21.26%
Media	16.59%		16.87%
Investment management	8.38%		6.32%
Consumer products	3.90%		5.86%
Food producers	3.21%		0.89%
Investment companies	2.84%		2.42%
Software & Computer services	2.72%		1.77%
Breweries	2.50%		2.31%
General financial	1.45%		1.89%
Office automation	<u>1.17%</u>		<u>1.01%</u>
	<b>87.05%</b>		84.30%
<b>Cash</b>			
	<u>1.52%</u>		<u>0.52%</u>
	<b>100.00%</b>		<b>100.00%</b>

\* Includes Lloyds Banking Group 9.25% Non-Cumulative Preferred although, strictly speaking, this is an equity investment.

## Investment Manager's Report

As 2010 progresses we find there are three investment issues or opportunities that dominate our thinking and inform the disposition of the portfolio.

First, we are absolutely as one with the consensus amongst investors that argues the following – in the succinct words of Sir John Templeton – “Government deficits always end in inflation”. We too are concerned that somewhere out there, sooner or later, there is a ruinous monetary inflation hovering. However – when? And how much of the threat is already baked into asset prices?

Our sense is that investors are already flighty about inflation and, possibly, complacent about the sustainability of the economic recovery and this keeps us content to hold on to our remaining fixed interest assets for the time being. Simply stated, the scope for a spike in government bond prices, if economic growth stutters, is very marked. But if one eventuates we will sell.

Next, at the turn of the year we were struck by three apparently random developments in the, very broadly defined, Media industry. Like many we were awed by the visual effects delivered by Avatar, then awed by its inexorable and swift progress towards becoming the biggest-grossing movie of all time. Then, as Nintendo investors, we were struck by the fact that in December 2009 that company broke the all-time record for monthly sales of a gaming device in the USA. Not once but twice, both its Wii and DS systems separately smashed the previous record set by Playstation 2. Last, we watch the business progress made by Skype – now 30% owned by eBay – with similar amazement. From nowhere five years ago, Skype is now by far the largest provider of cross-border communications in the world, with forecast usage of 53 billion minutes in 2010 out of a total 406 billion.

These three phenomena all arise, lest anyone forget, during the deepest consumer recession for decades. What they illustrate, in our opinion, is that the meeting point of the Media/Technology and Telecommunications industries is still a locus of ferment and growth. The way people choose to communicate, to access news and information and to be entertained is changing rapidly, with serious ramifications for many industries. Owners of content or knowhow are advantaged – witness Nintendo's share price rally in 2010 on its surprise announcement of a 3D-enabled hand-held gaming device. Meanwhile the telecom majors must be quaking at the implications for their profit margins that Skype's “power of the free” represents.

Sticking to this theme, Alan Greenspan noted in his book *Age of Turbulence* that US GDP in 2006 was 7x greater than 1946, after adjusting for inflation, however:

*“The weight of the inputs of materials required to produce the 2006 output is only modestly greater than was required to produce the 1946 output. This meant that almost all of the real value-added increases in our output reflect the embodiment of ideas.”*

We think that investors' maniacal focus today on government deficits, or, even worse, tomorrow's copper price, runs the risk of missing out on the value creation that results from this “embodiment of ideas” and that we see at work, for instance, in Reed Elsevier's embedding of its digitised content into the workflows of its legal customers. We say – Invest in Technology not coal.

Finally, the dust is settling on the Cadbury/Kraft combination. This was a significant event for your Company and for Lindsell Train Limited in general. However, it is important to put it into perspective. Kraft's move was a response to Mars' 2008 merger with Wrigley and of a piece with that year's other epochal combination, the alliance between Inbev and Anheuser Busch. Consumer branded goods companies (and others) around the world are combining, in an attempt to create

## THE LINDSELL TRAIN INVESTMENT TRUST PLC

global rather than regional champions. In addition, they are combining in order to create the economies of scale which will allow them to address the opportunity offered by Emerging Market consumers – a multi-decade, but very expensive opportunity.

Cadbury/Kraft is just another staging post in the process and has already been superseded for your portfolio by the combination of Heineken and Femsa, strengthening Heineken's presence in Latin America. We welcome this transaction and expect many more.

### **N Train**

Investment Manager  
Lindsell Train Limited  
14 June 2010

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Report of the Directors

The Directors present their report together with the audited financial statements of the Company for the year ended 31 March 2010.

### Activities and Status

The principal activity of the Company is to carry on the business of an investment trust company. The Company is an investment company as defined in Section 833 of the Companies Act 2006.

The Directors have conducted, and intend to continue to conduct, the affairs of the Company with a view to maintaining approval as an investment trust for the purposes of Sections 1158/1159 of the Corporation Tax Act 2010 (formerly Section 842 of the Income and Corporation Taxes Act 1988) in order to obtain exemption from United Kingdom taxation on capital gains. However, such approval is only given retrospectively in respect of each accounting period of the Company. HM Revenue and Customs ("HMRC") approval has been given for the year ended 31 March 2009 but this does not preclude HMRC from opening a subsequent enquiry into the Company's tax return.

### Objective of the Company

The objective of the Company is to maximise long-term total returns with a minimum objective to maintain the real purchasing power of Sterling capital as measured by the annual average yield on the UK 2.5% Consolidated Loan Stock.

### Business Review

The review of the year and commentary on the future outlook are presented in the Chairman's Statement on pages 3 and 4 and the Investment Manager's Report on pages 8 and 9. Total return and net asset value are measured against the benchmark (see Objective of the Company above) and provide the key performance indicators for assessing the development and performance of the business. These are also discussed in the Chairman's Statement and in the Investment Manager's Report. Looking forward the Company does not envisage changing its objective, investment policy or management in the foreseeable future.

The principal financial instrument risks and how these are managed are discussed in note 18 to the financial statements on pages 39 to 43.

Non-financial risks to which the Company is exposed include market, economic and regulatory factors, and loss of services by third party suppliers. These are considered at each Board meeting and the Investment Manager closely monitors them. Where any factor poses a potential risk to the Company the Board will be immediately alerted so that it can consider what action (if any) should be taken.

The price of shares is subject to the interaction of supply and demand, market and economic influences, net asset value per share and the general perceptions of investors. The share price will accordingly fluctuate and the Company cannot guarantee that it will appreciate in value. The Company's activities are conducted within operational and regulatory environments and could be materially impacted by a failure of systems at third party service providers, a loss of key member(s) of the investment management team, breach of Section 1159 of the Corporation Tax Act 2010 or breach of the UKLA Listing Rules.

### Results and Dividend

The revenue return for the financial year ended 31 March 2010 after taxation amounted to £645,000 (2009: £956,000). An interim dividend of 365p per Ordinary Share (2009: final dividend 365p) was declared in respect of the year ended 31 March 2010 and paid on 26 March 2010 to Shareholders on the register at close of business on 5 March 2010 (ex-dividend 3 March 2010). The Directors are not proposing the payment of a final dividend for the year ended 31 March 2010.

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## **Directors**

Details of the Directors of the Company who served during the year are set out on page 5. Particulars of their remuneration are given on pages 21 and 22.

Rhoderick Swire, Michael Mackenzie, Michael Lindsell and Donald Adamson retire in accordance with the UKLA Listing Rules. All being eligible, they offer themselves for re-election. The Board evaluated the performance of each of the Directors standing for election and consider that the Company has benefited significantly from their services and contribution to the Board's deliberations. The Board accordingly recommends that Shareholders vote in favour of their re-election.

## **Powers of the Directors**

The powers of the Directors are contained in the Company's Articles of Association, which are publicly available at Companies House. Subject to the provisions of the Companies Acts and the Company's Memorandum and Articles of Association, the Directors may exercise all powers within their scope to manage the business of the Company and may delegate any of those powers to a Director, Committee or Agent.

The Directors may exercise the Company's authority to borrow, to pay fees, expenses and additional remuneration or salary for special duties undertaken by any Director, and vote the shares of investee companies.

The Directors may pay, or provide for, any pension, superannuation, share incentive or share purchase schemes calculated to advance the interests of the Company, but to date has not exercised these rights.

## **Investment Manager**

The Investment Manager, Lindsell Train Limited, is engaged under the terms of a contract dated 21 December 2000 (revised in May 2008), details of which are given in note 6 to the financial statements, and is terminable by twelve months' notice. Subsequent to the year end the Directors reviewed the performance of the Investment Manager and consider that the continued engagement of the Investment Manager under the existing terms is in the best interests of the Company and Shareholders. Being an employee and shareholder of the Investment Manager, Michael Lindsell did not participate in the review.

In addition to the day to day management of investments, the Investment Manager advises the Board on liquidity and borrowings, and liaises with major Shareholders.

## **Administration and Secretarial Agreement**

Accounting, company secretarial and administrative services are provided by Phoenix Administration Services Limited ("Phoenix") pursuant to an agreement dated 21 December 2000. The agreement is terminable by either party on not less than three months' notice. Details of the fees paid to Phoenix are given in note 4 to the financial statements. The services provided by Phoenix were also reviewed subsequent to the year end and the Board considered it to be in the best interests of the Company to continue Phoenix's appointment under the existing terms.

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Report of the Directors *continued*

### Directors' Interests

The interests of the Directors in the Ordinary Shares of the Company were as follows:

	Ordinary Shares of 75p 1 April 2009	Ordinary Shares of 75p 31 March 2010
R Swire	1,000	1,000
D Adamson	2,750	2,750
D Caldecott	8,250	8,250
M Lindsell	6,995	6,995
M Lindsell*	3,600	3,600
M Mackenzie	250	250
M Mackenzie*	2,075	2,075

\* Non beneficial interests

No changes in the above interests occurred between 31 March 2010 and the date of this report. None of the Directors have been granted, or exercised, any options or rights to subscribe for Ordinary Shares of the Company.

### Disclosure of Interests

Michael Lindsell is a director of the Investment Manager, Lindsell Train Limited, of which he also holds 36.5% of the issued share capital. Brief details of the terms of the Investment Management Agreement are set out on page 11 and in note 6 to the financial statements. Mr Lindsell is a shareholder of Lindsell Train Japan (Distributor) Inc and Lindsell Train Global Media (Distributor) Inc and is also connected with the daily management of these funds.

Donald Adamson is non-executive Chairman of the Lindsell Train Japan Fund and the Lindsell Train Global Media Fund, both Lindsell Train fund products in which the Company invests. Mr Adamson is also a shareholder of Lindsell Train Japan (Accumulator) Inc and Lindsell Train Global Media (Accumulator) Inc.

All of the Directors are non-executive and no Director had a contract of service with the Company at any time during the year.

Save as disclosed above and in note 6 to the financial statements, no Director was a party to, or had an interest in, any contract or arrangement with the Company.

### Waiver of Emoluments

Because of his connection with the Investment Manager, Michael Lindsell has waived his entitlement to fees and performance related bonus.

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## Substantial Shareholdings

At the dates below the Company had been notified and/or become aware of the following holdings representing 3% or greater of the Ordinary Share capital of the Company:

	<i>No. of Shares at 31 March 2010</i>	<i>No. of Shares at 28 May 2010</i>	<i>% of issued capital</i>
Brewin Dolphin Ltd	33,209	33,535	16.77
Finsbury Income & Growth Trust	10,000	10,000	5.00
Mr Nicholas Train	9,542	9,542	4.77
Rathbone Investment Management Ltd	9,066	8,928	4.46
Newton Investment Management Ltd	7,560	8,350	4.18
Troy Asset Management Ltd	6,425	6,425	3.21

## Ordinary Share Capital

At 31 March 2010 (31 March 2009 and up to the date of this report) the Company had an authorised and issued share capital comprising 200,000 Ordinary Shares of 75p nominal each. At 31 March 2010 the Ordinary Share price was £183.00 (31 March 2009: £140.50).

### *Income entitlement*

The Company's revenue earnings are distributed to holders of Ordinary Shares by way of dividends (if any) as may from time to time be declared by the Directors.

### *Capital entitlement*

On a winding up of the Company, after settling all liabilities of the Company, holders of Ordinary Shares are entitled to a distribution of any surplus assets in proportion to the respective amounts paid up or credited as paid up on their shares.

### *Voting entitlement*

Holders of Ordinary Shares are entitled to one vote on a show of hands, and on a poll to one vote for each Ordinary Share held. Notices of Meetings and Proxy Forms set out the deadlines for the valid exercise of voting rights and, other than with regard to Directors not being permitted to vote on matters upon which they have an interest, there are no restrictions on the voting rights of Ordinary Shareholders.

### *Transfers*

There are no restrictions on transfers of Ordinary Shares except: a) dealings by Directors, Persons Discharging Managerial Responsibilities and their connected persons which may constitute insider dealing or are otherwise prohibited by the rules of the UKLA; b) transfers to more than 4 joint holders; c) transfers to US persons other than as specifically permitted by the Directors; d) if, in the Directors' opinion, the assets of the Company might become "plan assets" for the purposes of US ERISA 1974; and e) transfers which in the opinion of the Directors would cause material legal, regulatory, financial or tax disadvantage to the Company.

The Company is not aware of any agreements with or between Shareholders which restrict the transfer of Ordinary shares, or which would take effect or alter or terminate in the event of a change of control of the Company.

## Report of the Directors *continued*

### **Creditors' Payment Policy**

It is the Company's policy to obtain the best terms for all business including purchases of investments, and to abide by those terms. At 31 March 2010 the Company had no trade creditors (2009: nil).

### **Corporate Governance, Employment, Social and Environmental Statements**

The Corporate Governance Statement, which forms part of this Directors' Report, is set out on pages 16 to 20 and includes statements on employment, social, economic and environmental issues. The Company has no employees.

### **Directors' Indemnity**

Articles 165 and 166 of the Company's Articles of Association provide that, insofar as permitted by law, every Director shall be indemnified by the Company against all costs, charges, expenses, losses or liabilities incurred in the execution and discharge of the Directors' duties, powers or office. The Company has arranged appropriate insurance cover in respect of legal action against its Directors.

### **Statement of Directors' Responsibilities for the Annual Report**

The Directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each year. Under that law the Directors are required to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit and loss for that period. In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a Directors' 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring the annual report and financial statements are made available on a website. Financial statements are published on that 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 website selected by the Company is the responsibility of the Directors, which also extends to the ongoing integrity of the financial statements contained thereon.

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## **Directors' Confirmation Statement**

The Directors listed on page 5, as the persons responsible within the Company, hereby confirm to the best of their knowledge:

- a) that the financial statements within the annual report of which this statement forms part have been prepared in accordance with applicable UK accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- b) the Management Report, which comprises the Chairman's Statement, Investment Manager's Report, Business Review and associated notes, includes a fair review of the development and performance of the business and position of the Company, together with the principal risks and uncertainties which the Company faces.

## **Audit information**

Each of the persons who were Directors at the date of approval of this annual report confirms, in accordance with the provisions of Section 418 of the Companies Act 2006 ("Act"), that:

- so far as each is aware there is no relevant audit information as defined in the Companies Act 2006 of which the Company's auditors are unaware; and
- each has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

## **Auditor**

A resolution to re-appoint Grant Thornton UK LLP as Auditor to the Company and to authorise the Directors to determine the Auditor's remuneration will be proposed at the forthcoming Annual General Meeting.

## **Special Business at the Annual General Meeting**

### **Share buyback authority**

Resolution 8 is proposed as a Special Resolution and would, if passed, renew the authority to permit the Company to buy back through the stock market up to a maximum of 29,999 Ordinary Shares of 75p each (equivalent to 14.99% of the Ordinary Shares in issue at the date of this report). Purchases will only be made through the market for cash at prices below the prevailing Net Asset Value per Ordinary Share, thereby resulting in an increased Net Asset Value per share.

Shares bought back up to a ceiling of 10% of the issued capital may be held in treasury, which are then eligible for subsequent resale or cancellation. Treasury shares would not be resold at a price below that at which they had been bought back. No voting rights or entitlement to distribution (either dividend or on a winding up) applies to shares held in treasury.

Resolution 9 authorises the Directors to sell or transfer back into the market shares held in treasury.

The Directors recommend that Shareholders vote in favour of all Resolutions being put to the Annual General Meeting, as they themselves intend to do.

By order of the Board

## **Phoenix Administration Services Limited**

Secretary

14 June 2010

## Corporate Governance Statement

The Corporate Governance Statement forms part of the Report of the Directors.

The Board supports the high standards of corporate governance contained within the Code of Corporate Governance as issued by the Financial Reporting Council ("FRC") in June 2008, and the principles published in March 2009 by the Association of Investment Companies ("the AIC Principles"). The Board confirms that it complies with these, subject to those aspects explained below where the Company has not complied or does not feel it appropriate for a Company of this size to do so. As the Company has no executive Directors the provisions of the Code in respect of the role of the Chief Executive and executive Directors' remuneration do not apply to the Company.

The Terms of Reference of all Committees of the Board are available from the Registered Office of the Company.

### Internal Control

The Board confirms that there is an ongoing process for identifying, evaluating and managing those risks which are significant for the Company and that this process reflects the guidance provided by the FRC. This process has been in place for the year ended 31 March 2010 and up to the date of the annual report and financial statements, and is regularly reviewed by the Board. The review covers all material financial, operational and compliance controls, and risk management systems.

The Board has ultimate responsibility for the system of internal control and for reviewing its effectiveness. The key elements of the system are the appointment of an independent custodian with responsibility for safeguarding the Company's assets, and clearly defined responsibilities between the Board, the Custodian and the Investment Manager, all of whom have detailed operating procedures in place. The controls operated by the Board include the authorisation of the investment strategy and regular reviews of the investment performance and financial results. The system is designed to manage rather than eliminate the risk of being unable to meet business objectives and can provide reasonable but not absolute assurance against material misstatement or loss, as explained by the FRC. The Board has reviewed the operation and effectiveness of the Company's system of internal controls during the period through its ongoing identification, assessment and management of the Company's key risks, including an annual review.

The Board has contractually delegated the management of the investment portfolio to the Investment Manager, Lindsell Train Limited, the day to day administration and the Company Secretarial requirements to Phoenix Administration Services Limited and the custodial services, which include the safeguarding of the assets, to Morgan Stanley & Co. International plc (see note 18). These contracts have been entered into after full consideration by the Board of the services undertaken. The Investment Manager, Administrator and the Custodian of the Company's assets all maintain their own systems of internal and financial controls.

The Investment Manager has established an internal control framework to provide reasonable assurance on the effectiveness of internal controls operated on behalf of its clients. The Investment Manager's compliance officer assesses and reports to the Board on the effectiveness of the internal controls and the business risk exposure of the Investment Manager.

The Company Secretary and Administrator also has established internal controls and procedures in place. The Audit Committee reviews, at least annually, a detailed analysis of all activities and

## THE LINDSELL TRAIN INVESTMENT TRUST PLC

any potential risks the Company might be exposed to, and the key controls in place to minimise risk and confirm the status of each activity.

The Board's approach to managing internal control and risk conforms to the recommendations of the FRC's Internal Control Revised Guidance for Directors. The Board confirms that in this manner it has reviewed the effectiveness of the Company's internal controls for the period under review, taking into account matters arising up to the date of this report.

Since the Company's investment management, accounting and custodial activities are carried out by third party service providers, the Board does not consider it necessary to have a separate internal audit function nor whistleblowing procedures. The Audit Committee reviews annually the whistleblowing procedures of the Investment Manager.

### **Board Structure**

The Board recognises that its prime purpose is to direct the business so as to maximise shareholder value within a framework of proper controls. It is predominantly an independent Board. The Board comprises five members, all of whom are non-executive and three of whom are fully independent of the Investment Manager. The Board does not consider it necessary to appoint a Senior Independent Director, as the majority of the Directors, including the Chairman, are independent.

Mr Adamson is a non-executive chairman of two of the Investment Manager's funds and receives remuneration for each of those positions. Accordingly, Mr Adamson is sufficiently linked to the Investment Manager to require that he stand for re-election annually. Although Mr Adamson chairs two separate funds of Lindsell Train Limited, the Board considers that he demonstrates impartiality in relation to the affairs of the Company.

Mr Lindsell is a director and shareholder of Lindsell Train Limited which is the Investment Manager of the Company. He is therefore not independent and also stands for re-election annually.

Mr Swire, having served on the Board for more than nine years, also now stands for re-election annually.

### **Board Responsibilities**

There is a clear division of responsibility between the Chairman, the Board, the Manager and other third party service providers. No single Director has unfettered powers of decision. The Chairman leads the Board, ensuring its effectiveness, and also ensures that the Directors receive accurate, timely and clear information. The Board leads on matters concerning the Company's investment objective, gearing, capital structure, corporate governance and the appointment of service providers, and also keeps in touch with Shareholders. It is the sole responsibility of the Investment Manager to take decisions on the purchase and sale of individual investments. Representatives of the Investment Manager, the Company Secretary and Administrator attend each Board meeting. The Board, the Investment Manager and Company Secretary operate in a supportive and cooperative manner.

### **Directors**

The Directors normally meet as a Board on a quarterly basis. The Board lays down guidelines within which the Investment Manager implements investment policy and has a schedule of matters reserved exclusively for the resolution of the Directors. All Board members have access to the advice and services of the Company Secretary, the removal or replacement of whom is a matter for the Board as a whole. The Directors are also able to take independent professional advice at the Company's expense.

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Corporate Governance Statement continued

A full report on the investment holdings and performance is received from the Investment Manager at Board meetings. The Investment Manager also reports regularly to the Board on the Company's financial position.

The Company's Articles of Association require newly appointed Directors to submit themselves for election by Shareholders at the next Annual General Meeting. Thereafter, in compliance with the Code, all independent Directors are required to submit themselves for re-election at least every three years and non-independent Directors annually.

None of the Directors consider longevity of service as an impairment of independence or judgement but, were this to become the case, the relevant Director(s) would stand down.

The number of meetings of the Board and Committees for the year under review is given below, together with individual Director's attendance at those meetings:

Number of meetings	Board		Audit	Management
	Regular (4)	Telephone (1)	Committee (2)	Engagement (1)
Rhoderick Swire	4	1	2	1
Donald Adamson	3	1	2	1
Dominic Caldecott	4	1	2	1
Michael Lindsell	4	1	n/a	n/a
Michael Mackenzie	4	1	2	1

The Board continually evaluates the performance of the Board, Committees, individual Directors and third party service providers using regular informal evaluations. The Board is satisfied from the results of these that the Board, its Committees and its third party providers function effectively, collectively and individually, and contain an appropriate balance of skills and experience for the effective management of the Company.

### The Nomination Committee

The Board as a whole fulfils the function of a Nomination Committee. The Directors have many years' experience within the industry between them and a broad knowledge of individuals who would have the necessary skills to promote and develop the Company. Accordingly the Nomination Committee does not consider it necessary to engage the services of third party search consultants unless the Directors are unable to identify suitably skilled individuals.

### Accountability and Audit

The Company's Audit Committee comprises Michael Mackenzie (Chairman), Donald Adamson, Dominic Caldecott and Rhoderick Swire. Mr Adamson was formerly Chairman of the Audit Committee and the Board considers it desirable that both he and Mr Swire continue as members of the Committee. The Committee meets at least twice each year. Proceedings are formally minuted and reported to the Board by the Audit Committee Chairman. The Company's external Auditor attends the Committee at its request at least once a year and reports on its work, the quality and effectiveness of the Company's accounting procedures and its findings in relation to the Company's statutory audit. The Audit Committee reviews the internal controls of the Company's service providers, accounting policies, financial statements, the independence of the external Auditor, the auditor's appointment and remuneration, cost effectiveness of services and the fair value of unquoted investments.

## THE LINDSELL TRAIN INVESTMENT TRUST PLC

The Audit Committee keeps under review non-audit services supplied by the external Auditor having consideration of the cost effectiveness of those services, the independence and objectivity of the Auditor. The external Auditor currently provides tax compliance services to the Company. The scope of any additional non-audit services has to be reviewed and agreed by the Audit Committee in advance of engagement.

The Company's principal risk management and internal controls centre around satisfying itself about the effectiveness of internal controls by requiring service providers to report and give assurance on their internal controls to the Audit Committee. Although the Directors can thereby provide reasonable assurance against material misstatement or loss, they acknowledge that these risks cannot be eliminated altogether.

As part of the above process, and the Company's financial reporting procedures, the Audit Committee has identified risks it believes could materially impact on the Company's affairs and reviews the effectiveness of the controls over these at each of its meetings. The Company's independent auditor carries out an external review of the Company's financial controls to the extent necessary to give its audit opinion. Any control weaknesses identified during this process are reported to those charged with governance. The Directors will take such action as they deem appropriate, if any, to ensure that such weaknesses are addressed and controls satisfactorily maintained.

The Company Secretary & Administrator ensures that the Company complies with regulatory and financial reporting requirements and, together with representatives of the Company's independent auditor, attends meetings of the Audit Committee at which the draft annual report and financial statements, and half-year reports, are considered.

The Directors are satisfied that all members of the Audit Committee have recent and relevant experience. The Company Secretary is Secretary to the Audit Committee.

### **Management Engagement Committee**

Rhoderick Swire (Chairman), Donald Adamson, Dominic Caldecott and Michael Mackenzie comprise the Management Engagement Committee. Terms, fees and other remuneration payable to Lindsell Train Limited and Phoenix Administration Services Limited, set out in notes 3, 4 and 6 to the financial statements, are kept under review by the Committee. It also reviews the performance of the Investment Manager at least annually. Notwithstanding the AIC Code of Corporate Governance, the Board does not consider Mr Adamson's membership to compromise the Committee's deliberations and he abstains from voting when the Committee is considering the continued appointment of the Investment Manager.

### **Social, Economic, Environmental and Employment Matters**

As an investment trust the Company has no direct impact on social, economic and environmental issues. The Company's investments being predominantly in blue chip companies, the Board is of the opinion that investee companies are likely to have considerable regard both for the welfare of their employees and for environmental matters in relation to areas where their operations are located. The Company has no employees.

### **Voting Policy**

In the absence of any direct instruction from the Board the Directors have authorised one Director, Mr Michael Lindsell, to vote shares of investee companies at his discretion, but with a view to preserving the best interests of the Company. However, he is required to consult with the Chairman before voting on special business or any issues of a contentious nature.

## Corporate Governance Statement continued

### **Shareholder Relations**

The Company, through the Investment Manager, has regular contact with its institutional Shareholders. The Board supports the principle that the Annual General Meeting should be used to communicate with private investors. It has implemented the provisions of the Combined Code in this report for the forthcoming Annual General Meeting and recommends that Shareholders attend the meeting where the Directors present will be able to answer any questions that Shareholders may have in relation to the Company and its activities.

Rather than read out proxy voting figures at General Meetings of the Company as required by the Code, the Board has instead elected to provide attending Shareholders with a printed summary of voting. The proxy voting figures will also be made available on the web pages of the Company after the meeting.

Shareholders may contact the Board through either the Investment Manager or the office of the Company Secretary, contact details for whom are given on page 49.

### **Going Concern**

After considering the Company's current financial resources and, as the majority of the net assets of the Company are securities which are traded on recognised stock exchanges, the Directors are satisfied that its resources are adequate for continuing in business for the foreseeable future and that it is appropriate to prepare the financial statements on a going concern basis.

The Company does not have a fixed life.

### **Annual General Meeting**

The Annual General Meeting of the Company will be held on Thursday 29 July 2010 at 4.00 pm and all Shareholders are encouraged to attend. In accordance with the Combined Code, the Notice of Meeting is circulated more than twenty working days before the meeting.

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Directors' Remuneration Report

The Board has prepared this report in accordance with the requirements of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. An Ordinary Resolution for the approval of this report will be put to Shareholders at the forthcoming Annual General Meeting.

Your Company's Auditors are required to audit certain of the disclosures provided in this Report, and where they have been audited they are indicated as such. The Auditor's opinion is included in their Report on pages 23 and 24.

### Remuneration Committee

The Company has no executive Directors and the Board as a whole fulfils the function of a Remuneration Committee.

The Board in the capacity of Remuneration Committee reviews the fees paid to Directors annually and at its last review concluded that the amounts should remain unchanged for the present.

### Policy on Directors' Fees

The Board's policy is that the remuneration of Directors should be based on fixed fees lower or equal to that of other investment trusts that are similar in size, together with the potential for a bonus based on the achievement of the investment objective of the Company, to foster a strong alignment of interest between Directors and Shareholders. It is intended that this policy will continue for the year ending 31 March 2011 and subsequent years. The Company does not have any employees.

The maximum aggregate Directors' fees (see note 5 to the financial statements) pursuant to the Company's Articles of Association is £220,000 per financial year. Directors are entitled to a bonus at the rate of 1%, calculated on the same basis as for the Investment Manager's performance fee (as described in note 6 to the financial statements) subject to a cap of £100,000 for all Directors in each performance period. A total performance bonus of £28,040 is payable to the Directors for the year ended 31 March 2010.

As the Directors are non-executive they are not eligible for pension benefits, share options, long-term incentive schemes or other benefits. No Director may vote on his own remuneration.

Directors and Officers liability insurance is maintained by the Company on behalf of the Directors.

### Directors' Service Contracts

It is the Board's policy that none of the Directors has a service contract. In accordance with the Articles of Association a Director shall retire and be subject to re-election at the first Annual General Meeting after their appointment, and at least every three years thereafter. Directors who have served on the Board for nine years or more are subject to annual re-election. In accordance with the UKLA Listing Rules Michael Lindsell and Donald Adamson stand for re-election each year because of their connection with the Investment Manager. The terms of their appointment also provide that a Director may be removed without notice and that compensation will not be due on leaving office.

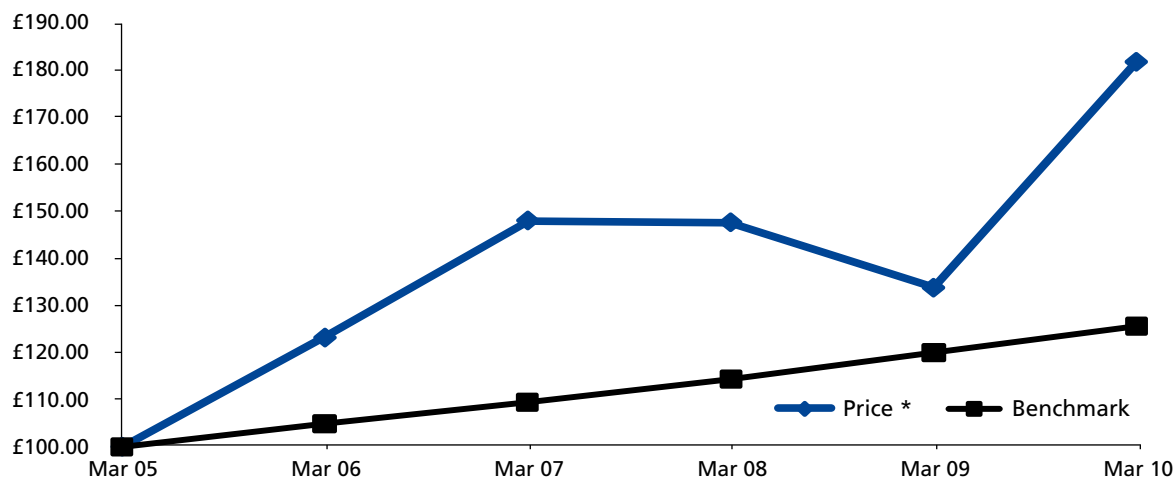
### Your Company's Performance

The graph on page 22 compares the share price total return (assuming all dividends are reinvested) to Ordinary Shareholders compared to the annual average yield on the 2.5% Consolidated Loan Stock. This index was chosen for comparison as it is the benchmark for performance purposes.

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Directors' Remuneration Report continued

### Share price performance vs benchmark for the five years to 31 March 2010



\* Share price performance is based on total return (dividends reinvested)

### Directors' emoluments and benefits for the year ended 31 March 2010 (audited)

	2010			2009		
	Fees £	Bonus £	Total £	Fees £	Bonus £	Total £
Rhoderick Swire (Chairman of the Board)	10,000	9,347	19,347	10,000	–	10,000
Dominic Caldecott	7,500	6,231	13,731	7,500	–	7,500
Michael Lindsell	n/a	n/a	n/a	n/a	n/a	n/a
Michael Mackenzie (Audit Committee Chairman)	7,500	6,231	13,731	7,500	–	7,500
	<u>25,000</u>	<u>21,809</u>	<u>46,809</u>	<u>25,000</u>	<u>–</u>	<u>25,000</u>

Because of his connection with the Investment Manager, Michael Lindsell has waived his entitlement to fees totalling £7,500 per annum as a Director of the Company and any performance bonus which would have been payable to him.

### Sum paid to Third Party for Director's Services (audited)

In addition to the above, the following sum was paid to the third party stated for the services of Donald Adamson to act as a Director of the Company:

Name of Director	Name of Company	Fee	Amount paid	
			2010 £	2009 £
Donald Adamson	Research & Consulting Associates Ltd	Director's	7,500	7,500
Donald Adamson	Research & Consulting Associates Ltd	Bonus	6,231	–

On behalf of the Board

### Phoenix Administration Services Limited

Secretary  
14 June 2010

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Report of the Independent Auditor to the members of The Lindsell Train Investment Trust Plc

We have audited the financial statements of The Lindsell Train Investment Trust Plc for the year ended 31 March 2010 which comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of Directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 14, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/UKP](http://www.frc.org.uk/apb/scope/UKP).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion 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; and
- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditor continued

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

We have nothing to report in respect of the following:

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- a Corporate Governance Statement has not been prepared by the Company.

Under the Listing Rules, we are required to review:

- the Directors' statement, set out on page 20 in relation to going concern; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of June 2008 Combined Code specified for our review.

**Julian Bartlett**

Senior Statutory Auditor

For and on behalf of **Grant Thornton UK LLP**

Statutory Auditor, Chartered Accountants

London

14 June 2010

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Income Statement for the years ended 31 March

		2010			2009		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments	11	–	10,546	10,546	–	(4,053)	(4,053)
Exchange (losses)/gains on currency balances		–	(9)	(9)	–	37	37
(Losses)/gains on forward currency contracts		–	(217)	(217)	–	1,334	1,334
Income	2	1,324	–	1,324	1,420	–	1,420
Investment management fees	3	(460)	–	(460)	(162)	–	(162)
Other expenses	4	(197)	(1)	(198)	(177)	(1)	(178)
<b>Net return/(loss) before finance costs and tax</b>		<b>667</b>	<b>10,319</b>	<b>10,986</b>	1,081	(2,683)	(1,602)
Interest payable and similar charges	7	(6)	–	(6)	(109)	–	(109)
<b>Return/(loss) on ordinary activities before tax</b>		<b>661</b>	<b>10,319</b>	<b>10,980</b>	972	(2,683)	(1,711)
Tax on ordinary activities	8	(16)	–	(16)	(16)	–	(16)
<b>Return/(loss) on ordinary activities after tax for the financial year</b>		<b>645</b>	<b>10,319</b>	<b>10,964</b>	956	(2,683)	(1,727)
<b>Return/(loss) per Ordinary Share</b>	10	<b>£3.22</b>	<b>£51.60</b>	<b>£54.82</b>	£4.78	£(13.42)	£(8.64)

All revenue and capital items in the above statement derive from continuing operations.

The total columns of this statement represent the profit and loss accounts of the Company. The revenue and capital return columns are supplementary to this and are prepared under the guidance published by the Association of Investment Companies.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the Company have been reflected in the above statement.

No operations were acquired or discontinued during the year.

The notes on pages 29 to 44 form part of these financial statements.

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Reconciliation of Movements in Shareholders' Funds

for the years ended 31 March 2009 and 31 March 2010

	Share capital £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
<b>For the year ended 31 March 2010</b>					
At 31 March 2009	150	19,850	7,928	1,712	29,640
Return on ordinary activities after tax for the financial year	–	–	10,319	645	10,964
Dividends paid (see note 9)	–	–	–	(1,460)	(1,460)
<b>At 31 March 2010</b>	<b>150</b>	<b>19,850</b>	<b>18,247</b>	<b>897</b>	<b>39,144</b>

	Share capital £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
<b>For the year ended 31 March 2009</b>					
At 31 March 2008	150	19,850	10,611	1,176	31,787
Return on ordinary activities after tax for the financial year	–	–	(2,683)	956	(1,727)
Dividends paid (see note 9)	–	–	–	(420)	(420)
<b>At 31 March 2009</b>	<b>150</b>	<b>19,850</b>	<b>7,928</b>	<b>1,712</b>	<b>29,640</b>

The notes on pages 29 to 44 form part of these financial statements.

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Balance Sheet at 31 March

		2010		2009	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Investments held at fair value through profit or loss	11		38,550		29,485
<b>Current assets</b>					
Debtors	12	4,367		4,850	
Cash at bank		1,267		380	
		5,634		5,230	
Creditors: amounts falling due within one year	13	(5,040)		(5,075)	
<b>Net current assets</b>			594		155
<b>Net assets</b>			39,144		29,640
<b>Capital and reserves</b>					
Called up share capital	14		150		150
Special reserve			19,850		19,850
			20,000		20,000
Capital reserve	15		18,247		7,928
Revenue reserve			897		1,712
<b>Equity Shareholders' funds</b>	16		39,144		29,640
<b>Net asset value per Ordinary Share</b>	16		£195.72		£148.20

The financial statements on pages 25 to 44 were approved by the Board on 14 June 2010 and were signed on its behalf by:

**R M Swire**  
Chairman  
The Lindsell Train Investment Trust Plc  
Registered in England, No: 4119429

The notes on pages 29 to 44 form part of these financial statements.

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Cash Flow Statement for the years ended 31 March

	Notes	2010 £'000	2009 £'000
Net cash inflow from operating activities	17a	743	2,688
Servicing of finance		(6)	(139)
Taxation		(13)	(17)
Financial investment	17b	1,481	2,239
Net cash inflow before financing		2,205	4,771
Equity dividends paid		(1,460)	(420)
Increase in cash in the year		745	4,351
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase in cash in the year		745	4,351
Exchange movements		(9)	37
Opening net funds/(debt)		52	(4,336)
Closing net funds	17c	788	52

The notes on pages 29 to 44 form part of these financial statements.

## Notes to the Financial Statements

### 1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below:

#### (a) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting, except for the measurement at fair value of investments. The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) and with the AIC Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' dated January 2009. All of the Company's operations are of a continuing nature.

#### (b) Reporting currency

The financial statements are presented in Sterling which is the functional currency of the Company, because it is the currency of the primary economic environment in which the Company operates.

#### (c) Dividends

Dividends paid by the Company are recognised in the financial statements for the period in which they are paid.

#### (d) Valuation of fixed asset investments

When a purchase or sale is made under a contract, the terms of which require delivery within the time frame of the relevant market, the investments concerned are recognised or derecognised on the trade date.

Investments have been designated by the Board as held at fair value through profit or loss and accordingly are valued at fair value, deemed to be bid or last market prices depending on the convention of the exchange on which they are listed. As the entity's business is investing in financial assets with a view to profiting from their total return in the form of interest, dividends or increases in fair value, investments are designated as fair value through profit or loss on initial recognition. The entity manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy, and information about the Company is provided internally on this basis to the Board.

Where performance fees earned by the Manager in respect of the Company's investment in a Lindsell Train fund product are reinvested in shares of the relevant fund, those additional shares are recorded at nil cost in the Company's records and then restated on the basis as disclosed above. Lindsell Train fund products are valued monthly using prices supplied by the administrator of these funds.

Unquoted investments are valued by the Directors at fair value using market valuation techniques. Investments are held as part of the investment portfolio, even those over which the Company has significant influence or control because their value to the Company is through their marketable value as part of a basket of investments rather than as a vehicle through which the Company carries out its business.

The investment in Lindsell Train Limited (representing 25% of the Manager) is held as part of the investment portfolio. Accordingly, the shares are accounted for and disclosed in the same way as other investments in the portfolio. The valuation of the investment is calculated at the end of each quarter on the basis of fair value as determined by the Directors of the Company. The valuation process is based upon a revised formula that takes into account, inter alia, the value of the funds under Lindsell Train Limited's management and the moving average of its monthly earnings.

The investments in Lindsell Train Global Media (Distributor) Inc and Lindsell Train Japan (Distributor) Inc represent seed capital. These companies act as Limited Partners in Lindsell Train Global Media L.P. and Lindsell Train Japan L.P. respectively and their share of investment in these partnerships are their only assets. The Company has no control over the business of these partnerships as they are controlled by their own General Partners.

## Notes to the Financial Statements *continued*

### **(e) Income**

Dividends are credited to the revenue column of the Income Statement on an ex-dividend basis. Where an ex-dividend date is not available, dividends received on or before the year end are treated as revenue for the year. The fixed return on a debt security is recognised on a time apportionment basis so as to reflect the effective interest rate on the debt security.

Bank and deposit interest is accounted for on an accruals basis.

### **(f) Expenses**

All investment management fees are charged to revenue within the Income Statement.

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue column of the Income Statement except as follows:

- expenses which are incidental to the acquisition or disposal of an investment are charged to the capital column of the Income Statement;
- expenses are charged to the realised capital reserve, via the capital column of the Income Statement, where a connection with the maintenance or enhancement of the value of the investments can be demonstrated; and
- finance costs are accounted for on an accruals basis using the effective interest rate method. All finance costs are charged to revenue within the income statement.

### **(g) Taxation**

Deferred taxation is provided on all differences which have originated but not reversed by the balance sheet date, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

### **(h) Foreign currency**

Transactions denominated in foreign currencies are recorded in the local currency, at the actual exchange rates as at the date of the transaction. Assets and liabilities denominated in foreign currencies at the year end are reported at the rate of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates, subsequent to the date of the transaction, is included as an exchange gain or loss in the capital or revenue column of the Income Statement, depending on whether the gain or loss is of a capital or revenue nature respectively.

### **(i) Capital reserve**

*Capital reserve – other*

The following are taken to this reserve:

- Gains and losses on the disposal of investments;
- Exchange differences of a capital nature;
- Expenses, together with the related taxation effect, allocated to this reserve in accordance with the above policies; and

*Capital reserve – investment holding gains*

The following are taken to this reserve:

- Increase and decrease in the valuation of investments held at the year end.

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## (j) Forward currency contracts

Forward currency contracts are classified as derivatives held for trading and are held at fair value through profit or loss. The forward currency contracts are revalued to the rates of exchange at the balance sheet date.

## 2 Income

	2010 £'000	2009 £'000
<b>Income from investments</b>		
Overseas dividends	169	174
Overseas stock dividends	27	171
Overseas fixed interest income	4	71
UK dividends	958	853
UK fixed interest income	166	134
	<u>1,324</u>	<u>1,403</u>
<b>Other income</b>		
Deposit interest	–	17
	<u>–</u>	<u>17</u>
<b>Total income comprises:</b>		
Dividends	1,154	1,198
Interest	170	222
	<u>1,324</u>	<u>1,420</u>

## 3 Investment management fees

	2010 £'000	2009 £'000
Investment management fee	204	187
Manager's performance fee	280	–
Rebate of investment management fee (see below)	(24)	(25)
	<u>460</u>	<u>162</u>

For the avoidance of double charging management fees, the Investment Manager has agreed to rebate any periodic management fee that it receives from the Company by the amount of fees receivable by it from Lindsell Train fund products and other fund products where Lindsell Train Limited is the investment manager in respect of the Company's investments in those funds. The Investment Manager has agreed that any performance fees that it earns from a Lindsell Train fund product in respect of the Company's investment in that fund will be reinvested in the shares of that fund and the shares rebated to the Company. As at 31 March 2010 the Company had investments in the following Lindsell Train products: 38,532 shares in Lindsell Train Japan (Distributor) Inc at a total cost of £2,593,058; 42,648 shares in Lindsell Train Global Media (Distributor) Inc at a total cost of £2,571,741.

The amounts rebated on the Investment Management fee are shown above, of which £16,558 (2009: £16,515) relates to the Company's investment in the Lindsell Train Japan Fund, £3,873 (2009: £3,863) relates to the Company's investment in the Finsbury Growth & Income Trust and £3,698 (2009: £4,249) relates to the Company's investment in the Lindsell Train Global Media Fund.

No performance fee has been earned by the Investment Manager in relation to the Company's investment in Lindsell Train Global Media (Distributor) Inc. and Lindsell Train Japan (Distributor) Inc.

274 shares were received by the Company from a dividend re-investment option in Lindsell Train Japan (Distributor) Inc.

Details of the Investment Management Agreement are disclosed in note 6 on pages 32 and 33.

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Notes to the Financial Statements *continued*

### 4 Other expenses

	2010	2009
	£'000	£'000
Administration fee	68	65
Directors' emoluments (see note 5)	61	33
Auditor's remuneration for:		
– audit of the financial statements of the Company	18	18
– other services relating to taxation	4	4
Other*	46	57
	<u>197</u>	<u>177</u>
Capital charges	1	1
	<u>198</u>	<u>178</u>

\* Includes registrar's fees, printing fees, London Stock Exchange/FSA fees and Directors liability insurance.

In accordance with an administration agreement dated 21 December 2000 between the Company and Phoenix Administration Services Limited ("Phoenix"), Phoenix has been appointed to provide administration and company secretarial services to the Company for which Phoenix receives an annual fee of £70,000 (increased from £65,000 on 4 August 2009).

### 5 Directors' emoluments

One Director received emoluments by way of consultancy fees totalling £13,731 (including a performance bonus of £6,231) (2009: £7,500). The consultancy fees are reflected in the table below:

	2010	2009
	£'000	£'000
Directors' fees	33	33
Directors' bonus	28	–
	<u>61</u>	<u>33</u>

The Chairman and Directors receive emoluments of £10,000 and £7,500 per annum respectively. Directors' fees totalling £7,500 have been waived in full by Mr Michael Lindsell as a Director of the Company.

A Directors' bonus is payable to Directors at a rate of 1% and calculated on the same basis as for the Investment Manager's performance fee (as described in note 6 below) subject to a cap of £100,000 for all Directors in each performance period.

There were no pension contributions paid or payable.

The Company has no employees.

### 6 Disclosure of interests

In accordance with an Investment Management Agreement dated 21 December 2000 (revised in May 2008) between the Company and Lindsell Train Limited, Lindsell Train Limited has been appointed to provide investment management services to the Company. Lindsell Train Limited receives an annual fee of 0.65% of the Adjusted Market Capitalisation of the Company calculated on the last Business Day of each calendar month and payable in arrears in respect of each calendar month. The amount charged during the year is shown in note 3 and £18,513 (2009: £14,466) of the fee for the year was outstanding as at the balance sheet date.

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## 6 Disclosure of interests continued

A performance fee is payable at the rate of 10% of the amount by which the growth in the Adjusted Market Capitalisation per Ordinary Share of the Company in each performance period exceeds a specified performance hurdle calculated with reference to the annual average gross running yield on the 2.5% Consolidated Loan Stock over the period, subject to a high watermark. The Company has twelve month performance periods, ending on 31 March in each year. The performance fee is payable in arrears in respect of each performance period.

The performance fee for the year to 31 March 2010 amounts to £280,404 (2009: nil) and was outstanding as at the balance sheet date.

Lindsell Train Limited's appointment as Investment Manager is subject to termination by either party on twelve months' notice.

## 7 Interest payable and similar charges

	2010 £'000	2009 £'000
On overdrafts	<u>6</u>	<u>109</u>

## 8 Taxation

The tax charge on the profit on ordinary activities for the year was as follows:

	2010			2009		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
UK corporation tax	–	–	–	33	–	33
Overseas tax – double tax relief	–	–	–	(16)	–	(16)
	–	–	–	17	–	17
Irrecoverable overseas tax	16	–	16	16	–	16
Utilisation of excess expenses brought forward	–	–	–	(17)	–	(17)
Tax charge per accounts	<u>16</u>	<u>–</u>	<u>16</u>	<u>16</u>	<u>–</u>	<u>16</u>

The current taxation charge for the year is different from the standard rate of corporation tax in the UK of 28% (2009: 28%). The differences are explained below:

	2010 £'000	2009 £'000
Net return/(loss) on ordinary activities before taxation	<u>10,980</u>	<u>(1,711)</u>
Theoretical tax at UK corporation tax rate of 28% (2009: 28%)	<u>3,074</u>	<u>(479)</u>
Effects of:		
– UK dividends which are not taxable	(268)	(239)
– Overseas dividends which are not taxable	(49)	–
– Capital (gains)/losses not subject to corporation tax	(2,889)	751
– Overseas dividends taxable on receipt	19	–
– Current year excess expenses	113	–
– Utilisation of excess expenses brought forward	–	(17)
– Unrelieved overseas tax suffered	16	–
Actual current tax charge	<u>16</u>	<u>16</u>

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Notes to the Financial Statements continued

### 8 Taxation continued

As an investment trust the Company, whilst it obtains exemption under Section 842 of the Income and Corporation Taxes Act 1988 (from 1 April 2010 Sections 1158/1159 Corporation Tax Act 2010), is not subject to UK taxation on capital gains. In the opinion of the Directors, the Company has complied with the requirements of Section 842 of the Income and Corporation Taxes Act 1988 (Sections 1158/1159 Corporation Tax Act 2010).

#### Factors that may affect future tax charges

The Company has not recognised deferred tax losses of £321,000 (2009: £208,000) arising from management expenses exceeding taxable income. These expenses could only be utilised if the Company were to generate taxable profits in the future.

### 9 Dividends

	2010 £'000	2009 £'000
Final dividend for the year ended 31 March 2009 of 365p per Ordinary Share (2008: 210p)	730	420
Interim dividend for the year ended 31 March 2010 of 365p per Ordinary Share (2009: nil)	730	–
	<u>1,460</u>	<u>420</u>

The total dividend forming the basis of Section 842 of the Income and Corporation Taxes Act 1988 (Sections 1158/1159 Corporation Tax Act 2010) payable in respect of the financial year as set out below:

Interim dividend for the year ended 31 March 2010 of 365p per Ordinary Share (2009: Final 365p)	<u>730</u>	<u>730</u>
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### 10 Return per Ordinary Share

	2010	2009
<b>Total return per Ordinary Share</b>		
Total return	£10,964,000	£(1,727,000)
Weighted average number of Ordinary Shares in issue during the year	<u>200,000</u>	<u>200,000</u>
Total return per Ordinary Share	<u>£54.82</u>	<u>£(8.64)</u>

The total return per Ordinary Share detailed above can be further analysed between revenue and capital, as below:

#### Revenue return per Ordinary Share

Revenue return	£645,000	£956,000
Weighted average number of Ordinary Shares in issue during the year	<u>200,000</u>	<u>200,000</u>
Revenue return per Ordinary Share	<u>£3.22</u>	<u>£4.78</u>

#### Capital return per Ordinary Share

Capital return	£10,319,000	£(2,683,000)
Weighted average number of Ordinary Shares in issue during the year	<u>200,000</u>	<u>200,000</u>
Capital return per Ordinary Share	<u>£51.60</u>	<u>£(13.42)</u>

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## 11 Investments held at fair value through profit or loss

	2010 £'000	2009 £'000
Investments listed on a recognised investment exchange	35,272	27,613
Unlisted investments	3,278	1,872
Valuation at year end	<u>38,550</u>	<u>29,485</u>
Opening book cost	24,238	26,332
Opening investment holding gains	5,247	9,445
Opening valuation	<u>29,485</u>	35,777
Movements in the year:		
Purchases at cost	2,197	2,361
Sales – proceeds	(3,678)	(4,600)
– gains on sales	985	145
Increase/(decrease) in investment holding gains for the year	<u>9,561</u>	<u>(4,198)</u>
Closing valuation	<u>38,550</u>	<u>29,485</u>
Closing book cost	23,742	24,238
Closing investment holding gains	<u>14,808</u>	5,247
	<u>38,550</u>	<u>29,485</u>
Sale proceeds	3,678	4,600
Investments at cost	<u>(2,693)</u>	<u>(4,455)</u>
Gains on sales based on historical cost	985	145
Investment holding (gains)/losses recognised in previous years	<u>(8)</u>	54
Gains on sales based on carrying value at previous year's balance sheet date	977	199
Investment holding gains/(losses) for the year	<u>9,569</u>	<u>(4,252)</u>
Net gains/(losses) on investments	<u>10,546</u>	<u>(4,053)</u>

Investment transaction costs on purchases and sales of investments during the year to 31 March 2010 amounted to £11,000 and £3,000 respectively (2009: £11,000 and £5,000 respectively).

During the year the investment holding gain attributable to the Company's holding in Lindsell Train Limited amounted to £1,406,000 (2009: loss £568,000).

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Notes to the Financial Statements *continued*

### 11 Investments continued

#### Significant holdings

Included in the above are the following investments in which the Company has an interest exceeding 10% of the nominal value of the shares of that class in the investee company as at 31 March 2010.

Investments	Country of registration or incorporation	Class of capital	% of class held
Lindsell Train Limited*	England	Ordinary Shares of £100	24.98
Lindsell Train Japan (Distributor) Inc**†	Cayman Islands	Red Vtg Prf Shares US\$0.001	54.40
Lindsell Train Global Media (Distributor) Inc **‡	Cayman Islands	Red Vtg Prf Shares US\$0.001	87.98

\*As at 31 January 2010, the latest year end for Lindsell Train Limited, the unaudited aggregate capital and reserves amounted to £2,021,361 (2009: £2,161,691) and the profit for that year ended amounted to £1,192,670 (2009: £1,495,714). The total amount of dividends paid during the year was £1,333,000, equating to a dividend of £500 per share. The earnings per share was £447.36. The cost of the investment in Lindsell Train Limited was £66,600.

\*\*Country of listing – Republic of Ireland

† The unaudited aggregate capital and reserves of Lindsell Train Japan Fund (Distributor) Inc as at 31 March 2010 was US\$8,953,180 (2009: US\$7,458,628) and the profit for the year amounted to US\$762,195 (2009: US\$1,996,687).

# The unaudited aggregate capital and reserves of Lindsell Train Global Media (Distributor) Inc as at 31 March 2010 was US\$8,517,735 (2009: US\$5,931,531) and the net profit for the year amounted to US\$930,738 (2009: loss US\$228,501).

^ The only assets of Lindsell Train Japan (Distributor) Inc ('Japan Distributor') and Lindsell Train Global Media (Distributor) Inc ('Media Distributor') comprised investments as a Limited Partner interests in the Lindsell Train Japan L.P. and the Lindsell Train Global Media L.P. Investment gains/losses and income/operating expenses incurred are charged at the respective fund level which are reflected in the net asset value of the respective funds. Performance fees attributable to Japan Distributor and Media Distributor are only charged at the Limited Partnership level.

These companies have been accounted for as investments in accordance with the accounting policy in note 1 (d).

The Company has arrangements in place with the Investment Manager to avoid double charging of fees and expenses on investments made in other Lindsell Train fund products (see note 3).

### 12 Debtors

	2010 £'000	2009 £'000
Open forward currency contract held at fair value through profit or loss	4,148	4,546
VAT recoverable	14	14
Prepayments and accrued income	205	290
	<u>4,367</u>	<u>4,850</u>

## THE LINDSELL TRAIN INVESTMENT TRUST PLC

### 13 Creditors: amounts falling due within one year

	2010	2009
	£'000	£'000
Bank overdraft	479	328
Open forward currency contract held at fair value through profit or loss	4,206	4,706
Accruals and deferred income	355	41
	5,040	5,075

### 14 Called up share capital

	2010		2009	
	No. of shares	£'000	No. of shares	£'000
	000's		000's	
<b>Authorised:</b>				
Ordinary Shares of 75p each	200	150	200	150
<b>Allotted, called up and fully paid:</b>				
Ordinary Shares of 75p each	200	150	200	150

There has been no change in the capital structure during the year to 31 March 2010.

### 15 Capital reserve

The capital reserve includes investment holding gains of £14,808,000 (2009: £5,247,000).

The Institute of Chartered Accountants in England and Wales has issued guidance stating that profits arising out of a change in fair value of assets, recognised in accordance with Accounting Standards, may be distributed provided the relevant assets can be readily convertible into cash. Securities listed on a recognised stock exchange are generally regarded as being readily convertible into cash. In accordance with the Company's status as a UK investment company under Section 833 of the Companies Act 2006, the capital reserve and special reserve may not be distributed by way of dividend but may be utilised for the purposes of share buybacks. In order to maintain investment trust status, the Company may only distribute by way of dividend accumulated revenue profits.

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Notes to the Financial Statements continued

### 16 Net asset value per share

The net asset value per Ordinary Share and the net asset value at the year end calculated in accordance with the Articles of Association were as follows:

Net asset value per share attributable		Net asset value attributable	
2010	2009	2010	2009
£	£	£'000	£'000
<u>195.72</u>	<u>148.20</u>	<u>39,144</u>	<u>29,640</u>

The movements during the year of the assets attributable to each Ordinary Share were as follows:

	Ordinary Shares £'000
Total net assets attributable at beginning of year	29,640
Total recognised gains for the year	10,964
Dividends paid during the year	<u>(1,460)</u>
Total net assets attributable at end of year	<u>39,144</u>

The net asset value per Ordinary Share is based on net assets of £39,144,000 (2009: £29,640,000) and on 200,000 Ordinary Shares (2009: 200,000), being the number of Ordinary Shares in issue at the year end.

### 17 Cash flow statement

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2010 £'000	2009 £'000
Net return/(loss) before finance costs and taxation	10,986	(1,602)
Gains/(losses) on investments held at fair value	(10,546)	4,053
Losses/(gains) on exchange movements	9	(37)
Decrease/(increase) in other debtors	398	(4,489)
Decrease in accrued income	83	60
(Decrease)/increase in creditors	<u>(187)</u>	<u>4,703</u>
Net cash inflow from operating activities	<u>743</u>	<u>2,688</u>

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## 17 Cash flow statement continued

(b) Analysis of cash flows for headings netted in the cash flow statement

	2010 £'000	2009 £'000
<b>Financial investment</b>		
Purchase of investments	(2,197)	(2,361)
Sale of investments	3,678	4,600
Net cash inflow from financial investment	<u>1,481</u>	<u>2,239</u>

(c) Analysis of net funds

	At 1 April 2009 £'000	Cash flow £'000	Exchange movement £'000	At 31 March 2010 £'000
Cash at bank	380	894	(7)	1,267
Bank overdraft	(328)	(149)	(2)	(479)
Total	<u>52</u>	<u>745</u>	<u>(9)</u>	<u>788</u>

## 18 Financial instruments and capital disclosures

### Risk management policies and procedures

The investment objective of the Company is to maximise long-term total returns with a minimum objective to maintain the real purchasing power of Sterling capital as measured by the annual average yield on the UK 2.5% Consolidated Loan Stock. In pursuit of this objective, the Company may be exposed to various forms of risk, as described below.

When judged appropriate by the Investment Manager, the Company may use the overdraft facility with Morgan Stanley & Co. International plc in order to gear the portfolio. The Investment Manager will use this facility only when investments, or specific investment opportunities are identified where the Investment Manager judges that the likely returns will exceed the cost of the borrowed capital. In practice, this means that the Investment Manager looks for sustainable high income, dividend yields or special situations, typically takeovers, where it expects to arbitrage a meaningful annualised return.

The Board sets out its investment policies and its policy on gearing (bank borrowing), diversification and dividends at the front of this report and as part of the Business Review on page 10.

The Board and its Investment Manager consider and review the number of risks inherent with managing the Company's assets which are detailed below.

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Notes to the Financial Statements continued

### 18 Financial instruments and capital disclosures continued

#### Foreign currency exposure at 31 March 2010

	Sterling £'000	US\$ £'000	Euro £'000	JPY £'000	Total £'000
Investments held at fair value through profit or loss that are monetary items	3,030	–	–	–	3,030
Forward currency contracts held at fair value through profit or loss	(4,206)	4,148	–	–	(58)
Short-term debtors	119	28	–	72	219
Cash at bank	1,267	–	–	–	1,267
Short-term creditors	(355)	–	–	–	(355)
Overdraft facility at Morgan Stanley	–	–	(199)	(280)	(479)
Foreign currency exposure on net monetary items	<u>(145)</u>	<u>4,176</u>	<u>(199)</u>	<u>(208)</u>	<u>3,624</u>
Investments held at fair value through profit or loss that are equities	19,032	10,442	2,056	3,990	35,520
Total net foreign currency exposure	<u><u>18,887</u></u>	<u><u>14,618</u></u>	<u><u>1,857</u></u>	<u><u>3,782</u></u>	<u><u>39,144</u></u>

#### Foreign currency exposure at 31 March 2009

	Sterling £'000	US\$ £'000	Euro £'000	JPY £'000	Total £'000
Investments held at fair value through profit or loss that are monetary items	3,353	292	–	–	3,645
Forward currency contracts held at fair value through profit or loss	(4,706)	4,546	–	–	(160)
Short-term debtors	218	21	–	65	304
Cash at bank	264	95	–	21	380
Short-term creditors	(40)	–	(1)	–	(41)
Overdraft facility at Morgan Stanley	–	–	(328)	–	(328)
Foreign currency exposure on net monetary items	<u>(911)</u>	<u>4,954</u>	<u>(329)</u>	<u>86</u>	<u>3,800</u>
Investments held at fair value through profit or loss that are equities	14,017	7,530	1,182	3,111	25,840
Total net foreign currency exposure	<u><u>13,106</u></u>	<u><u>12,484</u></u>	<u><u>853</u></u>	<u><u>3,197</u></u>	<u><u>29,640</u></u>

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## 18 Financial instruments and capital disclosures continued

Over the year Sterling strengthened against all of the Company's principal investing currencies, the US Dollar by 5.83% (2009: weakened 27.88%), the Euro by 12.17% (2009: weakened 13.93%) and Japanese Yen by 0.12% (2009: weakened 28.44%).

A 5% decline or rise of Sterling against foreign currency denominated (i.e. non Sterling) assets held at the year end would have increased/decreased respectively the net asset value by £1,013,000 or 2.57% of net asset value (2009: £827,000 or 2.79% of net asset value). The impact on the profit and loss account is impossible to estimate since the profit and loss is the net result of all the transactions in the portfolio throughout the year.

### Interest rate risk

The Company is only exposed to significant interest rate risk through its overdraft facility with Morgan Stanley & Co. International plc. Borrowing varied throughout the year as part of a Board endorsed policy. Borrowings at the year end consisted of €224,000 and JPY39,674,000 with a Sterling equivalent of £199,000 and £280,000 respectively. If that level of borrowing were maintained for a year a 1% change in LIBOR (up or down) would decrease or increase net revenue by £4,800 or 2.40p per Ordinary Share (2009: £3,300 or 1.64p per Ordinary Share).

The Company's fixed rate financial assets are disclosed on page 6 and details of the split between equities and fixed interest securities are disclosed on page 7. The weighted average interest rate for the fixed rate financial assets is 5.21% (2009: 5.20%) and the weighted average period for which rates are fixed is indefinite (2009: indefinite).

### Other price risk

If the fair value of the Company's investments (see portfolio holdings on page 6) at the year end increased/decreased by 10% then it could have the effect of £3,855,000 or £19.27 per Ordinary Share (2009: £2,949,000 or £14.74 per Ordinary Share) on the capital return.

### Derivative exposure

At 31 March 2010 there was one open forward currency contract increasing the exposure to the US Dollar by USD6,300,000 against Sterling of £4,206,000 which matured on 17 April 2010.

The Company's strategy in using forward currency contracts is to maintain additional exposure to the US Dollar at levels previously recorded in prior years.

### Liquidity risk

Liquidity risk is not significant in normal market conditions as the majority of the Company's investments are listed on recognised stock exchanges and for the most part readily realisable securities which can be easily sold to meet funding commitments if necessary. Short-term flexibility is achieved by the use of overdrafts as required and are repayable on demand.

### Credit risk

Credit risk is mitigated by diversifying the counterparties through whom the Investment Manager conducts investment transactions. The credit-standing of all counterparties is reviewed periodically with limits set on amounts due from any one broker.

Cash at bank and other debtors of the Company at the year end as shown on the Balance Sheet was £5,634,000 (2009: £5,230,000).

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Notes to the Financial Statements continued

### 18 Financial instruments and capital disclosures continued

#### Counterparty risk

Morgan Stanley & Co. International plc ('MSI'), a wholly owned subsidiary of Morgan Stanley & Co. ('MS'), is the principal clearing broker and custodian to the Company. These services include the provision to the Company of margin financing, clearing, settlement and foreign exchange facilities. Under the agreement MSI is able to pledge or use the Company's securities to a maximum of 140% of any gross borrowing that the Company has outstanding with MSI. MSI provides custody for the Company's securities (also through its network of sub-custodians) in keeping with the FSA rules, with the assets held in segregated client accounts and separately distinguishable from those of MSI's own proprietary assets. However, pledged or used securities may be co-mingled with MSI's assets and thus in the event of MSI's bankruptcy, the Company could be ranked as a general creditor to MSI. The Directors view this as a significant counterparty risk. To avoid this eventuality the Company eliminated its borrowing from MSI in 2008 in order to prevent MSI pledging any of the Company's securities to third parties. Following government action to stabilise the financial system both in the UK and USA and the specific measures to boost MS's capital the Directors believe that counterparty risk is reduced but nonetheless continue to restrict the Company's borrowings from MSI.

#### Valuation of financial instruments

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements. Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

- Level 1 – valued using quoted prices unadjusted in active markets for identical assets or liabilities.
- Level 2 – valued by reference to valuation techniques using observable inputs for the asset or liability other than quoted prices included within Level 1.
- Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data for the asset or liability.

The table below sets out fair value measurements of financial instruments as at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised.

#### Financial assets at fair value through profit or loss at 31 March 2010

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	32,242	–	3,278	35,520
Fixed interest investments	3,030	–	–	3,030
Forward currency contract	–	4,148	–	4,148
	<u>35,272</u>	<u>4,148</u>	<u>3,278</u>	<u>42,698</u>

#### Financial liabilities at fair value through profit or loss at 31 March 2010

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Forward currency contract	–	(4,206)	–	(4,206)
	<u>–</u>	<u>(4,206)</u>	<u>–</u>	<u>(4,206)</u>

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## 18 Financial instruments and capital disclosures continued

The valuation techniques used by the Company are explained in the accounting policies note on page 29.

The valuation of the investment in Lindsell Train Limited is based upon a formula which takes into account the funds under management and the moving average of its monthly earnings. If the value of funds under management changes by 10% with unchanged earnings, this will impact the valuation of the investment by 4.8%. If funds under management are unchanged and earnings change by 10%, the impact on the valuation of the investment would be 5.2%. If both the value of funds under management and earnings change by 10% then the impact to the valuation of the investment would be 10%.

There have been no transfers during the year between Levels 1 and 2. A reconciliation of fair value measurements in Level 3 is set out below.

### Level 3 Financial assets at fair value through profit or loss at 31 March 2010

	<b>£'000</b>
Opening fair value	<b>1,872</b>
Purchases at cost	–
Sales proceeds	–
Total gains or losses included in gains on investments in the Income Statement	
– on sold assets	–
– on assets held at the end of the year	<b>1,406</b>
<b>Closing fair value</b>	<b><u>3,278</u></b>

### Capital management policies and procedures

The Company's capital management objectives are:

- to ensure that it will be able to continue as a going concern; and
- to maximise long-term total returns subject to the avoidance of loss of absolute value

through an appropriate balance of equity capital and debt. The policy is that borrowings should amount to no more than 50% of the net asset value (including borrowings) of the Company.

The Board, with the assistance of the Investment Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the level of gearing, which is only used to finance investment in specific assets held by the Company; and
- takes into account the Investment Manager's view on the market.

The Company's objectives, policies and processes for managing capital are unchanged from last year.

The Company is subject to externally imposed capital requirements:

- as a public company, the Company has a minimum share capital of £50,000; and
- in order to be able to pay dividends out of profits available for distribution, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by UK company law.

These requirements are unchanged since last year and the Company has complied with them at all times.

The Company intends to renew its authority to repurchase shares at a discount to net asset value in order to enhance value for Shareholders.

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Notes to the Financial Statements *continued*

### 19 Guarantees, financial commitments and contingent liabilities

In June 2007 the European Court of Justice ruled that investment management fees should be exempt from VAT, and in early November HM Revenue & Customs decided not to contest that ruling. The Board had ensured that appropriate steps were taken to reclaim Back VAT and, following the decision by HM Revenue & Customs, will be quantifying those claims and their impact on the management contract with Lindsell Train Limited. Any Back VAT reclaimed is unlikely to have a material impact on the Net Asset Value and, as the time frame for recovery is still uncertain, no Back VAT has been recognised in these financial statements.

There were no financial commitments or contingent liabilities outstanding at the year end (2009: None).

20 Total expense ratios %	2010		2009	
	£'000	%	£'000	%
Total operating expenses	681	2.02	364	1.18
Total operating expenses (excludes performance fee/Directors' bonus)	373	1.10	364	1.18

Total operating expenses exclude £24,000 (2009: £25,000) in respect of management fee waiver (see note 3). The fees of the principal clearing broker and custodian, Morgan Stanley & Co. International plc, are not included in these figures. These fees are currently a margin of 0.1% on deposits and 0.55% on borrowings and a fixed charge on all investment transactions not executed by Morgan Stanley & Co. International plc.

The above total expense ratios are based on the average Shareholders' funds of £33,695,000 (2009: £30,826,000) calculated at the end of each month during the year.

It should be noted that administrative expenses borne by the Lindsell Train funds are excluded from the above.

### 21 Related party disclosure

Lindsell Train Limited acts as Manager of the Company. The amounts paid to the Investment Manager are disclosed in note 3 and further details of the relationship between the Company and the Investment Manager are set out in note 6. Full details of Directors' interests are set out in the Report of the Directors on page 12.

# THE LINSELL TRAIN INVESTMENT TRUST PLC

## Notice of Annual General Meeting

Notice is hereby given that the ninth Annual General Meeting of The Linsell Train Investment Trust Plc will be held at One Queen Anne's Gate, London SW1H 9BT on Thursday 29 July 2010 at 4.00 pm for the following purposes:

### Ordinary business

1. To receive the Accounts and Reports of the Directors and the Auditor for the year ended 31 March 2010;
2. To approve the Directors' Remuneration Report for the year ended 31 March 2010;
3. To re-elect Mr Rhoderick Swire as a Director of the Company;
4. To re-elect Mr Michael Mackenzie as a Director of the Company;
5. To re-elect Mr Michael Linsell as a Director of the Company;
6. To re-elect Mr Donald Adamson as a Director of the Company;
7. To re-appoint Grant Thornton UK LLP as Auditor to the Company and authorise the Directors to determine the Auditor's remuneration;

### Special business

To consider and, if thought fit, pass resolutions 8 and 9 as Special Resolutions:

8. THAT the Company be and is hereby generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary Shares of 75p each ("Ordinary Shares") in the capital of the Company provided that:
  - a. the maximum number of Ordinary Shares hereby authorised to be purchased shall be 29,999;
  - b. the minimum price which may be paid for an Ordinary Share shall be 75p;
  - c. the maximum price (excluding expenses) which may be paid for an Ordinary Share shall be the higher of (a) 5% above the average of the mid market values for the Ordinary Shares in the Stock Exchange Daily Official List for the five business days immediately preceding the date of the purchase and (b) the higher of the last independent trade and highest independent bid;
  - d. any purchase of Ordinary Shares will be made in the market for cash at prices below the then prevailing Net Asset Value per Ordinary Share;
  - e. any shares so purchased shall be cancelled unless the Directors otherwise determine that they shall be held in Treasury and treated as Treasury Shares; and
  - f. unless renewed, such authority hereby conferred shall expire at the end of the next following Annual General Meeting of the Company to be held after the passing of this resolution, or if earlier, the date fifteen months from the passing of the resolution, save that the Company may, prior to such expiry, enter into contract(s) to purchase shares which will or may be completed or executed wholly or partly after such expiry.
9. THAT the Directors be and are hereby generally and unconditionally authorised in accordance with Section 573 of the Companies Act 2006 ("Act") to sell and/or transfer Ordinary shares held by the Company in treasury for cash as if Section 561 of the Act did not apply to such sale or transfer, provided that the authority hereby granted shall expire at the earlier of the conclusion of the next following Annual General Meeting of the

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Notice of Annual General Meeting continued

Company or the date fifteen months after the passing of this resolution, save that the Directors may before such expiry enter into offer(s) or agreement(s) which may or shall require Ordinary shares held in treasury to be sold or transferred after such expiry and the Directors shall be entitled to sell or transfer Ordinary shares pursuant to such offer(s) or agreement(s) as if the authority hereby granted had not so expired.

Dated this 14th day of June 2010

By order of the Board

**Phoenix Administration Services Limited**

Secretary

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Notes

- (i) This Report & Accounts is sent to holders of Ordinary shares, all of whom are entitled to attend, speak and vote at the above Annual General Meeting ("AGM").
- (ii) Members entitled to attend and vote at the AGM are also entitled to appoint one or more proxies to exercise all or any of their rights to attend and speak and vote on their behalf. Where multiple proxies are appointed they must be appointed to exercise the rights in relation to different Ordinary shares. Proxies need not be members of the Company.
- (iii) A form of proxy is sent to members with the Report & Accounts. To be valid the form of proxy and any power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of that power of attorney or authority) must be sent to the Company's registrar – Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU – so as to arrive no later than 4:00 pm on 27 July 2010. Where multiple proxies are being appointed the form of proxy should be copied and a separate one completed for each proxy identifying, that the form of proxy is a multiple form and the different Ordinary shares that each proxy represents. Completion and return of form(s) of proxy will not preclude a member from attending, speaking and voting in person at the AGM.
- (iv) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting 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.
- (v) In order for a proxy appointment 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 & Ireland Limited's ("EUI") 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 Capita Registrars (ID: RA10) by 4:00 pm on 27 July 2010. In this respect the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message in the manner prescribed by CREST.
- (vi) CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by the particular time the CREST member requires.
- (vii) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- (viii) A person who is not a member of the Company and receives this notice of meeting as a person nominated by a member to enjoy information rights under Section 146 of the Companies Act 2006 ("Act") does not have a right to appoint proxies. However, if a nominated person has an agreement with the member who nominated them, the nominated person may have a right to be appointed as a proxy or a right to instruct the member as to the exercise of voting rights at the AGM.
- (ix) Shareholders entered on the Register of Members of the Company at the close of business on 27 July 2010, or close of business on the day two days prior to the time of an adjourned meeting, shall be entitled to attend and vote at the AGM. Any changes to the Register of Members after such dates shall be disregarded in determining the rights of any shareholders to attend and vote at the AGM.
- (x) Under Section 319(A) of the Act, the Company must cause to be answered any question relating to the business being dealt with at the AGM put by a member attending the AGM unless answering the question would interfere unduly with the preparation for the meeting, would involve the disclosure of confidential information, an answer has already been given on a website, or is undesirable in the interests of the Company or the good order of the AGM.
- (xi) Members may not use any electronic address provided in this notice or any related document(s) to communicate with the Company for any purpose other than as specifically stated.
- (xii) As at 14 June 2010, the latest practicable date prior to the publication of this notice, the Company's issued share capital comprised 200,000 Ordinary shares of 75p each, of which none are held in treasury. Each Ordinary share carries a right to one vote at general meetings of the Company and accordingly the total number of voting rights in the Company as at 14 June 2010 is 200,000.

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Notice of Annual General Meeting *continued*

- (xiii) Information regarding the AGM, including the information required by Section 311A of the Act, can be found on the Company's web-pages by following the appropriate links at [www.lindselltrain.com](http://www.lindselltrain.com).
- (xiv) No Director has a service agreement with the Company. Directors' letters of appointment will be available for inspection at the AGM venue from 15 minutes before the time for the meeting until conclusion of the meeting.
- (xv) Member(s) have a right in accordance with Section 388 of the Act to require the Company to give to members of the Company entitled to receive the above notice of meeting, notice of any resolution which they may properly move at the meeting. Under Section 338A of the Act member(s) may request the Company to include in the business to be dealt with at the meeting any matter, other than a proposed resolution, which may be properly included in that business.
- (xvi) Members may require the Company, under Section 527 of the Act, to publish on a website a statement setting out any matter relating to the audit of the Company's Accounts being laid before the meeting, including the auditor's report and the conduct of the audit at the Company's expense. Where the Company is required to place such a statement on a website it must forward the statement to the Company's auditor not later than the time it makes the statement available on that website, and include the statement in the business to be dealt with at the meeting.

# THE LINDSELL TRAIN INVESTMENT TRUST PLC

## Company Information

### Directors

Rhoderick Swire (Chairman)  
Donald Adamson  
Dominic Caldecott  
Michael Lindsell  
Michael Mackenzie

### Investment Manager

Lindsell Train Limited  
5th Floor  
2 Queen Anne's Gate Buildings  
Dartmouth Street  
London  
SW1H 9BP  
Tel: 020 7227 8200

### Company Secretary and Registered Office

Phoenix Administration Services Limited  
Springfield Lodge  
Colchester Road  
Chelmsford  
Essex  
CM2 5PW  
Tel: 01245 398950  
www.phoenixfundservices.com  
email: pfsinfo@phoenixfundservices.com

### Registrars

Capita Registrars  
Northern House  
Woodsome Park  
Fenay Bridge  
Huddersfield  
West Yorkshire  
HD8 0GA  
Tel: 0871 664 0300  
*Calls cost 10p per minute plus  
network extras (from outside the  
UK: +44 208 639 3399)*

### Solicitors

Dechert  
160 Queen Victoria Street  
London  
EC4V 4QQ

### Auditor

Grant Thornton UK LLP  
30 Finsbury Square  
London  
EC2P 2YU

### Brokers

JPMorgan Cazenove plc  
20 Moorgate  
London  
EC2R 6DA

### Custodian

Morgan Stanley & Co. International  
25 Cabot Square  
London  
E14 4QA

### Shareholder relations

The Company's share price for Ordinary Shares is listed daily in the Financial Times.

For further information visit: [www.lindselltrain.com](http://www.lindselltrain.com) and follow the links.

### Individual Savings Account ('ISA')

The Company's shares are eligible to be held in an ISA account subject to HM Revenue & Customs' limits.

Registered in England, No: 4119429

**Company Secretary and Registered Office**

Phoenix Administration Services Limited

Springfield Lodge

Colchester Road

Chelmsford

Essex CM2 5PW

Tel: 01245 398950

Fax: 01245 398951

[www.phoenixfundservices.com](http://www.phoenixfundservices.com)

The Lindsell Train Investment Trust plc

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